

Minutes of the virtual meeting of the Affordable Housing Committee, Town of Oak Bluffs, held on June 1st 2021 at 5.00pm.

Present:

K. Mark Leonard, Chair
Peter Bradford
Katie Donahue
Garri Saganenko

Absent: (apologies)

Mark W. Crossland
Jim Bishop

Attending:

Maura McGroarty
David Vigneault
Philippe Jordi

1. Call to order

Chair Mark Leonard called the meeting to order at 5pm.

2. Minutes of the last meeting of May 18th 2021

Were proposed for acceptance by Katie Donahue, seconded by Garri Saganenko, and accepted by both and the Chair, with Peter abstaining due to absence.

3. Updates from the AHC Chair

3.1. Noyes building project: we don't have a commercial renter yet and are short of funds to cover running costs and mortgage; Chair had a meeting with TRI, Housing Authority, and Town Administrator; overall, looking at about 9K in expenses with COVID related cleaning; Town will help with reimbursement on cleaning costs; AHC might need to use Housing Trust funds to cover mortgage costs; Chair will keep the Committee informed.

3.2 Our Architect has looked at blueprints and is beginning design work; he will come back to us in about 6 weeks with a proposal for a studio 1 bedroom apartment and we will need to make recommendations then.

3.3 Harbor Homes has purchased a building on New York Ave and has applied for Grant funding of up to about 400,000.00 for construction on the project; when completed it will add some 5 – 6 units of affordable housing; they are working with IHT on a land lease and will perhaps come back to the CPC next year if needed. there may be possible CPC involvement ahead.

4. Southern Tier Project

4.1. Our 3rd and final meeting was held on May 19th with some 40 persons attending; priorities were re-examined, changes adopted; sustainability and developer financing saw increased weight; while current draft was initially headed to the Board Of Selectmen next week, it might wait for a further 2 weeks, in order to max feedback opportunity and get the RFP as accurately as we want it to be before it gets to the BOS.

4.2 The Planning Board will write to the Wastewater Commission and the water district re the project and their responses to it; the Wastewater Commission had sent a letter to Goldson consultants about

wanting to drill a well on AHC's 8 acre site; Chair has spoken with J. Balboni and Ewell about this, since there are other options;

Peter expressed surprise at this as he had heard that the well would be drilled elsewhere; he requested the letter be forwarded to all members; Chair agreed to do so.

Chair noted that while there are some hurdles to be crossed, it is a doable project; going forward, Chair will need 1 member from AHC to serve on the Selection Board to evaluate developers' proposals on site development.

5. The Jessica Lane Project

5.1 Chair briefly reviewed the discussion thus far: the single RFP notion, the Veterans project + 1 other, under a 40B; rentals vs ownership;

5.2 Garri felt that home ownership was not as critical a need as rentals were at the moment;

5.3 Chair noted the HPP's 68 rentals and 10 home owned goals; also clarified to Maura that the Veteran's project would probably be for rentals only;

5.4 Peter mentioned that a ground lease option would not be tied to zoning requirements, and could work for home ownership; we could try for 2 ground leases and RFP them separately;

5.5 Chair wondered about the issue of subdivision in such a case.

5.6 Peter thought that we would just need to have the 40B filed jointly by both involved parties;

5.7 Maura asked whether we were talking about 1 developer doing 2 projects or 2 developers doing one each?

5.8 Peter: we are talking about 2 separate projects, due to the ground lease, so with possibly 2 different Developers, and either 1 or 2 of the 40Bs – but he was not sure of how it would work;

5.9 Chair felt that with 2 RFPs you could have 2 developers; the land lease question would be best resolved by Town Counsel so they could determine what could be done and how that process would work; Peter responded that we could check out process and then go from there.

5.10 Katie raised the issue of the surrounding neighborhood and abutter responses; also about the connecting road to be used - there is a road from Jessica Lane to County Road and how property rights would work out; Chair said it is a town road; Pete flagged it as a town counsel issue as well.

5.11 Chair responded to Maura's earlier question on property frontage – it is 232ft wide and 870ft back; Chair also thanked Katie for the property research and information she had put together and sent out to all; Chair noted that the Committee would pursue the discussion further.

6. Future Initiatives

Chair introduced this aspect by specifying the need to think ahead in affordable housing planning so that we could get started on details and procedural tasks; he invited members present to share their notions and ideas on projects that AHC might pursue;

6.2 Garri noted that there was always a range to be taken into consideration, from the easiest to do that served as an ideal project, to the hardest challenge which often meant starting from scratch; in his view, what was easiest to do required incentivizing the use of existing stock towards rentals, as opposed to the work of new structures;

6.3 Chair shared that he had worked on some informal research about a year and a half ago, and had sent out some 200 letters which asked the following:

- i. are you willing to rent?
- ii. what incentives would be important?

Chair received about 50 responses = about 4% = about 30+ potential participants; would tax breaks be the primary benefit looked for? No. The result - the most important factor was that of caretaking – that renters would take good care of their place. Chair also noted that tenant screening by the Housing Authority is helpful.

6.4 David Vigneault said that better screening = better management, and due to screening exercises on the Vineyard, potential renters did not get to have three chances at getting a rental if their history was not up to par; he also mentioned the tax breaks that Chilmark offers, since such breaks can offset property management costs. Chair noted in response that MV's stats show a 38% home occupancy rate year round, and a 62% vacancy rate for the rest of the owners, who are seasonal or not at all, depending.

6.5 Garri commented on the ongoing reality of owners who were willing to rent out but wanted to retain the use of their property for set periods within the year; seems to be tricky to work around; he also commented on the screening process, and ways of verifying a qualified renter.

6.6 Peter mentioned several realities in this situation:

- a. owners who had bad renter experiences and suffered house damage would not rent again
- b. the stress of damage created by normal wear and tear over any long term rental;
- c. Air B n B asks for a security deposit, even for just a week's use;
- d. housing groups that are buying up bundled units eg a hotel – takes that number of rooms off the market and makes the situation worse

6.7 Chair noted that if the Housing Bank were successful they could have a Landlords's Grant Program that in the case of damages, would provide the funding to get the home fixed. Peter – something like an additional insurance policy to cover damage.

6.8 Peter also shared that he takes care of a house in Oak Bluffs where the owner has renters in the winter and in the summer, but still wants to use the home for set periods of time.

6.9 Chair had also encountered this reality – many who say they would love to rent but just need their home for a few weeks per year.

6.10 Katie commented on year-round rentals that are positive and are out there, but are quiet and not posting;

6.11 Peter responded that such renters are the careful ones. They rent out, and have no issues. Peter shared the issue of the negative J1 student renter that became a must to avoid.

6.12 Garri also mentioned the need for a resource that would provide for the homeowner and that would reduce the risk of costly damages; he noted that with Air B n B, there were high security deposits, and if damage occurred, the homeowner had institutional recourse.

6.13 David noted that with owner occupied Air B n B the owner needs to be on site, and not out of town; what is needed is co-ordination and oversight with Town involvement to balance the scale; he also shared his own experience of living kitty-corner to a few Air B n B home owned units which had had police calls.

6.14 Peter noted that year round rentals vs commercial tax for homes used as an Air B n B - if thought of as a primary core, could be taxed at commercial rates;

6.15 Maura asked about a short-term rental tax on Air B n b type rentals

6.16 Chair responded that this would depend on duration and registration

6.17 Peter mentioned Harbor Homes as an example of multiple residential unit availability; get homes with more than 2 bedrooms and put them on the market

6.18 Chair thought this a notion that could be developed - partner with a non-profit and make rentals available; Chair also noted, in closing the discussion, that it would be continued so that priorities could be narrowed down.

7. Member Updates

Garri: might be away for the next meeting

8. Public Comment

David: Kudos to AHC for widening its view; also shared his webinar comment about planning over a 10-15 year span.

Chair shared in closing that Mark Crossland had signed off on the 24 acres, so that parcel now comes to AHC for development.

9. Adjournment

There being no other business, Chair looked to adjournment; subsequently proposed by Peter Bradford and seconded by Garri Saganenko and approved by all members present. Chair Mark Leonard declared the meeting adjourned.

R George Eli
Secretary, Affordable Housing Committee
Town of Oak Bluffs