MARTHA’S VINEYARD
HOUSING NEEDS
ASSESSMENT

Summary Findings

2013
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REGIONAL PLANNING AGENCY OF DUKES COUNTY
SERVING AQUINNAH, CHILMARK, EDGARTOWN, GOSNOLD, OAK BLUFFS, Tisbury, & WEST Tisbury
Letter to Vineyarders

Dear Islanders,

The Martha’s Vineyard Housing Needs Assessment Study Committee is pleased to present this Housing Needs Assessment that represents the combined efforts of all six Island towns to gain an understanding of the current housing dynamic Island-wide and within each community. This document not only updates information from the Housing Needs Assessment, *Preserving Community*, that was completed by John J. Ryan of Development Cycles more than a decade ago, but also expands upon the analysis and offers an opportunity to review the progress we have made since then. We have been able to get answers to important questions concerning socio-economic changes, housing market conditions, affordability, and priority needs such as:

- What have been the growth trends for each town and the Island and how has this growth contributed to unmet or greater housing needs?
- How have changes in various age groups, types of households, income levels, the workforce, and special populations affected housing needs?
- What has been the impact of the recent financial recession on the housing market, and what are the current affordability gaps?
- What have we learned from past projects and programs, and what changes can be made to more effectively address existing and future housing needs?
- What is the current capacity of the Island’s housing organizations to respond to these pressing needs?
- What are the most promising strategies for effectively and efficiently producing affordable and community housing in each town and Island-wide?
- What resources will be necessary to accomplish this important work?

This document also stems from an understanding that we are all invested in the quality of life of the Vineyard. Whether we live in Aquinnah or Edgartown, work in Oak Bluffs or Tisbury, were raised in Chilmark, West Tisbury or Boston, or summer on or visit the Vineyard, we are part of one Island community and rely on each other for the well-being of our families and ourselves.

This Housing Needs Assessment has been prepared by “us” for “us”, for all Islanders who care about whether our children will be able to raise their own families locally, whether our cousin will make it through another long winter financially, whether our mother will be able to remain in her own home independently, whether the nice young family down the road will be able to find housing during the summer after their winter lease expires, and whether we will be able to hold on to the diversity, generosity and collaboration that have for so long characterized Island life. We need to make sure that all of us have safe, decent and affordable places to live.

On behalf of the Housing Needs Assessment Study Committee, we hope you will read this document and participate in the next steps of implementing its recommendations in our communities.
Acknowledgements

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Please refer to the acknowledgements in each part of the report.
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The Housing Needs Assessment study was organized in three (3) parts that included the following:

- **Part 1** provides an analysis of demographic, economic and housing characteristics and trends for each of the six communities and the Island as a whole that includes an examination of market conditions and affordability gaps. It also articulates priority housing needs and goals.
- **Part 2** profiles the Island’s housing providers, assessing the initiatives that are sponsored by development and management entities, the Towns, housing service organizations, employers, and the Martha’s Vineyard Commission.
- **Part 3** provides recommendations for addressing the identified priority housing needs and meeting production goals.

Key findings from these parts of the study are summarized in the following sections:

1. **Analysis of Demographic, Economic and Housing Characteristics, Trends, and Priority Housing Needs**

1.1 **Introduction**

The previous Housing Needs Assessment, *Preserving Community*, was completed in 2001 and identified an Island-wide consensus to solving the housing crisis that could no longer be ignored. The study asserted, “The challenges to establishing a secure residence on Martha’s Vineyard are quickly becoming insurmountable for a growing segment of the population, including a majority of those who grew up here, many skilled and well paid workers, and older households of moderate income...Over the next decade, more than 1,000 young Island residents will be forming new households with little chance of renting or owning on the Vineyard.” An estimated 5,000 seasonal workers in the summer further complicate the Vineyard’s housing needs. The report went on to point out that wealth was concentrating at an accelerating pace, driving up housing prices, fueling the demand for lower paying service and retail jobs, and decreasing year-round housing availability. This is still the case more than a dozen years later.

More than a decade has passed and significant progress has been made, including the development of about 300 affordable and community housing units and approximately another hundred units are subsidized through the Dukes County Regional Housing

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Authority’s Rental Assistance Program and rental vouchers. Additionally, the establishment of Affordable Housing Committees and Affordable Housing Trusts, as well as the passage of the Community Preservation Act (CPA) have enhanced the capacity of each town. Considerable funding in support of affordable and community housing initiatives was raised through the Island Affordable Housing Fund (IAHF). Moreover, the state legislature adopted special legislation that allow Nantucket and Martha’s Vineyard to place perpetual deed restrictions on properties that are targeted to those earning up to 150% of area median income in recognition that even those earning well above median income were priced out of the private housing market.

But much more work needs to be done to address pressing housing needs. Preserving Community recommended a goal of developing 100 to 150 units per year divided evenly between year-round rental housing and affordable homeownership. Actual production has fallen far short. While housing production has not nearly met anticipated production goals, it still exemplifies a great deal of hard work, strong community commitments and collaboration, a substantial investment of local resources, and very positive outcomes in terms of the actual units produced.

This Housing Needs Assessment recommends the reduced but still ambitious goal of producing 50 units of affordable or community housing per year. This reduction in annual production goals reflects several important considerations:

- Production over the past decade has been almost 30 units per year, well below the 50 per year goal.
- Despite the remarkable generosity of Islanders, local, state and federal resources to support affordable and community housing are limited and highly competitive.
- Zoning and lack of adequate infrastructure are two major stumbling blocks to utilizing land more efficiently.
- Building sites are increasingly difficult to come by, expensive to acquire and develop, and often beleaguered by some local opposition, all resulting in a prolonged and expensive development process.
- The state applies a standard for annual housing production of 0.5% of the year-round housing stock that would equal 40 units Island-wide per year, less than the 50-unit goal included in this Needs Assessment.

This report also suggests a much higher percentage of rental units be developed to house the Island’s most vulnerable populations with a split of 80% of year-round rental units to 20% affordable homeownership. This recommendation embraces the primary housing goal of the Island Plan’s Housing Section is to “provide a full range of housing options by significantly increasing the number of affordable housing and community housing units on the Vineyard by prioritizing those residents with the greatest need, and by emphasizing the

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2 Affordable housing refers to units targeted to those earning at or below 80% of area median income and meeting all state requirements for inclusion in the Subsidized Housing Inventory (SHI). Community housing units are those that serve those earning between 80% and 150% AMI that cannot be included in the SHI but still provide housing for those who are priced out of the private housing market.

3 Includes 282 community and affordable housing units, incorporating 115 units through the Dukes County Regional Housing Authority’s Rental Assistance Program.
creation of rental units." It is also reflective of the fact that almost all state and federal funding is for rental unit development. As the population continues to grow, more workers will be required to support the expanding population, many of which will be part of the lower paying service economy, confronting the Vineyards substantial affordability gap. Rental housing is the more responsive approach to accommodating this expanding workforce. It is also important to note that while those with very limited incomes have the greatest housing needs, it remains an extremely expensive undertaking to provide housing for these households.

This Housing Needs Assessment also recognizes that reaching this 50-unit goal involves formidable challenges including the following to name just a few:

- Exorbitant land costs that result in the need for high subsidies to fill the gap between development costs and affordable rents or purchase prices.
- High construction costs, as most materials must be brought in from off-Island.
- Despite significant wealth and the proven generosity of those in the Island community, there is substantial competition among worthy projects, affordable housing being among the most expensive.
- Zoning that limits the economies of scale that are conducive to affordable housing development.
- Limited infrastructure for water and sewer services place serious development constraints on the density of the project including how many units can be built without alternative treatment facilities versus basic Title V septic systems and wells.
- Development constraints related to the environmental sensitivity of the Island.
- Limited public transportation that makes it difficult to live without a car.
- Not in My Backyard (NIMBY) sentiments that are more the norm than the exception in almost any neighborhood of the country, however affordable housing organizations have in many cases effectively engaged abutters and other local stakeholders to better address potential concerns regarding development projects.
- Some biases against rental housing development in each community on the Island.
- More than one-third of the Island is permanent conservation land that reduces possible development opportunities but also has preserved important open space, suggesting the need to encourage greater partnerships between conservation and housing interests on remaining undeveloped property uses.
- The demise of the Island Affordable Housing Fund (IAHF) has diminished the resources that had been available to support local housing initiatives.

However, until new permanent sources of funding for affordable housing are secured, it is more realistic to project a goal of about 30 units per year.

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5 Affordable housing pertains to units that are directed to those earning at or below 80% of area median income and eligible for inclusion in the state’s Subsidized Housing Inventory (SHI) while community housing is directed to those earning between 80% and 150% of area median income and still priced out of the housing market.
1.2 Summary of Demographic and Economic Profile

Key findings on demographic and economic characteristics and trends suggest directions for addressing housing needs in the future, including the following:

Increasing growth
As the Island’s reputation as a get-away for those seeking both solitude and society spread, the population increased substantially, almost doubling between 1970 and 1980, then by 30% in the 1980s, and again by 30% in the ‘90s. This growth was propelled by the sizable increases in second-home owners and seasonal visitors, driving up housing prices, fueling the demand for lower paying service jobs, and decreasing year-round housing availability. Since 2010, the Island’s population has grown another 10.2% from 16,535 residents to 18,216 according to Town records as of the fall of 2012. Population projections estimate additional growth to a population of 21,694 by 2020, perhaps an overestimate but not inconceivable given recent growth.

Declining numbers of younger residents and increases in older ones
The driving force behind the population increases were those age 45 to 64, many a part of the baby boom generation. The substantial growth of aging adults on the Vineyard suggests that there be a focus on integrating more handicapped accessibility and supportive services into new and existing housing. Clearly better jobs and more affordable and community housing opportunities are needed to attract and retain younger residents, including families, as well as essential workers.

Increasing numbers of smaller households
The number of smaller, non-family households\(^6\) is increasing, reflected in decreases in the average household size from 2.10 to 1.95 persons between 1990 and 2010. It should also be noted that one-third of all households involved individuals living alone. Since one-quarter of all units had four (4) rooms or less, there are considerable numbers of single-persons who are over-housed on the Island, suggesting the need for a greater number of smaller units to accommodate a growing population of single-person households and smaller families.

Relatively high median income levels, particularly for homeowners and families
Incomes have increased substantially with the median household income\(^7\) doubling between 1990 and 2010, from $31,994 to $62,407, as opposed to increasing by only 73% for the state. The median income level for families was considerably higher at $77,231.\(^8\) There were also significant disparities between those who owned their home and those who rented, with median incomes of $71,856 for homeowners and $44,102 for renters.

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\(^6\) Includes individuals and unrelated household members. Same-sex households are included under the family household category if there is at least one additional person related to the householder by birth or adoption.

\(^7\) Median household income is for all households including individuals, unrelated household members and families.

\(^8\) Families include households with at least one parent and one child.
More than one-quarter of all households earned less than $35,000

Over 700 seniors, or almost half of those 65 or older, had incomes of less than $35,000 in addition to about another 700 households in lower age ranges. This also means that the numbers and percentages of those living in poverty have been climbing on the Vineyard. This suggests that there are still significant numbers of households who have very limited financial means and likely confronting enormous challenges affording to live on the Vineyard who should be the main targets for housing assistance, some requiring social service supports as well.

Altogether there were 2,245 households with incomes within 80% AMI suggesting that about 30% of all households may have qualified for housing assistance based on their income, without consideration of financial assets. It is not surprising that about 70% of these households were spending too much on their housing given existing housing prices.

Increasing numbers of jobs dominated by the service industry and seasonal employment shifts

Employment has expanded dramatically over the past couple of decades, continuing to be dominated by lower paying service-oriented jobs, major seasonal fluctuations to fuel a vibrant tourist industry, and a significant underground economy that represents at least 1,200 unreported jobs and $34 million in unreported wages. For many families summer is a make-it or break-it period to secure sufficient income to last through the down season of the winter. Many more affordable housing opportunities are critical for enabling essential workers to afford to live on the Island.

1.3 Summary of Housing Profile

This Housing Needs Assessment details housing characteristics and trends over the past several decades including the following:

Predominance of single-family detached homes

The vast majority of Island housing units were in single-family detached homes. More than two-thirds of the rental units were also in single-family homes compared to 14.2% statewide. The dominance of single-family homes reflects historic development patterns on the Vineyard; but given the high cost of land, limited economies of scale, and need to preserve open space, such housing is not the most efficient and economic way to produce affordable housing. Serious rezoning and infrastructure development, wastewater treatment in particular, are critical to maximizing the efficient use of land.

The majority of units produced for seasonal use or as second homes

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9 There were 411 affordable units included in the SHI, including 131 directed to seniors, which would insure that many of these low-income households live in subsidized housing and are therefore not spending too much of their income on housing.
10 The 2012 poverty guidelines are $11,170 for a single individual, $15,130 for a two-person household, $19,090 for three persons, $23,050 for four persons, $27,010 for five persons, $30,970 for six persons, $34,930 for seven persons, and $38,890 for an eight person household.
According to the 2010 census, more than two-thirds of the new housing produced from 1990 to 2010 was for seasonal or occasional use for a total of 9,253 units by 2010. This off-Island demand for housing has pushed housing prices beyond the means of most year-round residents and drives the need for more affordable housing.

Proportional increase in rental units
Rental housing production increased by 72.1% between 1990 and 2010, creating 1,034 additional year-round rental units, growing in proportion to the total housing stock from 28.7% in 1990 to one-third by 2010. This is a positive trend that should be reinforced, particularly for year-round occupancy.

Housing costs remain extraordinarily high with huge affordability gaps

Homeownership
There are actually two distinct homeownership markets on the Island, one that resembles other affluent communities with a concentration of houses in the $300,000 to $600,000 range, and another distinct luxury market averaging about $2 million for single-family homes. Single-family home values reached the height of the market in 2007 with a median price of $700,000. With the bursting of the housing bubble, prices decreased to a low of $512,000 in 2011 but have been reviving somewhat to $535,000 as of September 2012. This price requires an income of approximately $126,000, more than double the median income, if a purchaser could access 95% financing and meet rigorous credit requirements.12 An income of $103,500 would be required in the case of 80% financing, which would also require as much as $60,000 in cash to cover down payment and closing costs. Values have continued to increase with a median single-family home price of $600,000 as of March 2013.

The affordability gap was an estimated $225,000 as of September 2012, the difference between what a median income earning household can afford ($310,000 based on the median income figure for a household of two and 80% financing) and the median house price of $535,000. The gap increases to almost $300,000 ($297,000) for those earning at 80% AMI, assuming they can qualify for 95% financing through the Soft Second Loan Program or MassHousing mortgage financing. The gap declines to $104,000 for those earning at 120% AMI, and it is only at the 150% AMI level that the affordability gap begins to disappear, but only if the purchaser can afford 80% financing and the approximately $110,000 in cash needed to cover the down payment and closing costs. It should be noted that the affordability gaps of $225,000 and $646,000 for Dukes and Nantucket Counties, respectively, were by far the highest in the state, and estimates indicate that the affordability gap virtually disappears for the state and most counties given declining housing values.

Consequently, it is not surprising that there are few affordable housing options on the Island. An analysis of Town Assessors’ data indicates that Island-wide there were only 78

12 Figures based on interest of 5.0%, 30-year term, annual property tax rate of $5.36 per thousand (this is based on an average of the tax rates for all six towns, weighted by the number of housing units), insurance costs of $1.25 per $1,000 of combined valuation of dwelling value (value x 0.5), personal property ($100,000 fixed), and personal liability ($100,000 fixed), and private mortgage insurance estimated at 0.3125 of loan amount for 95% financing earning at median income (assumes Soft Second Mortgage or MassHousing mortgages for those earning within 80% AMI that do not require PMI).
single-family homes that might have been affordable to those earning at or below 80% of area median income and most of these were either very small cottages in poor condition or subsidized units. Another 420 homes were affordable to those earning between 80% AMI and median income, representing less than 4% of all single-family units.

**Rentals**
Using the lowest prices advertised in September and October of 2012 on Craigslist, a year-round two-bedroom unit rents for about $1,400 and would require an income of $68,000, assuming $300 per month in utility bills and that housing expenses were no more than 30% of the household’s income. This is more than the median household income level, leaving those earning less than the median largely priced out of the rental market. While winter rentals might be a bit more affordable, individuals and families who rent these units become veritably homeless during the summer. *This economic scenario establishes the context for what has been referred to as the “Island Shuffle”, where those in winter rentals are forced to find alternative accommodations during the summer. In essence many of these renters thus become homeless in search of a temporary place to live whether doubled up with friends or families, camping, or commuting from off-Island.*

The Island’s average weekly wage was 71% of the state average, the median home price was 54% above the state’s and the median rent exceeded the state’s by 17%. This in essence describes the Vineyard’s affordable housing problem.

1.4 **Summary of Priority Housing Needs**
Through a review of key socio-economic trends, changes in the housing stock, and existing affordability gaps, the following priority housing needs are identified for subpopulations of Island residents:

**Extremely and Very Low-income Residents**
This Housing Needs Assessment suggests that those with the lowest incomes who are not currently living in subsidized housing be considered the top priority for new affordable unit creation and support services where needed. *This Housing Needs Assessment proposes targeting rental units to those earning within 60% AMI to address the unmet housing needs of lower income Island workers and their families.*

**Families**
Families are the mainstay of any community, establishing roots to raise children, lending stability to the Island’s year-round workforce, and passing on the Island legacy to subsequent generations. Those in the family formation stage of their lives have been declining substantially over the past several decades. *This Housing Needs Assessment recommends directing approximately 60% of new units created to families.*

**Seniors**
Over 700 seniors, or almost half of those 65 years of age or older, had incomes of less than $35,000, and 378, or one-quarter of all seniors, earned between $10,000 and $25,000. Many were spending far too much for their housing.
This Housing Needs Assessment suggests targeting approximately 20% of all new units created to seniors.

**Singles**
Singles comprised about one-third of all households in Dukes County, representing a considerable segment of the Island’s workforce, and had substantial cost burdens such that 41.2% of renters and 51% of owners were spending too much on their housing. This Housing Needs Assessment proposes that approximately 20% of all new units created be directed to singles who were providing essential services on the Vineyard.

**People with Disabilities**
Given the aging of the population and the numbers who claimed a disability, those with special needs requiring handicapped accessibility and supportive services are growing. This Housing Needs Assessment suggests incorporating handicapped accessibility and/or supportive services into at least 10% of all new affordable and community housing units created.

**Homeless**
While there is a concerted effort to improve conditions for the homeless, there are insufficient resources to provide housing and support services to meet all of the needs. This is the case for the region as a whole and the Island in particular. Martha’s Vineyard does not have emergency or transitional shelters and as a result any person or family that becomes homeless must be transported to some facility off the Island or double up with friends or family. This Housing Needs Assessment proposes targeting new housing to the Island’s most vulnerable residents earning at HUD's extremely low or very low income levels, who would be most at risk of homelessness.

**Community Housing**
Some continued support for community housing needs should be considered, promoting year-round housing options and mixed-income environments with a somewhat less per unit demand on subsidy funds.

**Seasonal Housing**
The summer brings approximately 5,000 seasonal workers to the Vineyard to support the summer’s busy tourist season. Some employers provide housing for their workers in dormitories or other accommodations. Local leaders need to continue to support the efforts of employers to provide such seasonal housing for their workers.

2. **Organizational Analysis**

Martha’s Vineyard is fortunate to have an ensemble of capable local and regional organizations that have proven track records and dedication in providing housing units and services for Islanders. These housing-related organizations are generally directed to serving a single purpose whether it is a target population (seniors, tribal members, young families, workforce, people with disabilities), a particular objective (rental, homeownership, housing rehab, special needs, property management, counseling), or a
certain mechanism (ground lease, grant administration, deferred loans). Each of these organizations is most efficient and effective when its expertise and experience is used to serve its particular purpose, working within its interests and capacity and avoiding the unnecessary replication of roles and responsibilities on the Island.

2.1 Development and Management Organizations

As so much of Martha’s Vineyard is relatively unique, so are the major housing providers that develop and manage housing on the Island, and which altogether offer substantial and growing capacity to address Island housing needs. These organizations and their particular niches are summarized below:

- **Dukes County Regional Housing Authority (DCRHA): Affordable Rental Housing (71 Units) and Service Provider**
  DCRHA’s role has evolved increasingly from a small rental project developer (largely purchase/rehab of existing properties) to property manager, also providing a wide range of housing support services to the Towns and other housing organizations on the Island (Rental Assistance Program, lotteries, homebuyer education, support of West Tisbury’s Accessory Apartment Program, property management of rental and homeownership units developed by the Towns or IHT, etc.). While most communities have a public housing authority, DCRHA is unusual in that it provides services Island-wide as opposed to a specific town or city. Also, unlike most housing authorities, which have relied on state and federal funding to support the development and management of public housing units, DCRHA has financed its projects largely through the Island towns and other types of subsidies.

- **Island Elderly Housing (IEH): Affordable Rental Housing for Seniors (165 Units)**
  IEH, which has focused on senior rental housing with some units for younger disabled residents, has shifted its focus over the years from largely project development to property management. Given some availability of developable IEH property, the organization has indicated some renewed interest in developing additional units for seniors in the near future. A separate Island-wide non-profit organization like IEH, which focuses on the development and management of elderly housing, is somewhat unusual as more typically such projects are sponsored by public housing authorities, community development corporations, or private developers.

- **Island Housing Trust (IHT): Mixed-income Housing Development/Community Land Trust/Community Development Corporation (52 Units)**
  IHT was established as a Community Land Trust for the development and stewardship of land for permanently affordable and community housing through a long-term ground lease. IHT has in fact been a pioneer in obtaining approval from DHCD, MassHousing and Fannie Mae for the use of this ground lease. Over the past few years IHT has been the primary housing development entity on the Island, and has recently received its certification as a Community Development Corporation (CDC) that will provide the organization with access to a new network of housing providers, including potential new resources to develop both homeownership and rental housing.13

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13 Community development corporations (CDC’s) are non-profit, community-based organizations that anchor capital locally through the development of residential and/or commercial property, ranging from affordable
• **Habitat for Humanity of Martha’s Vineyard (11 Units): Affordable Homeownership Development/Community Building**

HFHVM’s mission is to build simple, decent ownership housing for families in the lowest qualifying income range possible. Because of the substantial level of community investment in each of the builds – including significant amounts of donated time, materials, and other contributions – the Habitat for Humanity Program is more than an affordable housing development effort. While the volume of development is very low, with only a unit or two completed per year, it is in essence a community-building initiative that brings a sense of good will and community spirit to the issue of affordable housing and connects the home purchasers to their home and neighborhood.

• **Aquinnah Wampanoag Tribal Housing Authority: Rental Housing for Tribal Members (33 Units)**

The Aquinnah Wampanoag Tribal Housing Authority was created to provide affordable housing for tribal members and in effect recreate a Wampanoag community. The presence of the Aquinnah Wampanoag Tribal Housing Authority in Aquinnah, which focuses on housing for tribal members, is certainly uncommon in almost all communities in New England or even most of the United States. The Aquinnah Wampanoag tribe of Gay Head has a federally-recognized nation status, designating it as a separate nation.

In addition to the Island housing development and management entities described above, there are situations where the Towns and/or local organizations will need to partner with off-Island developers that have the necessary capacity and track-records to undertake somewhat larger projects. This is particularly the case in securing the typical multiple layers of financing required in larger development projects.

The Community Builders (TCB) is an example of an off-Island developer that responded to a development opportunity on the Vineyard, in this case the Request for Proposals (RFP) to partner with the Town of Edgartown on building housing at Pennywise Path, now called Morgan Woods. TCB continues to own and manage this project. A host of other larger and capable development companies, including for profit and non-profit developers, will continue to be interested in undertaking development projects on the Island. Also, in IHT’s efforts to expand its capacity as a housing developer, it will need to partner, at least initially, with a more experienced developer to secure the necessary financing.

Many of these organizations, true to their own mission and capacity, have also found it useful to collaborate, leading to a spirit of mutual support instead of competing for limited resources. Examples of such collaboration have included:

• IHT has partnered with Habitat for Humanity on six (6) houses over the past few years, executing ground leases for 60 Andrews Road (Tisbury), 148-A Edgartown-Vineyard Haven Road (Oak Bluffs), 21 11th Street (Edgartown), and 45, 49 and 50 Bailey Park (West Tisbury).
• DCRHA has organized homebuyer trainings and has qualified all of IHT’s homebuyers.
• DCRHA serves as the property manager for a rental property at Halycon Way (West Tisbury) that IHT built and owns and will continue to enter into management contracts with IHT on their rental developments.
• DCRHA is managing properties developed by other entities including the Oak Bluff’s Noyes Building (developed by the Town and The Resource, Inc.), Middle Line Road (developed by the Town of Chilmark), and Sepiessa II (developed by IHT).
• DCRHA owns and manages the Vineyard Housing Office in Vineyard Haven that includes their own offices as well as those for the Island Housing Trust and Habitat for Humanity of Martha’s Vineyard.
• DCRHA owns and manages housing that includes supportive services for residents that are provided by other organizations including Seven Hill Community Services at 45 Franklin Street and Fellowship Health Resources, Inc. at Lagoon Heights.
• Joint fundraising efforts have been launched by IHT, DCRHA and HFHMV.
• Contributions of all Island communities in funding DCRHA, including its Rental Assistance Program.
• Partnerships between various towns and IHT and HFHMV.
• Ongoing collaboration among the Towns and all Island providers in concert with the Martha’s Vineyard Commission.\(^{14}\)

Information from each of the organizations – including written materials, individual interviews and special meetings – has provided the following insights into the accomplishments, challenges and opportunities for this important organizational infrastructure on the Island:

- **Subsidized housing involves 8.9% of the Island’s year-round units.** Table 1-1 shows that there are 442 affordable housing units that are eligible for inclusion in the SHI (numbers in parentheses are those that are not yet counted), another 166 units that are subsidized and deed restricted but are not eligible for counting as part of

\(^{14}\) The Martha’s Vineyard Commission (MVC) also is involved in ongoing collaboration with the Towns and these development and management organizations through the following activities:
- MVC assists the Boards of Selectmen and Town Administrators with CDBG applications by drafting Community Development Strategies (CDS) with input from each Town’s Affordable Housing Committees and other Town boards in addition to coordinating the CDS public hearing process. Final CDBG applications are prepared by Bailey Boyd Associates.
- MVC, DCRHA, Habitat, TRI, and Town Affordable Housing Committees sit on the Community Development Advisory Committee (CDAG) for CDBG.
- MVC assists the Towns as well as public and private non-profits by providing legislative updates and information about state and federal programs, grant opportunities, and workshops. For example, it organized and drafted letters of community opposition to proposed DHCD policy changes that would have eliminated the Cape and Islands from participating in the CDBG programs.
- MVC assisted the Towns of Chilmark, Oak Bluffs, and Tisbury in establishing Municipal Affordable Housing Trust Funds and coordinated a MHP workshop to assist the Towns in formalizing their Housing Trusts.
- MVC has been working with each of the Towns to establish roles and responsibilities as well as Affordable Housing Committee goals and objectives.
- MVC facilitates quarterly meetings of the Joint Affordable Housing Group.
the SHI, and 99 units that involve rental subsidies from DCRHA’s Rental Assistance Program or other rental subsidies (Section 8 Housing Choice Vouchers, Massachusetts Rental Voucher Program, and HomeBASE Program administered by HAC). Consequently, one-third of subsidized units has addressed community needs but is not included in the SHI. A total of 710 housing units are subsidized in one form or the other, representing 8.9% of the Island’s 7,935 year-round housing units. This reflects a relatively impressive accomplishment, particularly in light of such small and scattered projects and programs.

Table 1-1
Total Number of Subsidized Units

<table>
<thead>
<tr>
<th>Town</th>
<th># SHI Units *(Not yet on SHI)</th>
<th># Non-SHI Units with Restrictions</th>
<th># Non-SHI Units Without Restrictions</th>
<th>Total Subsidized Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aquinnah</td>
<td>41</td>
<td>6</td>
<td>2</td>
<td>49</td>
</tr>
<tr>
<td>Chilmark</td>
<td>3 (4)</td>
<td>13</td>
<td>4</td>
<td>24</td>
</tr>
<tr>
<td>Edgartown</td>
<td>89 (5)</td>
<td>44</td>
<td>27</td>
<td>165</td>
</tr>
<tr>
<td>Oak Bluffs</td>
<td>146</td>
<td>3</td>
<td>23</td>
<td>172</td>
</tr>
<tr>
<td>Tisbury</td>
<td>109 (17)</td>
<td>12</td>
<td>24</td>
<td>162</td>
</tr>
<tr>
<td>West Tisbury</td>
<td>23 (8)</td>
<td>88</td>
<td>19</td>
<td>138</td>
</tr>
<tr>
<td>Total</td>
<td>411 (34)</td>
<td>166</td>
<td>99</td>
<td>710</td>
</tr>
</tbody>
</table>

*The numbers in parentheses are those units that should be eligible for inclusion in the SHI but are not yet included.

- Developments have typically involved creative, collaborative approaches without much benefit from economies of scale. The Island’s hybrid demographic of a high seasonal population and the lower average income of year-round residents in combination with its rural character and extraordinary high property costs have typically ruled out the more traditional affordable housing financing mechanisms. This has been exacerbated by the prevalence of development opportunities that have allowed only a small number of units per project. The Island response to these smaller-scale development opportunities has been creative with considerable collaboration but has largely produced units that are expensive and challenging to develop and manage. For example, DCRHA’s largest development is 12 units at Vineyard Village and IHT’s includes nine (9) subsidized units at Jenney Way.

The largest development was Morgan Woods with 60 units on formerly Town-owned property, developed by The Community Builders (TCB) with a scale and organizational capacity to secure the more traditional forms of rental financing in concert with the Town of Edgartown. The other larger developments were created by IEH when there was far greater availability of federal financing for housing.

- Organizations are expanding capacity: As mentioned earlier, IEH is considering sponsoring new development on their property. Also, through designation as a Community Development Corporation (CDC), IHT is poised to move more aggressively into rental housing development if given appropriate support. IHT’s goal is to double the

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15 These include units that have deed restrictions to insure long-term affordability but are directed to those earning more than 80% AMI or were restricted to those living or working in the community.
number of sustainable homes from 50 to 100 by 2015, but will require $1 million annually to leverage competitive matching grants from local and state sources. In tackling larger projects or reentering project development, these organizations will likely need development partners with proven track records to obtain financing.

- **Economies of scale are reflected in project costs:** Average per unit building costs was relatively low for Morgan Woods, although these costs hark back to 2007. Nevertheless, the average $235,418 per unit in development costs would still be lower than some of the smaller new construction projects with costs well over $400,000, even with a significant adjustment for increases over these years. An important consideration, however, was that there was little or no land acquisition costs nor energy efficiency or energy generating benefits involved in Morgan Woods that can add at least 25% to project costs. Nevertheless, project cost figures still point to some relatively greater affordability of higher density development that take advantage of economies of scale. Allowing greater density is in fact a way to subsidize development.

- **Island housing development costs are somewhat higher than off-Island examples.** While the development costs of several Island housing developments are in line with off-Island projects, it can be argued that Island housing costs are somewhat higher given the following:

  1. Higher costs of bringing materials and labor from off-Island;
  2. Limited availability of economies of scale in development projects;
  3. Typical lack of infrastructure to support significantly increased density (sewer and water services, roads);
  4. Some acquisition costs; and
  5. Focus on high performance energy standards that add to up-front development costs but are amortized relatively quickly through minimal utility bills.

Examples of off-Island developments generally indicate that total development costs of about $250,000 to $380,000 per unit. Hard construction costs of at least $200,000, or $200 per square foot, are typical. Average project development costs were more than $400,000 per unit for a few Island projects, but these involved higher land acquisition costs, high performance energy efficiency standards and solar panels, or other considerations. Other local projects, such as Lamberts Cove Road and Lake Street, had costs more in line with off-Island developments with hard costs per square foot of $236 and $231, respectively, as acquisition costs were lower and solar panels were not involved. Costs per square foot for rentals and homeownership should not be significantly different but because rental units tend to be smaller than ownership ones, they typically have lower per unit costs even with allowances for more interior community space (community rooms, corridors, offices, etc.).

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16 A number of IHT’s projects have incorporated super insulated building envelopes and solar panels that have resulted in net zero energy usage thus promoting long-term affordability and durability of the units.
• **Donated or substantially discounted land prices have a significant bearing on affordability, reducing the affordability gap.** Acquisition costs ranged considerably from zero for the Noyes building, $12,000 for one of the Habitat houses and $20,000 for Morgan Woods ($333 per unit) to almost $44,000 for Eliakim’s Way and $120,000 for a recent Habitat house in Oak Bluffs. In addition to donated or substantially discounted Town land for Middle Line Road, the project involved the purchase of two (2) lots, one for $275,000 and the other for $225,000, reflecting some market values that boosted total development costs.\(^\text{17}\) Clearly nominal or substantially discounted acquisition costs is an important way to subsidize much needed affordable housing.

• **Largest demand and need from those earning below median income.** The significant efforts by housing groups to extend housing opportunities for those earning up to 140% of median income ($100,200 for a two-person household), but still priced out of the housing market, has not been matched by demand. Homes that are offered by lottery to those earning between 120% and 140% of median income have often been awarded to the single qualified applicant. Meanwhile, according to the current Homebuyer Clearinghouse, overseen by DCRHA, there were 271 interested applicants for new homeownership units, 75% of which had incomes below median income. About 88% of the 226 applicants waiting for rental units had incomes below 60% AMI.

• **Local need, demand, high costs and affordability gaps suggest the need for deep subsidies.** A house that costs $350,000 to build would be priced at about $200,000 to a household earning at 70% AMI, based on state requirements under the Local Initiative Program (LIP). This implies a subsidy of at least $150,000 per unit to get units counted as part of the SHI. Those houses targeted to households earning at median income would involve purchase prices of about $275,000, providing some marketing window by targeting purchase prices to those earning about 90% of median income and suggesting a subsidy of approximately $75,000 per unit.

The average subsidy per unit for IHT’s homeownership units has been $128,000, indicating some relatively deep subsidies for the affordable units given the large number of community units in their developments to date. Although the need for units directed to those earning below median income is greater, it is important to note that the units that have been targeted to those earning above median income and still priced out of the housing market did not involve any public subsidies and much less private subsidies than the more affordable units and thus contributed to project feasibility.

In regard to rentals, assuming that some economies of scale could be obtained on a 20-unit development with development costs of $300,000 per unit, it would take approximately $4.15 million in subsidy with $6 million in total development costs to reach a range of household incomes, including five (5) units for those households earning at or below 30% AMI, another five (5) for those earning within 50% AMI, and ten (10) earning at or below 60% AMI. The subsidy amount

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17 While Middle Line Road was developed by the Town of Chilmark, not by one of the development organizations that are being discussed in this section, the project is included here for comparative purposes.
increases to more than $5 million if the per unit costs were $350,000 and more than $6 million at $400,000 per unit. Clearly, if more units were created for those earning up to 80% AMI, who could pay more rent, the amount of subsidy required would be reduced correspondingly.

- **There are insufficient subsidies available to address those earning in the very lowest income ranges.** While 60% of those on DCRHA’s rental housing waitlist had incomes below 40% AMI, DCRHA-owned rental units typically rent in the 60% to 75% AMI range, still representing important below market, year-round rental units. Without ongoing rental subsidies, such as project-based Section 8 assistance or deeper subsidies in project development, agency rentals are not able to reach those below this income level, the typical target of public housing agencies and those who are most in need of rental units. Even the experience of Morgan Woods testifies to the relatively high demand for units in the lowest income ranges as opposed to those in the higher ones that are required to in effect cross-subsidize the more affordable units to make the project financially feasible. While IEH’s occupants have lower incomes, within 50% AMI, the federal financing that made such housing feasible is extremely limited and competitive.

As to homeownership, 55% of the those on DCRHA’s Homebuyer Clearinghouse had income at or below 80% AMI, but of the 52 units that IHT has been involved with thus far, 19 or 38% were directed to those earning at or below this income level, however 33 units or more than half of the units were actually sold to purchasers who earned at or below 80% AMI. The average income level of all IHT home purchasers has been about 80% AMI. This was largely due to the fact that on average IHT homeowners were able to put down about 13% of the sale price, including 14 homeowners who received soft second loans that enabled them to purchase a house that they otherwise would not have been able to afford. The continued use of creative construction and end financing as well as a commitment of deeper per unit subsidies will be required to address more of these households, but the question is where these resources will come from during this time of public sector cutbacks. Deeper subsidies in the form of sweat equity and other donated labor and materials have enabled Habitat for Humanity of Martha’s Vineyard to reach purchasers earning well below 80% AMI. The nature of these builds has historically limited the scale of operations, though recent trends are toward somewhat increased production.

- **The demise of the Island Affordable Housing Fund (IAHF) leaves a big gap in resources for housing.** During the decade that IAHF was in operation, it raised approximately $800,000 to $1 million per year that helped subsidize significant numbers of affordable and community housing units. While IHT has experienced some early success in launching its own fundraising efforts, with project grants and donations more than tripling from 2011 to 2012, it is still far short of securing the level of funding that came from IAHF. Moreover, IHT’s fundraising has focused on its own much needed operational and project support, although some funding has benefited other organizations as well, including HFHMV, the Island Grown Initiative and DCRHA.

- **Essential workers have benefited from the new housing produced.** The ultimate beneficiaries of the Island’s housing development efforts include those from greatly varying types of employment. The term essential workers should be viewed beyond
workers who typically provide low-wage services, particularly on a seasonal basis, but to include all those whose employment contributes to the overall quality of life on the Vineyard. Virtually all of the occupants of both new affordable and community housing units include important components of the Vineyard workforce from teachers, business owners and managers, carpenters, bank employees, health care workers, etc.

- **Operating costs relate to project financing.** Several of these organizations (IEH, Tribal Housing Authority and TCB) have their operating costs covered by the rents or other operating subsidies that are part of project financing per the terms of the subsidy programs that they used. DCRHA’s projects do not have this ongoing operating subsidy, and given the financial structuring of the organization’s relatively small projects, the scattered nature of project management functions, and increased project turnover, there is very little margin between rental income and operating expenses. The Town’s have rallied to support the organization’s staff costs, which has been particularly important given that DCRHA staff provide services far beyond the management of its properties.

Developers of homeownership projects obtain fees and coverage of overhead as part of project financing, and are typically not involved in the projects after units have been sold. IHT has relied on a number of sources for its operational support given the small size of the projects and the relative small amount of developer fees. The $50.00 monthly lease fee it receives from all units covers IHT’s general liability insurance for their properties but is largely a mechanism for monitoring the financial stability of individual purchasers to intervene as necessary to insure their continued residency. Habitat’s operating costs are covered by private donations, grants and fundraisers.

### 2.2 Town Housing Initiatives

While Island communities share a common interest in addressing regional housing needs, each town has largely focused on its own needs and has responded accordingly based on local priorities. Some towns have adopted bylaws or special programs, some of which have been replicated by neighboring communities, building on growing local capacity. Others have decided it best to retain control over planning and implementation instead of utilizing existing programs or capacity from established organizations. While some regional collaboration among towns has occurred through the funding of DCHRA and its Rental Assistance Program, this Housing Needs Study, and TRI’s Housing Rehab Program; additional opportunities to pool resources, utilize the existing network of organizations, and forge regional collaborations need to be further explored.

- **Aquinnah** – Focus on Tribal Housing and homesites.

- **Chilmark** – Reliance on local initiatives including Middle Line Road and homesites.

- **Edgartown** – Mix of locally sponsored rental developments, with Morgan Woods as the flagship development, including partnerships with DCRHA and IHT on several projects. Homeownership opportunities have been promoted as well through the Town’s Buy Down Program, homesites, demolition delay bylaw, and partnerships with IHT and HFHMV.

- **Oak Bluffs** – Focus on partnerships with existing organizations including IEH, DCRHA, HFHMV, IHT, and TRI.
• **Tisbury** – Focus on partnerships with existing organizations including IEH, DCRHA, and IHT.

• **West Tisbury** – Promotion of affordable housing through special programs, zoning changes (accessory apartments, homesites, inclusionary zoning, Open Space Development, demolition delay), and collaboration with other entities such as DCRHA, IHT, Martha’s Vineyard Land Bank, and HFHMV.

### 2.3 Housing Service Providers

There are a number of key local and regional providers of housing-related services that support local housing needs through technical and financial assistance, advocacy, or special residential facilities. These organizations include the following (the ones with on-Island offices are marked with an asterisk (*):

- The Resource Inc. (TRI)*
- Housing Assistance Corporation (HAC)
- Martha’s Vineyard Community Services*
- Cape Light Compact
- Dukes County Commissioners*
- Community Action Committee of Cape Cod and the Islands, Inc. (CACCI)
- South Shore Community Action Council (SSCAC)
- Other providers of services to special populations on the Island (see Section 2.3)*

Through written materials, interviews and informational meetings as part of this study, the following key challenges and opportunities have been identified with respect to housing service delivery on the Vineyard:

• **Reductions in program funding:** These organizations are operating in a context of diminishing state and federal funding. Not only have many of these organizations been forced to cut back on available programs during the last few years, but these reductions also reflect historic trends. For example, the Housing Assistance Corporation (HAC) received $1 million for emergency assistance ten years ago but was given only $100,000 this year. Another example is that CACCI once had a caseworker available on the Island on a three-quarters time basis plus two (2) subsidized transitional housing units for the homeless. Over time this worker’s time was reduced to only a couple of days per month and then further cutbacks eliminated the position entirely along with the transitional housing units. In fact Community Action Agencies (CAA’s), such as CACCI and SSCAC, were established by the federal government in support of its anti-poverty programs back in the 1960s, and were typically very involved in providing housing services. With reductions in federal subsidies, these organizations have experienced commensurate cutbacks in programs, housing services in particular.

• **Increasing need for services:** During this time of reduced funding, there has been an increasing need and demand for services given the national recession of the last few years. Moreover, it can be reasonably argued that residents on
the Vineyard have an even greater need for services given the unpredictability and seasonality of local employment, the Island Shuffle, and the existence of a wider economic spectrum with personal situations and housing needs that can change more rapidly than other off-Island communities. Martha’s Vineyard Community Services is finding that they are increasingly stretched as an organization to respond to the growing need and demand for services. Town governments do not support local service providers, and many residents have no other alternative but to go off-Island to obtain necessary services.

- **Gaps in Island service availability.** Some services are not available on the Island. Some examples include transitional and emergency shelter options, ongoing training for local service providers, and fuel assistance. Going off-Island for social services is particularly challenging for lower income residents in terms of obtaining leave from their work and securing appropriate transportation from the Wood’s Hole ferry docks.

### 2.4 Employer Sponsored Housing

It is a fact that jobs and housing go hand in hand on the Island. Both seasonal and year-round jobs are going unfilled, largely because employers find it difficult to recruit and retain workers given the high costs of living in Vineyard communities, with housing costs being the major problem. The heavy reliance on lower skilled and lower wage positions that bolster the Island’s tourist economy, particularly in the summer season when the price of rentals skyrockets, makes the problems associated with housing affordability even more acute. Consequently, many workers are forced to pay far too much for housing and/or live in substandard conditions.

In recognition of the huge affordability gaps between the cost of market housing and what their employees earn, a number of the Island’s employers have sponsored housing for their employees. Those providing this housing range from large employers such as Martha’s Vineyard Hospital and the Harbor View Hotel, to more medium sized employers such as Shop & Shop, and smaller operations such as Linda Jean’s restaurant. This growing interest in employer-assisted housing is reflected in the Hospital’s recent announcement that it will acquire an Inn in Tisbury for use as employee housing.

### 2.5 Martha’s Vineyard Commission (MVC)

The Martha’s Vineyard Commission (MVC) was created as the regional planning and regulatory agency charged with implementing a more coordinated approach to planning and regulating development to protect the Island’s unique natural, coastal, historical and cultural amenities while promoting sound local economies. An ongoing challenge for MVC is balancing the needs of competing land uses such as affordable housing, economic development and open space while preserving the Island’s character and natural resources, mainly water quality.

Another of the Commission’s major responsibilities is to evaluate and identify potential impacts a proposed development may have upon the availability of affordable housing. To this end the Commission has developed an Affordable Housing Policy when evaluating Developments of
Regional Impact (DRI).\(^{18}\) As a result of this policy, DRI applicants have provided millions of dollars in monetary mitigation, provided staff housing from commercial projects, and committed over 40 house lots for affordable housing from fair market residential projects.

The MVC is also the only regional body in the Commonwealth with regulatory review over Chapter 40B comprehensive permits projects, as DRI. The MVC has reviewed 17 comprehensive permits, denying only one such application. One consequence of the MVC’s DRI review of 40B projects is that MVC’s decisions are appealable. The MVC has defended several of its decisions on private affordable housing projects such as Bridge Housing and Jenney Way at the cost of several hundred thousand dollars.

As a regional planning agency, the Commission provides the Island towns with technical assistance, grant writing, and planning expertise on various topics such as transportation, water resources, economic development and affordable housing. In order to balance the needs of a growing and aging year-round population as well as sustain a seasonal and visitor-based economy, a major focus of the Commission is to engage all Island communities in working together to deal with shared concerns. Most Islanders recognize the need for regional solutions in addressing a wide range of needs on the Vineyard. Addressing Town needs with Island-wide needs, not to mention balancing the needs of competing land uses, is challenging, and maintaining the right balance requires and involves the efforts and collaboration of many dedicated Islanders to effectively implement such coordinated approaches.

In addition to being a sponsor of this Housing Needs Study along with the six Island Towns, the Commission has also been the convener of the Joint Affordable Housing Group (JAHG) that has met quarterly since 2005. The JAHG provides ongoing Island-wide support for addressing housing needs as well as implementing several housing-related strategies from the 2009 Island Plan. The continued involvement of MVC and community representatives in setting both local and regional policy as well as promoting local and regional programs and projects will be critical to the success of this Housing Study.

3. **Recommendations for Addressing Priority Housing Needs**

It is estimated that 29% of the Island is already developed, another 40% is preserved as open space, and the remaining 31% includes potentially developable property, albeit some of this property is likely to have significant development constraints. As the Island continues to grow and the economy improves, there will be greater market pressures on what property remains available for development. Consequently, good planning and the

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\(^{18}\) The Commission’s regulatory powers are well defined and generally limited to reviews of large-scale developments, known as “Developments of Regional Impact” (DRIs), throughout Dukes County. The Commission’s authority supplements local authority. Towns refer projects to the Commission for DRI review as (1) mandatory referrals, which are required for any project exceeding specific thresholds, and (2) discretionary referrals, which towns use at their option to seek Commission consideration of specific project-related impacts. At the option of applicants, joint state/regional reviews are conducted for projects going through the Massachusetts Environmental Policy Act (MEPA) process.
pursuit of opportunities that direct growth in appropriate scale and locations and that are also “needs driven” is fundamental to the future prospects of each community and the Island as a whole.

This Housing Needs Study provides an opportunity to reflect on what has been accomplished during the last decade, what socio-economic changes are occurring that impact housing needs, what resources are available to support housing development and services, and what should become priority opportunities for addressing pressing housing needs in the future. This report provides recommendations for focusing the housing agenda on the following key elements:

- **Identifying development opportunities that provide some greater scale and density in appropriate locations.** This study has chronicled the excellent work that has been accomplished by the Towns, employers and local housing providers, particularly given the heavy reliance on the creative packaging of local subsidies. However the strong inclination towards small projects and single-family homes has been somewhat more expensive than typical off-Island developments, has been difficult to manage across the Island, and has not served those with the greatest needs. This report suggests a balance between larger projects that can take advantage of economies of scale in appropriate locations and continued smaller infill projects with a greater focus on those with more limited income. Specific recommendations include the following:
  1. Identify developable property that is more conducive to higher densities and economies of scale
  2. Continue to respond to development opportunities as they arise
  3. Provide deeper subsidies to reach lower income residents
  4. Explore additional Island-wide housing programs

Also, in an effort to meet the needs of a population that is increasingly older and involves smaller households, this study recommends that new housing production include a greater number of units that are smaller, incorporate handicapped accessibility and visitability \(^{19}\) standards, as well as include supportive services for those with special needs.

- **Adopting zoning and regulatory changes that will better utilize existing developable property in a “smarter” way and include affordable housing.** Zoning is a powerful tool for not only directing growth, but also for insuring the integration of public benefits such as affordable housing. Growth on Martha’s Vineyard is largely dictated by six (6) separate Zoning Bylaws, which differ significantly in what can and cannot be built. This report suggests the following strategies for supporting more types of mixed-income or affordable housing options in suitable areas, offering essential incentives and regulatory support:

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\(^{19}\) “Visitability” involves the incorporation of Universal Design (UD) standards that are distinct from Barrier Free American Disability Act (ADA) requirements in that UD’s provide threshold entrance sizes, a first-floor bathroom and 32 inch clearance doors to make any building “visitable” by most folks and much more adaptable over time to deal with shorter term impairments or aging in place.
1. Allow multi-unit affordable and community housing in appropriate areas
2. Permit the development of smaller and nonconforming lots (or remainder lots) for affordable housing
3. Promote nontraditional forms of housing to meet diverse needs
4. Offer incentives for year-round rental housing
5. Revisit MVC’s Affordable Housing Policy
6. Use IHT ground leases on subsidized permanent housing units
7. Expedite permitting for affordable housing development

- **Accessing new and expanded housing resources to produce housing that best meets housing needs and production goals.** The loss of the Island Affordable Housing Fund represented a significant setback with respect to Island resources for housing organizations and various types of initiatives. Island communities have stepped-up and committed significant amounts of local resources, including land and CPA funding, towards housing efforts. However, substantially more resources will be required in the years ahead to meet production goals of 50 units per year and reach those lower income households with the greatest housing needs.

This report estimates that approximately $10,275,000 per year in total gap financing will be required to meet these goals, of which a substantial portion should be able to be covered by state and/or federal financing. The annual housing production goal will likely have to be reduced, at least during the next several years, until new funding streams can be tapped. A goal of 30 units might be more reasonable in the short-term, reflective of the average number of affordable and community units that were produced annually over the past decade and representing a reduction of the estimated amount of subsidy needed to somewhat more than $6 million.

While some options for raising funds for affordable housing have either been political “hot potatoes” or have been stymied in the past, new or renewed efforts to secure sufficient resources include the following:

1. Continue to donate publicly owned property for affordable or community housing
2. Recapitalize DCRHA units
3. Explore additional taxes or special fees
4. Reach out to private donors
5. Establish an Emergency Fund for those at risk of homelessness
6. Obtain Dukes County funding for its Associate Commissioner for the Homeless position
7. Secure special funding for CDC’s

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20 Assumes a split of 80% rentals to 20% homeownership units and the following income distribution for 50 units per year (see strategy 2.1.3 for details):
- 10 units for those earning at or below 30% AMI (all rental)
- 10 units for those earning between 30% and 60% AMI (all rental)
- 27 units for those earning between 60% and 80% AMI (20 rentals and 7 ownership)
- 3 units for those earning between 80% AMI and median income (all ownership)
Another theme that emerges in this report is the need for greater regional collaboration. While recognizing the impressive sharing of resources to date through the Rental Assistance Program and DCRHA administrative costs in particular, more opportunities to work together to promote Island-wide interests should be pursued. This will particularly be the case in terms of planning as the implementation of many of these recommendations will rely on cooperative planning efforts among the six communities. Not only will such planning necessarily involve closer working relationships between the Affordable Housing Committees and Planning Boards across the Island, but it will also call for the involvement of the Martha’s Vineyard Commission in supporting Island-wide planning efforts.

4. Town Recommendations

Based on the findings from the previous parts of this Housing Needs Assessment which describe demographic, economic and housing characteristics and trends for each of the six communities as well as Town-sponsored resources and initiatives, there are significant differentiations between the up-Island and down-Island communities. For example, the up-Island communities of Aquinnah, Chilmark, and West Tisbury are smaller, have little or no available infrastructure, some of the highest affordability gaps, and very little housing diversity. On the other hand, the down-Island towns of Edgartown, Oak Bluffs, and Tisbury are the largest communities by population on the Vineyard, have some availability of infrastructure, lower affordability gaps, and greater housing diversity.

While all Island communities could benefit from most of the recommendations included in Section 2 of this report, these differentiations suggest that certain strategies might be more relevant to up-Island versus down-Island towns. For example, the following recommendations are more applicable to the down-Island communities:

1. Development of properties that are more conducive to higher densities and economies of scale
2. Mixed-use development

On the other hand, while the following strategies are relevant to all towns, they are particularly applicable to the up-Island communities and more rural parts of the down-Island towns:

1. Cluster development of small starter housing
2. Development on smaller, nonconforming lots
3. Development of two-family, owner-occupied housing
4. Incentives for year-round rental units and special fees for seasonal units
5. Accessory apartments
6. Cost sharing for development in other locations that will benefit all Island residents (such as project financing/gap fillers, infrastructure, administrative costs, operating costs, services, etc.)

7. Continuation and expansion of existing initiatives in partnership with Island housing providers

It is important to emphasize that all communities should focus on making zoning changes to better direct and promote development, including affordable housing, as well as donating public property, sharing in associated project infrastructure costs, contributing to all-Island programs (such as the Rental Assistance Program, Housing Rehab Program, and other recommended Island-wide initiatives), and advocating for new permanent funding sources in support of affordable housing.

5. Conclusions

While the recommendations that are included in this report provide the building blocks for the Island’s ongoing housing agenda, there were some additional themes that emerged during the course of this study that are fundamental to making progress towards implementation.

First, there’s no substitute for leadership! Strong local leadership is essential to getting units produced. Given that this housing report is driven by the range of housing needs documented in Part 1 of this study, it is hoped that local leaders will recognize the importance of new subsidized housing to the health and vitality of their communities, and support appropriate and worthwhile housing initiatives even in a context of well funded and combative abutter opposition.

Second, education is essential! Because most of the housing recommendations in this report rely on local approvals, including those of Town Meeting, community support for new initiatives has and will continue to be critical. It will be important to engage all Island communities in productive discussions about priority housing needs, focusing on those earning below 80% AMI, seniors and those at risk of homelessness among them. Strategic efforts to better inform residents and local leaders on the issue of affordable housing and specific new initiatives can build local support by generating a greater understanding of the benefits of affordable housing, reducing misinformation and dispelling negative stereotypes. These outreach efforts are mutually beneficial as they provide useful information to community residents and important feedback to local leaders on community concerns and suggestions. Outreach through various sources, including social media, and in tandem with other groups and interests will be needed.

Third, partnerships are effective! These recommendations are reflective of what has been working so effectively on the Island, namely the close collaboration of housing providers in partnership with the Towns, service providers, and important Island-wide entities such as the Martha’s Vineyard Commission. This ethic of working together will be vital to the effective planning and implementation of these recommendations.

Fourth, get involved!
For individuals
- Support zoning changes that promote smart growth and affordable housing
- Support new permanent funding sources for affordable housing
- Contribute to local fundraising efforts for affordable housing
- Volunteer to serve on a local board or committee involved in housing
- Contribute time, effort and materials to Habitat for Humanity
- Donate land or sell/donate a living estate to the Island Housing Trust which works with others to develop and manage real estate
- Donate land or a house for moving
- Leave estate funds for affordable housing organizations
- Take advantage of programs that convert seasonally rented housing to year-round use

For Island Officials
- Support ongoing municipal funding for affordable housing efforts, including DCRHA’s programs and projects
- Identify Town-owned property for affordable housing development and convey such property at a nominal price
- Approve new permanent funding streams for affordable housing
- Create zoning incentives for the creation of affordable housing
- Work together with other Town officials in your community and other communities to promote housing initiatives

For Employers
- Support Island efforts to increase affordable housing, particularly year-round rental housing for essential workers
- Work to find solutions to housing seasonal workers
- Provide housing for your employees (see Section 2.4 of Part 2 of this study for examples of employer-assisted housing)
- Actively work in partnership with non-profit developers to create workforce housing for employees by making land and funding available in support of these efforts
- Contribute funding in support of affordable housing
- Volunteer to serve on a local board or committee involved in housing
MARTHA’S VINEYARD
HOUSING NEEDS ASSESSMENT
Summary Findings