

Small Town Housing Work Group

June 30, 2022 Meeting

5:30 – 7:00 pm



Agenda

Time	Agenda Item	Presenter
5:30 pm	1. Introductions	Group
5:40 pm	2. Housing News, Announcements, and Community Updates	Group
6:00 pm	3. Summary of short term rentals in Franklin County towns 2019-2022, trends and local option tax.	Andrea Donlon (FRCOG)
6:30 pm	4. Informal assessment of this small town housing working group into the future – what has worked well, what could be done better, future meeting topics/structure	Facilitated by Andrea Donlon (FRCOG) and Alyssa Larose (FCRHRA/RDI)
6:45 pm	5. Upcoming Meetings: Schedule, Agenda	Group
7:00 pm (or earlier)	6. Adjourn	Group

News, Announcements, and Updates

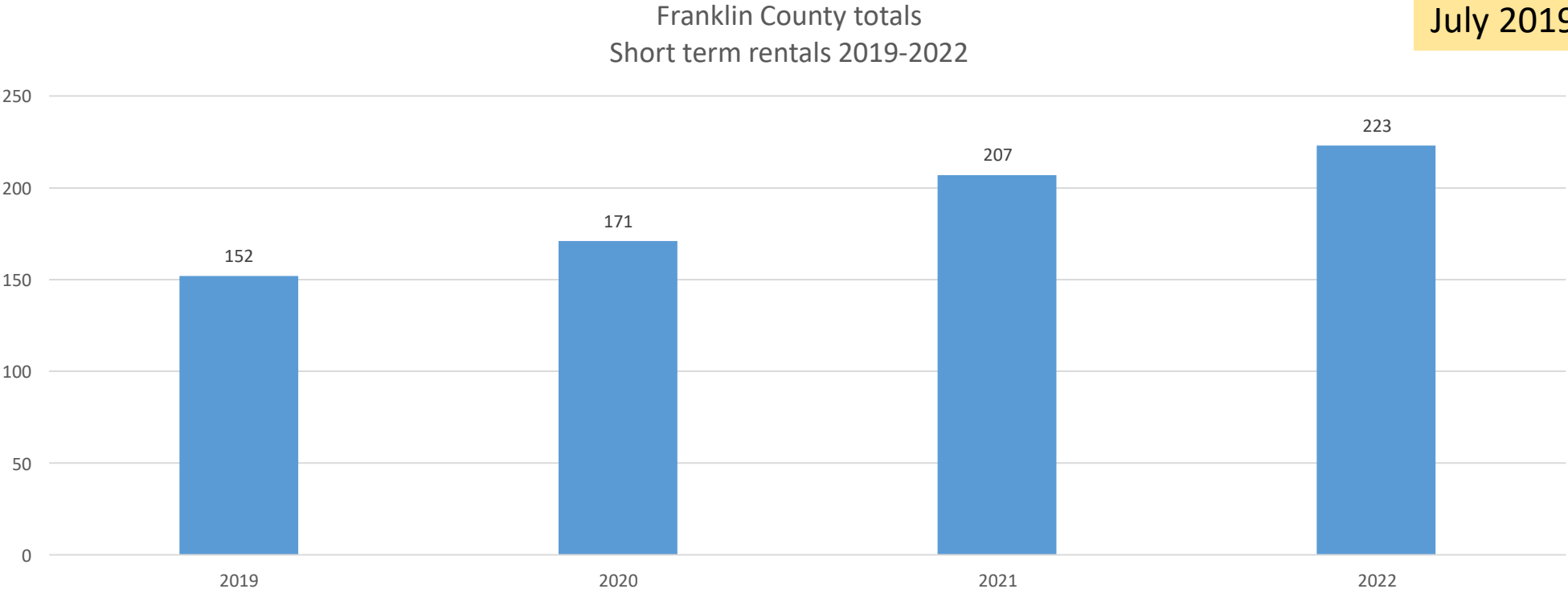
Community Updates

- Franklin County Community Land Trust – Judith Atkins
- Montague Master Plan survey <https://www.surveymonkey.com/r/montague5>, or in Spanish (<https://www.surveymonkey.com/r/montagueencuesta>)
- Legislative updates?

Announcements from RDI/HRA

- Sanderson Place Senior Housing
- MHP Complete Neighborhoods Initiative
- MA Healthy Communities and Healthy Aging funds – RDI grant application

Short term rentals in Franklin County



47% increase between
July 2019 and April 2022

Data source: Massachusetts Dept. of Revenue, Division of Local Services' Municipal Data Bank.

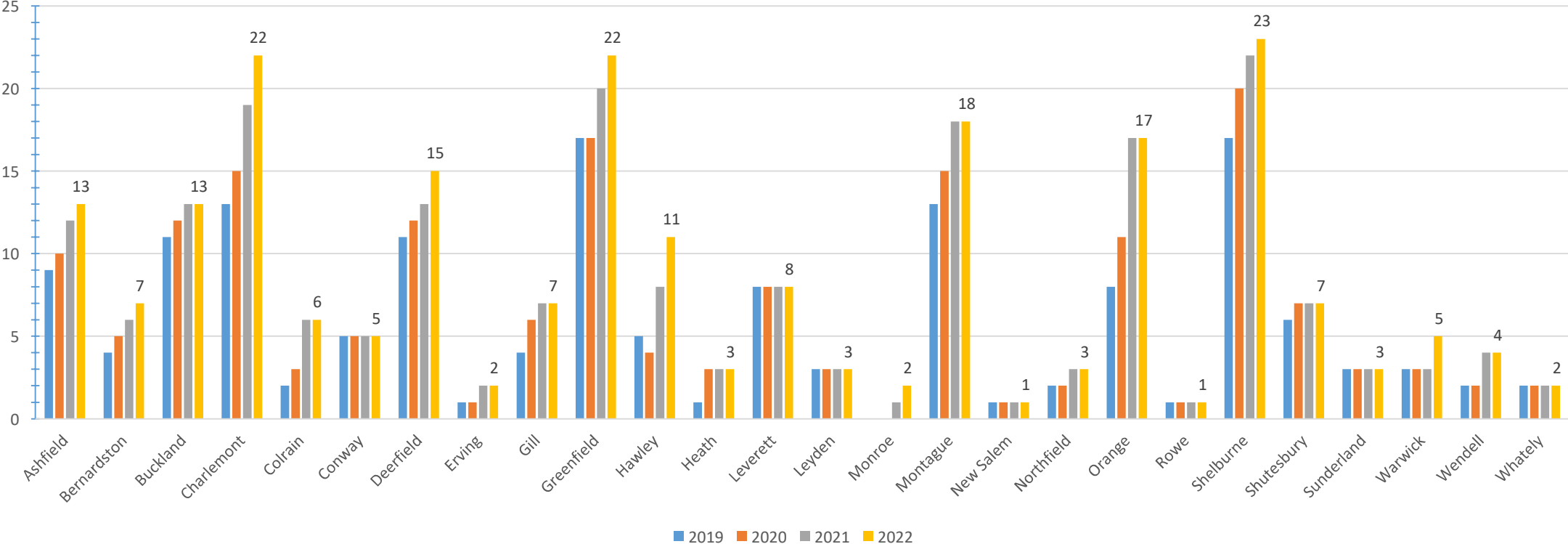
A short-term rental is an occupied property that is not a hotel, motel, lodging house, or bed and breakfast establishment, where at least one room or unit is rented out by an operator through the use of advance reservations.

MA started requiring STRs to register with the state and start paying state taxes in 2019. Data for 2022 is as of April 15.

Short term rentals in Franklin County

44% are in West County towns, and 31% are in towns abutting CT River

Short-term rentals in Franklin County, MA
2019-2022 (as of April 2022)



How much are STRs impacting housing?

We don't know exactly, but here's a guess using an assumption that may be a stretch

TOWN	% of housing units used as STRs*	TOWN	% of housing units used as STRs*
Ashfield	1.5%	Leyden	0.9%
Bernardston	0.7%	Monroe	2.5%
Buckland	1.4%	Montague	0.4%
Charlemont	3.4%	New Salem	0.2%
Colrain	0.8%	Northfield	0.2%
Conway	0.6%	Orange	0.5%
Deerfield	0.7%	Rowe	0.4%
Erving	0.3%	Shelburne	2.3%
Gill	1.0%	Shutesbury	0.8%
Greenfield	0.3%	Sunderland	0.2%
Hawley	5.9%	Warwick	1.2%
Heath	0.5%	Wendell	0.9%
Leverett	1.0%	Whately	0.3%

Franklin County overall = $223/34,345 = 0.6\%^*$

Franklin County has a current housing gap of roughly 1,232 housing units (**4%** of current total housing units), according to the *Greater Springfield Regional Housing Analysis* (UMASS Donohue Institute, 2021).

* If you assume each short term rental is a housing unit, which is not always the case.

Note: Hawley has a set of seasonal rental cabins that skews the %.

Income for towns

The Acts of 2018, Chapter 337 taxed short-term rentals like any other lodging at the state level

- Also allowed a city or town to impose a local excise tax of not more than 6% for the transfer of occupancy of B&B's, hotels, motels, lodging houses, and short-term rentals.
- 15 out of 26 towns in Franklin County have opted to impose a local tax
- Law doesn't specify how towns use that money

Lodging taxes: revenue for towns

Totals July, 2019 to March, 2022 – state sends \$ to towns quarterly

Municipality	Current room tax rate (% of nightly charge)	July 2019-March 2022 Totals
Ashfield		\$ -
Bernardston	6%	\$ 56,614
Buckland	6%	\$ 22,516
Charlemont	6%	\$ 100,426
Colrain	6%	\$ 22,398
Conway	6%	\$ 4,623
Deerfield	6%	\$ 483,446
Erving		\$ -
Gill	6%	\$ 6,960
Greenfield	6%	\$ 581,335
Hawley		\$ -
Heath		\$ -
Leverett	6%	\$ 3,406

Municipality	Current room tax rate (% of nightly charge)	July 2019-March 2022 Totals
Leyden	3%	\$ 1,286
Monroe		\$ -
Montague		\$ -
New Salem		\$ -
Northfield		\$ -
Orange	6%	\$ 66,874
Rowe		\$ -
Shelburne	6%	\$ 50,966
Shutesbury	6%	\$ 4,286
Sunderland	6%	\$ 13,159
Warwick		\$ -
Wendell		\$ -
Whately	6%	\$ 18,116

\$1.42M to town budgets during this period

These are tax revenues from **hotels, motels, and bed and breakfasts as well as short term rentals**. The state does NOT break out lodging types in the revenue data.

Community Impact Fee option

- A city or town that imposes a local excise tax can also vote to impose a “community impact fee” of up to 3% for each transfer of occupancy of
 - A “professionally managed” unit (one of 2+ STR units that are located in the same city or town, operated by the same operator, and are not located in a single, 2-family, or 3-family dwelling that includes the operator’s primary residence).
- A city or town that votes to levy the community impact fee above can also separately vote to impose a “community impact fee” of up to 3% for each transfer of occupancy of
 - A 2- or 3-family dwelling that includes an operator’s primary dwelling
- A town shall dedicate **not less than 35%** of the community impact fees to **affordable housing** or local infrastructure projects.
- In Franklin County, only Leverett has opted for both of these. It’s a tiny amount (<\$200/year). Compare that to Northampton (\$25-30K/yr).

Thoughts on future of Small Town Housing Working Group

- What has worked well/not well
- Who else should be included in these meetings?
- Future meeting topics
- Future meeting structure
- Meeting time/frequency
- Continue in remote format?



Trainings and Events

- MHP Housing Institute recorded sessions from June 7 & 8, 2022:
<https://www.mhp.net/news/2022/save-the-date-mhp-housing-institute>
- CHAPA Affordable Housing 101 monthly sessions (3rd Tuesday of each month; next one is July 19; they skip August): <https://www.chapa.org/events/affordable-housing-101-july-session>
- CHAPA Confronting the History of Housing Discrimination: offered on the 4th Tuesday of every other month (next one is July 26), 6:30-8:00 PM <https://www.chapa.org/events/confronting-the-history-of-housing-discrimination-with-jalsa-2>
- CHAPA Tools for Increasing Housing Production Virtual Conference, to be held on Thursday, September 15, 3:00-4:30 pm: <https://www.chapa.org/events/tools-for-increasing-housing-production-virtual-conference>