



# TOWN OF OAK BLUFFS

Post Office Box 1327 • Oak Bluffs, MA 02557  
Telephone 508-693-3554 • Fax 508-696-7736

## Board of Selectmen

Gail M. Barmakian, *Chairman*  
Jason Balboni  
Gregory A. Coogan  
Brian C. Packish  
Michael J. Santoro

February 20, 2019

Representative Dylan Fernandes  
State House  
24 Beacon Street, Room 236  
Boston, MA 02133



Robert L. Whritenour, Jr.  
*Town Administrator*

Dear Representative Fernandes,

The Board of Selectmen of the Town of Oak Bluffs wishes to express its strong opposition to the proposed plan by the Martha's Vineyard Housing Bank Campaign to take revenues from the Towns derived from local hotel, motel and short-term rental excise taxes to the funding of bank for (affordable) housing development. As you know, our community continues to struggle to fund core local services within the limitations of Proposition 2 ½. We have repeatedly been required to seek overrides for fundamental services such as education, health and senior services, public safety and all of our primary services as well as for every capital project. Due to a number of factors at both the State and local level, our local services are stressed. Despite our low per capita income, we receive a grossly disproportional share of State Aid net of charges, and our limitation on raising revenues has caused reliance on the property tax, with over 80% of our budget coming from this one source. With our relatively low income, the regressive property tax takes a higher percentage of the income of our lower income residents, many of whom are struggling to keep their homes.

In recent years the Town has engaged in extensive financial planning which has indicated a strong need to develop more robust non-property tax revenues to help meet the high cost of service delivery in our Island community. In addition to a regional education system that is unable to keep annual budget growth within the limits of the Proposition 2 ½, partly due to a disproportional share of State Aid, the Town faces significant capital needs that will place additional pressure on our property taxes moving forward. These include major elementary school renovations, major high school renovations, wastewater expansion and environmental remediation, and repairing a crumbling coastal infrastructure. Additionally, we face an unfunded liability of over \$30 million for future OPEB benefits for retirees. For these reasons, the Town is anticipating the expansion of the hotel-motel excise to short-term rentals to alleviate some of the burden of existing needs and the pressures it has on taxpayers.

The MV Housing Bank campaign seeks to take 50% of all revenues slotted for the Towns by the Commonwealth not only from short-term rentals, but also from all existing collections for hotel and motel excise taxes, which equates to an automatic \$300,000 loss of revenue as well as a loss of an additional \$300,000 to \$500,000 of expected revenue

which the State through the short term rental tax has authorized the Towns to collect. According to the Campaign's own figures, they hope to take \$1,038,718 every year directly from the Town of Oak Bluffs general fund through a combination of existing hotel-motel collections and the extension of this tax to short-term rentals. Their estimates are, at best, questionable, but nonetheless would prove to be an excessive and extreme penalty to our community.

As a Town, we are well aware of the housing issues facing us and our Island as a whole and are committed to meeting those needs. This community has shown leadership by creating and funding an Affordable Housing Trust with a current balance of nearly \$1 million dollars. Local taxpayers annually fund at least \$70,000 for affordable housing through our Community Preservation Program and in Fiscal year 2019 alone have spent \$449,900 through that program dedicated towards providing affordable housing in various ways. We have completed a Housing Needs Assessment which resulted in the development of a Housing Production Plan (HPP) containing detailed goals for our local housing program. This Plan was developed by community engagement and sets forth a detailed analysis of local housing conditions, economic characteristics, community character, resources and capacity. More importantly, it establishes a wide range of strategies to impact housing, not just local government financing. Through this comprehensive planning process, the Town has adopted the goal of supporting the creation of 86 units of low and moderate income (LMI) housing over the next five years. Through a range of strategies which include establishing new zoning to encourage smart growth in our downtown and the private creation of LMI housing, we have already begun to make significant progress toward our goals. With your strong support we have additionally partnered with the Mass Housing Partnership through a competitive application process to the Housing Program to conduct a technical feasibility study for the location of up to sixty units of LMI housing on a Town-owned site. Unfortunately, the Campaign overlooked the Town's plans and neglected to recognize or account for the progress made.

Throughout their brief tenure, those involved in the Campaign failed to officially meet with or even consult with local officials to determine housing needs or strategies. It appears that they maintain a self-appointed, closed committee which has received substantial funding from real estate development interests to pursue funding on a grand scale without any attention to Town needs or input. To pay such a large share of local government dollars to, in essence, an independent organization, in addition to the extensive resources already devoted from our community would be nothing short of irresponsible. It would create additional pressures for development far beyond the capacity of our community to handle and create unfunded service delivery needs we have no hope of meeting.

The Town remains committed to the creation of additional LMI housing in order to meet our documented housing needs in a coordinated and responsible way which is also financially sustainable. As you well know, any type of program in the nature of the Housing Bank as proposed cannot be done in a vacuum. There was no thought given to its unintended impacts, the community's current and immediate needs, or the Town's

well thought out plans and strategies to address housing needs. What it proposes so far (and we do not know the fine detail) will have an immediate and devastating effect on our community. Should funding be taken from local government and development planned without direct local oversight, it would defeat the Town's efforts and careful thought-out plans to smoothly integrate affordable housing in a way which fits in our community. We are hopeful that you will learn of and recognize the Town's efforts and progress towards its goals of meeting the Housing Production Plan as well as the tremendous impact that the proposed Housing Bank will have on our local community. Even ascribing well-meaning motives to the proposal, it is clear that the funding scheme and methods used will be harmful to our community. We hope that you will work with and assist the Board of Selectmen in seeking and implementing solutions to our housing needs that will not create this type of hardship for our community.

Sincerely,  
The Oak Bluffs Board of Selectmen

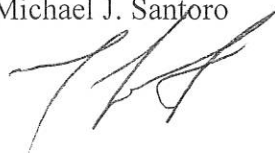
  
Gail M. Barmakian, Chairman

  
Brian Packish, Vice Chairman

Gregory Coogan



Michael J. Santoro



Jason, Balboni



cc: Senator Julian Cyr  
Honorable Boards of Selectmen of the Towns of  
Aquinnah  
Chilmark  
Edgartown  
Tisbury  
West Tisbury