H.4314, An Act Regulating Short-Term Rentals

This bill creates a three-tiered state tax on short-term rentals and gives cities and towns the option of establishing a local excise tax. Because short-term rentals directly impact the availability of much-needed year-round rentals, the bill directs 50% of local revenue collected through this measure to infrastructure and affordable housing needs. Additionally, state revenue collected under this bill should be used to create and preserve affordable housing.

**PLEASE SUPPORT AMENDMENTS #20 AND #21 TO PRESERVE AFFORDABLE HOUSING AND ADVANCE COMMUNITY DEVELOPMENT**

**Amendment #21: Preservation of 13A Affordable Housing**
SPONSORED BY REP. KEVIN HONAN

- Pairs new revenue from short-term rentals excise with an increase to the State Low-Income Housing Tax Credit.
- Authorizes Dept. of Housing and Community Development to distribute additional $5 million in tax credits to projects that preserve an expiring use 13A development.
  - The credit sunsets in 2020, which is the latest date for mortgages to mature under the 13A affordable housing program
- There are 2,875 units in 43 developments that are at risk of losing affordability.
- The cost of authorizing an additional $5 million in Low-Income Housing Tax Credits would be ~$25 million per year.

**Amendment #20: Local Revenue for Affordable Housing Programs**
SPONSORED BY REP. KEVIN HONAN

- Requires that not less than 25% of local revenue be spent on low and moderate income housing programs.
- Creates definitions for “Low-Income Housing” and “Moderate-Income Housing” (based on the definition of “affordable housing” in the Chapter 40R Smart Growth and Housing Production statute).
- Provides a definition for what types of affordable housing programs could be funded with local revenue (definition adapted from the Community Preservation Act).
  - Allows for production and preservation of affordable housing
  - Allows for direct assistance to families and individuals that qualify for affordable housing
- Clarifies that local revenue may be deposited into a municipal affordable housing trust fund or other local program that provides for low and moderate income housing programs.

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