



Housing Committee Town of Chilmark

To: Select Board
From: Chilmark Housing Committee
Date: July 3, 2023

Dear Select Board,

The Chilmark Housing Committee is asking for your consideration to include a warrant article for the Special Town Meeting in the fall 2023.

We are recommending to raise the room occupancy excise from the current 4% to 6% with the endorsement of up to \$200,000 to be allocated to the Molly Flender Affordable Housing Trust (MFAHT) to support affordable and community housing in the Town.

Currently, the rate in Tisbury, Oak Bluffs and West Tisbury is 6%. In May 2023, Aquinnah voted to increase their excise tax from 4% to 6%. Edgartown is currently considering the increase to support the need for more flexible income streams while it is pursuing several projects (e.g., employee housing, buy-down program, ADU incentives).

Please consider the following:

- This increase does not affect the taxpayer in Chilmark, nor will the percentage increase affect the 4% revenue the Town is currently receiving for the General Fund. There is a recommended cap in dollar amount to be contributed to the MFAHT, not a percentage amount.
- Given the increasing need and costs of affordable/community housing, the 6% room occupancy excise is an important and available tool for annual revenue.
- Laura Silber, MVC, did provide information from the Cape Cod & Islands Association for Realtors that shows no discernable difference in bookings for towns with 4% vs. 6% Rooms Tax rate.
- The increase to 6% will also indicate to the State Legislature that Chilmark, along with other towns on the Island, are using every tool possible for revenue for affordable/community housing as the Legislature considers the transfer fee (Housing Bank).

The Housing Committee asks that the Select Board support increasing the room occupancy excise to 6%. We feel it is critical to use all available sources to fund affordable/community housing. Thank you for your consideration.

Sincerely,

The Chilmark Housing Committee

Jim Feiner – Chairman
Ann Wallace
Allison Cameron Parry
Nettie Kent Ruel
Bill Rossi

Attached: Room Tax Revenue FY 2023 Chart

The chart shows the 4% revenue for Chilmark in 2019 of \$55,286. In 2022 with the addition of the short-term rental tax the 4% revenue for Chilmark was \$458,990.