



The Massachusetts Historic Rehabilitation Tax Credit Program 2022

Program Background

- MHRTC conceived by Preservation Massachusetts and the Preservation Coalition in 2002
- Created as **pilot program** in Economic Stimulus Legislation in **2003**
- Administered by the Massachusetts Historical Commission (www.sec.state.ma.us/mhc)
- Certificate program: can be sold to a 3rd party without risk of recapture or need to enter into partnership
- **25%** of allocated credits must go to affordable housing projects
- With our leadership and working with (former) Senate President Harriet Chandler, the MHRTC was included in a **Senate Housing Bond Bill in 2018, and received a cap increase of \$5 million.**
- Currently annual allocation **cap at \$55 million** with a program **sunset extended to 2027**
- Legislative strategy in 2022 will seek a **\$10 million increase** in the annual cap to enable the program to meet the demand and bring investment to Massachusetts communities.

MHRTC Impact

- Through calendar year 2020, over **\$884 million** in credits have been awarded and **\$592,982,612** in credits have issued by MA DOR.*
- Assisted in creation of **16,500 housing units, 9,287 deemed affordable** and projected to create **40,000 temporary jobs** and **14,000 permanent jobs** **
- MHRTC has generated over **\$2 billion** in private investment
- **But for the MHRTC program, none of these projects would have happened.**
- **View an interactive map of 2019 MHRTC projects** at: <https://drive.google.com/open?id=1o-6NYFkRlyjveBewZg500MSgtBMBQgp6&usp=sharing>

The Ask: Increase the Cap and Program Impact

- **An increase to the annual MHRTC cap to: \$65 million**
 - aid with increased demands on program (estimated outstanding demand after August 2021 application round was **over \$242 million**)
 - offset reduction of the federal **Historic Tax Credit (HTC)** after tax reform
- **Over 75%** of MHRTC projects use the federal HTC.
- There is an opportunity now for the state to step up to allow impactful projects and investment to continue by increasing the cap
- There is an opportunity to bring **additional credits/funds** to the table and make sure our Massachusetts program does not take a step back like the federal program
- Program is critical to **affordable housing** and **Gateway Cities communities**
- The program is a win-win for the state, bringing in more money that it costs

**Through end of calendar year 2019 per DOR Tax Credit Transparency Reports.*

*** Through calendar year 2016, data from the Massachusetts Historical Commission.*