

**Town of Oak Bluffs
Finance and Advisory Committee
& All Island Finance Committee
Wednesday, June 22, 2017, 5:00 PM
Oak Bluffs Library Conference Room**

Present: Chair - Jason Balboni, Bill McGrath*, Maura McGroarty, Bill Vrooman,
Richard Weiss,

Absent: Steve Auerbach, Bob Gaffey, Herbert Kiehn, Mike Taus,

Edg. FinCom: Paul DeOliveira*

Tis. FinCom: Chair Jeff Kristal*, Mary Ellen Larsen*,

WT FinCom: Doug Ruskin,

Town Planning Bd – Ewell Hopkins,

Others: DCRHA: Exec. Dir. David Vigneault, Dir. Richard Skidmore,
Co-Chairs Harvey Beth & Ann Wallace, Treasurer – Dan Seidman,
Administrator – Terri Keach,
IHT – Exec. Dir. Philippe Jordi,
Recorder Marni Lipke

* Late arrivals or early departures,

Call to Order

• The Oak Bluffs Finance and Advisory Committee (FinCom) and All Island Finance Committee (AIFC) were called to order at 5:12PM. There was a quorum of the OB FinCom. *(Recorder's Note: Discussions have been summarized and grouped for clarity and brevity.)*

• Updates (See documents on file & below: Meetings/Events.)

The Subcommittee had set up agendas as follows:

- August: schools, unified tax rate & state policy;
- September: working more closely with Community Preservation Committees on a smoother process and regional project issues;
- October: non-profit entities and Town funding issues (needs long notice to non-profits);
- November: regional entities (needs long notice to regional representatives);
- December: promoting voter education, and Other Post Employee Benefits (OPEB) policy;
- March: review the year and plan for the future.

Members liked the groupings and discussed the schedule in terms of budget calendars and Town Meetings.

- It was agreed that meetings would be at 5:00PM the fourth Thursday of each month.
- Meeting host rotation was established (see below: Meetings/Events).

• Approve Minutes

• BILL VROOMAN MOVED TO APPROVE THE MAY 16, 2017 ALL ISLAND FINCOM NOTES; BILL MCGRATH SECONDED; MOTION PASSED: 7 AYES, 0 NAYS, 1 ABSTENTION—DOUG RUSKIN.

• Presentation by David Vigneault (See documents on file.)

Mr. Vigneault introduced the Dukes County Regional Housing Authority (DCRHA) staff, and Board members as well as Island Housing Trust Executive Director Philippe Jordi. He then gave an overview of DCRHA history.

- The State Legislated Charter was established in response to the increasing housing crisis in 1985-6 (coinciding with the shift from U.S. Dept. of Housing and Urban Development (HUD) to private funding) and included eight directors: one from each of the six Island Towns, a Governor's appointee and one from Gosnold—now an at-large member.

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- The first years were minimally funded and focused on codifying resident homesites, youth lots, and transfers from Towns to DCRHA to monitor and assign affordability. However the buildings failed generate enough to fund themselves and DCRHA administrative costs.
- Island factors impacted eligibility for State and Federal funding which targeted high density, low income urban projects:
 - Vineyard consensus to preserve the Island character through scattered site, low density affordable housing; and
 - a 2005 covenant that deed restricted and affordable or workforce housing on Martha's Vineyard and Nantucket could be up to 150% Average Median Income (AMI).
- Another Island goal was affordable ownership but it was increasingly acknowledged that rentals were needed not only to keep people in place but also because many that met affordable guidelines could not bank qualify for mortgages.
- An affordable housing forum in 2000 was a watershed that produced:
 - an agreement to raise private funding (Island Affordable Housing Fund);
 - an agreement to gradually transition to proportionate Town funding of DCRHA staff and legal expenses;
 - the Morgan Woods mixed housing complex in Edgartown.
- Rental Assistance was now 100% Town Community Preservation funded.
- Once the Towns started paying the staff budget, rental income could be plowed back into housing by subsidized purchase and rehabilitation, and by management of DCRHA owned and non-DCRHA-owned affordable properties. Along with Island Housing Trust (IHT) and Community Development Block Grants (CDBG) DCRHA had increased both owned and rented affordable units (e.g. Noyes, Middle Lane, Sepiesa, and the coming Kuehn's Way). The three and a half staff now oversaw more than 85 units on 13 properties; administered rental assistance for 70 households, and continued to assist Towns with development and management of affordable housing projects and bylaws.
 - In deference to six town budgets and pressures, the staff budget was kept to a Cost of Living Adjustment (COLA) salary increase (determined by the October Consumer Price Index (CPI) as negotiated with the Towns) until last year's request for an additional part-time staff and retirement options. Insurance was through the State GIC program.
- DCRHA Board Co-Chair Harvey Beth noted that by working together the Towns were getting an excellent return on the \$313,000 that supported a \$1,500,000 enterprise; taking advantage of regional economies of scale that could not be achieved with individual Town departments and avoiding duplication of services.
 - They were in the process of a wage and compensation study to be in line with Towns and regions that would be presented for this fall's budget season.
- Jeff Kristal suggested that alternate health insurance plans be explored with the Towns.
 - For non-DCRHA owned properties, the DCRHA only received management fees (7% of restricted rent). Rental assistance was merely a pass-through of money-in money-out, with management costs in the operating budget.
 - There was a structural deficit of \$20,000 that sometimes caused deferred maintenance on units. The DCRHA carried mortgage debt and had recently re-financed.
- The AIFC requested that the DCRHA present a 4 to 5 yr. look-back showing actuals vs. budgeting, in addition to the abbreviated budget (see below: Actions).
- As the Towns were only funding the staff and legal costs the DCRHA Board questioned the request for the entire budget. However, since the DCRHA was excepting Town funds, the FinComs had a fiduciary responsibility to the Towns to insure the DCRHA was financially clean and therefore asked for the larger picture.
 - DCRHA was audited annually and sent an Annual Report to be included in each Town's Annual Report. DCRHA financials (as reported to lenders) were available on request.

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- Maura McGroarty was looking for any residuals that might reduce the Town contribution. David Vigneault agreed that any residuals from salaries and legal would be reported. Salary income and pay out was in a segregated account.
- Although quarterly billing was discussed at the Tisbury FinCom, the agreement stipulated one annual bill and the DCRHA was reluctant to tailor invoicing to each of the six towns.
- The DCRHA paid Payments In Lieu of Taxes (PILOT).
- The assessment was calculated by the 50% population/50% real estate value Dukes County formula. AIFC members asked about:
 - equalized valuation (which the DCRHA would support); and
 - whether this or that town was getting a better deal in services vs. payout. Although towns might be getting more service in one area (e.g. affordable properties) it was often balanced out by another town getting more service in another areas (e.g. rental assistance).
- There was a discussion on affordable housing across the Island.
- Housing was not an issue that respected Town boundaries. For example: a family would have to move two miles to rent in another Town while waiting for a youth lot and consequently lose their resident status, or vice versa.
- Tribal and Senior housing were subsidized by individual unit. IHT/DCRHA subsidies were by project.
- Availability was by wait list and/or by lottery with first time local preference only.
- David Vigneault liked the idea of an autumn presentation to the AIFC of the next year's budget.
- The AIFC thanked the DCRHA for all it did and for the presentation. The DCRHA thanked the Towns for all they did for the DCRHA.

• **Member Comment** (See below: Meetings/Events & Actions.)

Richard Weiss asked why affordable housing was not about condo apartments. Planning Board member Ewell Hopkins explained that the Board was working on changing zoning bylaw to support multi-family housing, top of the shop units, etc. but that the Town had not yet committed to whether this should be for affordable housing or be more comprehensive. West Tisbury had a bylaw that allowed accessory units for affordable or family use. The FinCom noted the use of units for expensive short-term rentals or for development as well as the previous statement on preserving the character of the Island.

• **Adjourn**

• **BILL VROOMAN MOVED TO ADJOURN AT 6:36PM; PAUL DEOLIVEIRA SECONDED; MOTION PASSED UNANIMOUSLY.**

Action List:

- Bill McGrath / Jeff Kristal - liaisons with DCRHA
- DCRHA – provide 4-5 yrs of actuals vs. budgeted including salaries and legal expenditures.

Meetings/Events:

AIFC/Oak Bluffs FinCom – 5.00PM, Thursday, August 24, 2017

AIFC/Tisbury FinCom – 5.00PM, Thursday, September 28, 2017

AIFC/West Tisbury FinCom – 5.00PM, Thursday, October 26, 2017

AIFC/Edgartown FinCom – 5.00PM, Thursday, November 30, 2017

AIFC/ West Tisbury FinCom – 5.00PM, Thursday, December 28, 2017

AIFC -TBD – 5.00PM, Thursday, March 8 or 15, 2017.

continued >

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Documents on file:

- Agenda 6/22/17
- Sign In Sheet 6/22/17
- Ruskin/Triantafillou cover emails re: AIFC Meeting May 22
- All Island FinCom Suggested Agendas and Dates for 2017
- Dukes County Regional Housing Authority May, 2017 DCRHA Property Ownership & Management Listing
- Dukes County Regional Housing Authority
- ...Operating, Rental Assistance, Lagoon, Non-Owned....*budget*

• Minutes approved as amended by the OB FinCom 7/6/17.