



Yovani Baez-Rose
Assistant City Manager/DPD Director

Camilo Espitia
Deputy Director

MEMORANDUM

TO: Thomas A. Golden, Jr., City Manager 

FROM: Yovani Baez-Rose, Assistant City Manager/DPD Director

CC: Phil Ferreira, Housing Manager
George Coulouras, Asset Manager

SUBJECT: MOTION RESPONSE: 6/13/23 – Councilor Robinson - Request City Manager Have The Proper Departments Explore The Feasibility Of Implementing A “Right To First Refusal Program: With Intent To Preserve Affordable Housing.

The City of Salem, MA recently adopted a Right to First Refusal Program, the program is an effort by the city to “shape the future of multi-family housing.” Under this program the City of Salem is offering a one-time payment of \$1,000 to multi-unit residential property owners in return for a right of first refusal on their property. The city is utilizing ARPA funding to implement this new program¹. In many communities across the Commonwealth there are multi-family buildings that have been owned by the same owner for many years. Owners with long-term tenants are often providing more affordable rental rates than new construction units, even when these units do not have a formal affordability restriction in place. Communities, like Salem, utilize a right of first refusal to work with affordable housing entities to acquire properties to limit the rental rate increase. This benefits communities by continuing to provide affordable housing options for residents and benefits tenants who are not forced out by dramatic rental rate increases.

For Lowell to consider implementing this program locally, City officials would need to identify a source of funding to pay for the one-time payments to property owners. Additional funding would need to be identified for the outreach necessary to reach property owners (direct mailings), and a staff person to manage this program would also need to be identified, the city’s Asset Manager, may be able to play this role. DPD’s Housing Manager can also assist connecting with affordable housing developers in the city once a building is on the market for sale and the city acts upon it’s right of first refusal.

In Salem, the city sent a direct mailing to 2000 multi-family property owners in the city with an application and information about the program, 21 property owners responded to the mailing and the city is currently reviewing those applications. If all applicants are accepted the city would be utilizing

¹ Right of First Refusal Program | salemma

\$21,000 in ARPA funds for this program. All chapter 30B regulations for the acquisition of property would still be applicable.

If the City is considering adopting this, or a similar program, DPD staff would recommend working with the city Assessor's office to establish parameters for the types of buildings and property owners we would be targeting for this program. For example, the city may want to limit participation in this program to properties of more than two units, but less than 20. DPD's Asset Manager will research what other communities have implemented to see if there are best practices that may be adopted locally.

YBR