



## COALITION TO CREATE THE MV HOUSING BANK

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TO: Select Boards, County Commissioners, Martha's Vineyard Commissioners, and Wampanoag Tribe of Gay Head (Aquinnah)  
FROM: Coalition to Create the MV Housing Bank Steering Committee  
DATE: 12/22/21. **Updates in green 12/28 and 1/4/22**  
RE: Explanation of Changes to MV Housing Bank Warrant Article

We have completed our rounds to all six Select Boards to consider the draft warrant article to create the Housing Bank (HB). Thank you for your consideration and feedback. We have heard the priority issues expressed in those meetings, considered issues raised by attorney Ron Rappaport, and exchanged ideas with the Martha's Vineyard Commission Climate Action Task Force.

Attached to this document is a revised Summary and revised Warrant Article text that incorporates these concerns, issues, and ideas. Below is an explanation of the alterations and adjustments we have made.

1. Process for Adoption – Ballot Vote

**Towns may choose to call for a ballot vote this spring. Adoption by ballot vote after legislative enactment of the HB law will be required in at least 4 towns to create the Housing Bank.**

2. Membership:

It has been clarified that only the towns that vote by ballot to accept the HB Act are in the HB.

3. Withdrawal Clause

**Any town may withdraw from the HB at any time after its establishment via a ballot vote conducted in that town.** The 30-year sunset clause remains in place. Town withdrawal would require action by the town, whereas the sunset clause is automatic.

**In the case of a town withdrawing from the HB or not renewing after sunset, HB fees will continue to be collected in that town until satisfaction of its proportionate share of Housing Bank debt incurred prior to the date of withdrawal.**

4. Town Advisory Board (TAB) Clarifications

- a. TABs will operate by majority vote, consistent with all other island boards and with the Land Bank (the LB TABs need 2/3 vote only for eminent domain takings and changes to land management plans, neither of which apply to the Housing Bank).
- b. Composition clarification: **Towns with Wastewater Commissions (WC) will have a rep from WC and from the Board of Health. Otherwise, composition will not change. It is prudent to have two members of Affordable Housing Committees; their expertise will be important. Some towns wanted their AHCs to be the TAB. This is a good compromise. As currently constituted the TABs have four members appointed by Selectboards (Selectboard member, ZBA member, and (2) AHC members).**



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### 5. Actions by HB needing TAB approval

All funding for HB projects/purchases/loans/grants in a member town must be approved by that town's Town Advisory Board (TAB), including approval of any debt incurred to be serviced from HB revenues. Any bond to be issued by the HB must be approved by a majority of the member towns' TABs.

### 6. Eligibility for Funding

Perpetual year-round occupancy restrictions will be imposed whenever HB loans money to individuals or purchases occupancy restrictions.

All other projects/units receiving HB funds shall be subject to perpetual (i) income restrictions (with an upper limit of 240% of AMI), (ii) resale price affordability restrictions, and (iii) year-round occupancy restrictions.

In any mixed-income project, HB funding may only be applied to income-restricted units.

### 7. Alignment with Town Goals

We have added language that states that all projects proposed by HB will use as guidelines town and regional master plans, wastewater plans, watershed management plans, climate and energy goals, and open space plans.

### 8. Commissioner Stipends

We updated language to clarify: The TABs may direct that a stipend of not more than \$2000 annually be paid to Commissioners, provided that the stipend is approved by a majority vote of every member TAB. The stipend maximum amount can be increased only by a majority vote at Town Meeting of every member town.

### 9. Restrictions and Enforcement of Restrictions

All restrictions held by the HB will be monitored and enforced by the HB.

### 10. Property Taxes

All properties funded by the HB will pay property taxes in accordance with town assessments.

### 11. Spending Priorities

HB will address the greatest community needs as determined from time to time by Commissioners according to current data.

### 12. Climate and Environment Restrictions and Priorities

- HB will be required to:



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- Dedicate 75% of funds to properties already containing buildings and related infrastructure
- Fund new construction only if it uses no fossil fuels on site, is designed to consume net zero energy, and, to the maximum extent possible, produces no new net nitrogen pollution
- Promote cluster design on properties of five (5) acres or more by requiring a minimum of 40% of property to be undeveloped open space
- Fund only projects that minimize disturbance to the local ecology.
- HB will prioritize projects that:
  - Are closest to existing services (honor “Smart Growth” principles)
  - Use no fossil fuels (except as needed for construction, and for vehicles)
  - Use net zero annual site energy
  - Are not in priority habitat areas

### 13. Limitation on Debt Service

Total bonding debt service shall be limited to 10 percent of the average annual HB revenues received by the Housing Bank during its prior three fiscal years.