

Attached is Chuck's email to me that I would like to add as an item for discussion in the December Fin Comm Meeting.

Thanks, Greg

----- Forwarded message -----

From: <[cahodg@aol.com](mailto:cahodg@aol.com)>

Date: Sun, Nov 27, 2022 at 9:03 AM

Subject: Short term rental windfall

To: [orcuttgreg@gmail.com](mailto:orcuttgreg@gmail.com) <[orcuttgreg@gmail.com](mailto:orcuttgreg@gmail.com)>

Hi Greg,

It was great to see you and I hope you had a wonderful Thanksgiving.

I'm sure I do not need to say this but, may I ask that the Fincom strongly consider applying 100% of the short term rental tax income to lower the town's tax levy rather than adding to the housing funds? We have the CPA and the housing bank to fund housing. I frankly think the CPA served its purpose for 20 years and now that the housing bank is approved, the CPA tax surcharge is obsolete and should be repealed.

It's three uses are adequately funded and the severe income restrictions of CPA funds of less than 100% county median income do not satisfy the island's income needs as expressed in town zoning (140% county median income) and the housing bank (240% county median income).

Here are a few thoughts for your consideration on the CPA:

Over 70 percent of all CPA money is spent on housing. The Housing Bank proposal says it will not need or use town CPA or town short-term rental tax funds.

If repealed, we will not lose the other CPA use benefits. The lost CPA revenue for Open Space Preservation is recovered by the Land Bank legislation. Documentary filmmaker Ken Burns calls our National Parks America's best idea. The Land Bank is Martha's Vineyard's best idea. The projects funded by CPA Historic Preservation funds can be funded by the Town tax payers and voter approval as needed (we already do this through the CPA tax surcharge) and through private funding as done for relocating the Gay Head Lighthouse. Additionally, the annual CPA state matching fund percentage amounts are now lower and no longer meet the maximum 100 percent of town CPA tax surcharge revenue. This incentive for adopting or keeping the legislation in the early 2000's is not as attractive as it used to be.

If a Town has secured affordable housing debt with local CPA tax revenue (as West Tisbury has done for its Scotts Grove affordable apartments), voters would first need to vote to lower the three percent CPA tax surcharge to the level only needed to satisfy the annual debt service payments. This remaining surcharge would then be completely repealed by voters when the debt is retired.

We have the West Tisbury school repairs to fund along with a \$250 million high school--to name two uses. I do hope the \$8 million Community Center in the historic district is put on the back burner. Please feel free to share this with the Fincom members if you choose.

Thanks as always for all you do.

Best,

Chuck