From: wendycwolf@gmail.com
To: townadministrator@chilmarkma.gov
Cc: "Candy daRosa"; jimfeiner@gmail.com
Subject: The proceeds of the short term rental tax
Date: Friday, November 5, 2021 4:01:59 PM

Dear Select Board:

I am a concerned Chilmark resident and head of fundraising for the Island Housing Trust board. I laud your decision to take the net proceeds from the Meeting House road project and put them in the Molly Flender Trust for affordable housing. And of course, I eagerly await the final plans for the Peaked Hill project.

I would like to place an item on the agenda for the Nov 23rd meeting. That item is the disposition of the funds resulting from the new short term rental tax. The current housing bank proposal will take a year or two to pass. I would like to propose that, in light of that fact, in the interim, Chilmark, as a town, voluntarily commit to putting at least 50% of revenues from the short term rental tax into affordable housing, perhaps the Molly Flender Trust.

WHY?

As you may know, the short term rental market of Airbnb and VRBO has decimated the housing stock on the Island. Most estimate that over the last ten years, 600 homes have been taken from the year round rental pool and diverted to short term rentals. The short term rental situation is worsening the affordable housing crisis. Why shouldn't some revenues from these taxes be used to address the crisis that the short term rentals has created?

The current housing bank is a great idea, but will take one or two years to come to fruition, if at all. In the interim, we, as a town, should do something.

In FY 2020, $144,043 was generated by the short term rental tax; in FY2021, $355,080 was generated. These total roughly 500k over the first two years of the new tax. Let us assume for a minute that a new rental or ownership unit costs $400K, this amount could create 1 new home. But since there is considerable leverage from the state, (2.5 to 1) let us say it would be 1.5 million or 2-3 homes. If we devoted half of the proceeds, we could have created 1 to 2 homes for Islanders/Chilmarkers. If we devoted all of the tax we could create three homes for island/Chilmark residents. We are missing a great opportunity to make a difference and create safe and secure housing for Chilmarkers.

Thank you for your consideration,

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