

MARTHA'S VINEYARD HOUSING NEEDS ASSESSMENT



2013

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Please refer to the acknowledgements in each part of the report.

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.

MARTHA'S VINEYARD HOUSING NEEDS ASSESSMENT

Summary Findings



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Summary Findings

This Housing Needs Assessment 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 that has been made since then.

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."¹ 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

¹ Ryan, John J. of Development Cycles, *Preserving Community: An Island-wide Housing Needs Assessment*, November 2001. The document was also updated in 2005.

another hundred units are subsidized through the Dukes County Regional Housing Authority's Rental Assistance Program and rental vouchers.² 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,³ 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*

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.

*the Vineyard by prioritizing those residents with the greatest need, and by emphasizing the creation of rental units.*⁴ 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:⁵

- 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.

⁴ Martha's Vineyard Commission, *Island Plan: Charting the Future of the Vineyard*, December 2009, page 8-1.

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 households⁶ 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 income⁷ 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.

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.⁹ Also the numbers and percentages of those living in poverty have been climbing on the Vineyard.¹⁰ 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.¹¹ 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

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*

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.

¹¹ Ryan, John of Development Cycles, *Martha's Vineyard Economic Profile*, prepared for the Martha's Vineyard Commission and the Island Plan Steering Committee's Livelihood and Commerce Work Group, January 2008.

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 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

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).

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

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 housing to shopping centers and even businesses. CDCs, while often neighborhood-based, can extend far beyond the bounds of a single community to cover an entire city, county, multi-county region, or even an entire state. It should be noted that there has been a Dukes County CDC that has been active sporadically

- *Habitat for Humanity of Martha's Vineyard (11 Units): Affordable Homeownership Development/Community Building*
HFHMV'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.

over the past 20 years as well as a non-profit 501(c)(3) CDC under the auspices of the Dukes County Commission.

- 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 HFHMOV.
- Contributions of all Island communities in funding DCRHA, including its Rental Assistance Program.
- Partnerships between various towns and IHT and HFHMOV.
- 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 the SHI,¹⁵ and 99 units that involve rental subsidies from DCRHA's Rental Assistance Program or other rental subsidies (Section 8 Housing Choice Vouchers,

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.

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.

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**

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

*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 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.¹⁶ 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.).

- *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

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.

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.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 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.

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.

- *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 HFH MV, 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

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-

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 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.

related impacts. At the option of applicants, joint state/regional reviews are conducted for projects going through the Massachusetts Environmental Policy Act (MEPA) process.

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 visitability¹⁹ 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:
 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

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.

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.²⁰ 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
8. Adopt fee waivers or reductions for affordable housing
9. Access additional state and federal subsidies

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

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



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Part 1: Analysis of Demographic, Economic and Housing Characteristics, Trends, and Priority Housing Needs

1. Executive Summary of Part 1

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.”²¹ 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 almost 300 affordable and community housing units and approximately another hundred units are subsidized through the Dukes County Regional Housing Authority’s Rental Assistance Program and rental vouchers.²² 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

²¹ Ryan, John J. of Development Cycles, *Preserving Community: An Island-wide Housing Needs Assessment*, November 2001. The document was also updated in 2005.

²² 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.

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,²³ 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.

Given documentation in Sections 3 and 4, 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 creation of rental units."*²⁴ 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. Additional documentation on this rationale is included in Section 5.

This Housing Needs Assessment also recognizes that reaching this 50-unit goal involves formidable challenges including the following to name just a few:²⁵

²³ Includes 282 community and affordable housing units, incorporating 115 units through the Dukes County Regional Housing Authority's Rental Assistance Program.

²⁴ Martha's Vineyard Commission (MVC), *Island Plan: Charting the Future of the Vineyard*, December 2009, page 8-1.

²⁵ 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.

- 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 in the short-term.

1.2 Summary of Demographic and Economic Profile

Martha's Vineyard, once a major seaport and whaling capital, has become a global destination for a wide variety of seasonal residents and visitors including the rich and famous, even Presidents. Keeping to its seafaring past, Islanders still refer to the towns of Chilmark, Aquinnah, and West Tisbury as "up Island" as opposed to the "down Island" communities of Tisbury, Oak Bluffs, and Edgartown.

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.

Key findings from Section 3 of this Housing Needs Assessment suggest directions for addressing housing needs in the future, including the following:

Declining numbers of younger residents and increases in older ones (see page 21)

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 (see page 23)

The number of smaller, non-family households²⁶ 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 (see page 24)

Incomes have increased substantially with the median household income²⁷ 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 \$77,231.²⁸ 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.

More than one-quarter of all households earned less than \$35,000 (see page 28)

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.²⁹ Also the numbers and percentages of those living in poverty have been climbing on the Vineyard.³⁰ 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.*

²⁶ 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.

²⁷ Median household income is for all households including individuals, unrelated household members and families.

²⁸ Families include households with at least one parent and one child.

²⁹ 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.

³⁰ 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.

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 (see page 29)

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.³¹ 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

Section 4 of this Housing Needs Assessment details housing characteristics and trends over the past several decades including the following:

Predominance of single-family detached homes (see page 38)

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 (see page 39)

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 (see page 40)

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.*

³¹ Ryan, John of Development Cycles, *Martha's Vineyard Economic Profile*, prepared for the Martha's Vineyard Commission and the Island Plan Steering Committee's Livelihood and Commerce Work Group, January 2008.

Housing costs remain extraordinarily high with huge affordability gaps

Homeownership (see page 42)

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 (see Figure 4-6). 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.³² 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 (\$321,500 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 (see Table 4-12).

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 20 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 59 homes were affordable to those earning between 80% AMI and median income, representing less than 1% of all single-family units.

³² 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).

Rentals (see page 48)

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 Massachusetts Department of Housing and Community Development's most recent data on the Chapter 40B Subsidized Housing Inventory (SHI) states that the Vineyard had total of 411 state defined affordable units or 5.2% of the Island's year-round housing stock, and as noted above few if any unsubsidized housing units are even remotely affordable.

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 (page 52)

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 within the community to raise children and pass 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.

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 and had substantial cost burdens including 41.2% of renters and 51% of owners.

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.

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. Summary of Town Profiles

The six towns on the Island share the major characteristics that are summarized in Section 1, but vary somewhat in regard their history, community character, socio-economic makeup and housing. Some of these variations are highlighted in the following summaries, while Appendix 2 includes more detailed information on each of the six communities.

2.1 Aquinnah (see page 69)

Population Growth

Aquinnah, formerly known as Gay Head, is the *smallest community on the Vineyard*, representing only 2.6% of the Island's population as of October 2012. The town experienced a substantial growth spurt during the 1970s when the population grew by 86%. After losing population between 2000 and 2010, the community has seen considerable recent growth, increasing from 311 residents in 2010 to 468 by October 2012 according to Town records.

Racial Composition

Aquinnah is the *most racially diverse community on the Island* with a minority population of 42.4%, most who were of Native American descent from the Wampanoag tribe.

Age Distribution

Those 65 years of age or older represented only 9.3% of Aquinnah's population, the *lowest level of seniors on the Island*. On the other hand, the town had *more young adults 18 to 24 years of age (7.1%) and more in the 45 to 64 age range (40.8%)* in comparison to the other five communities.

Households

Aquinnah had the *smallest average household size* of 2.14 persons in comparison to the other Island towns with only 145 total households in 2010.

Income

Aquinnah had the *lowest median household income* of \$57,500 in 2010, and 35 households were earning less than \$35,000, representing more than one-quarter of all households. Also, 10% of all residents were living below the poverty level. On the other hand, its *median family income of \$83,750 was among the highest on the Island, suggesting that single individuals or couples were those with the greatest income constraints*.

Employment

While Aquinnah has relatively few employment opportunities, the number of jobs has been increasing from 59 jobs in 1990 to 281 in August 2012 during the busy summer season. The average weekly wage was only \$706 however, the lowest on the Island and insufficient to support market housing costs.

Housing

Aquinnah had 503 housing units in 2010 with another three (3) units built since then through October 2012. More than two-thirds, 68.6%, *were seasonal units or second homes, the highest level on the Island next to Chilmark*. Aquinnah also had *among the highest levels of rental units, 37.2% next to Tisbury at 38.2%*, and almost all of the rentals were in single-family dwellings.

Not surprisingly, housing costs in Aquinnah are high with a median single-family house price of \$642,000 as of September 2012, down from almost \$1.8 million in 2007. Town Assessor data indicates that there were only six (6) residential properties valued at less than

\$300,000 while 60% of the single-family homes and more than three-quarters of the properties with more than one house were valued above \$1 million.

Aquinnah had an *affordability gap* of \$352,500, the difference between what a median income household can afford (\$290,000) and the median priced unit (\$642,500). This analysis demonstrates how very challenging it is to afford housing in Aquinnah as even those earning below 150% of area median income are virtually shutout of the private housing market with few exceptions. In fact, there were only four (4) single-family homes in Aquinnah that would have been affordable to a household earning below median income.

There were only 35 rental units in Aquinnah with a median rent of \$1,080, requiring an income of approximately \$55,000 assuming some utility costs and a household spending not more than 30% of its income on housing. Thirty-one (31) of these units are part of the Tribal Housing developed as affordable through HUD financing and counted as part of the Town's Subsidized Housing Inventory (SHI). Another eight (8) units are included in the SHI that received assistance through the Homeowner Rehab Program for a total of 41 SHI units or 25.95% of Aquinnah's year-round housing stock.

2.2 Chilmark (see page 80)

Population Growth

Next to Aquinnah, Chilmark is the smallest community on the Vineyard, representing only 6.5% of the Island's population as of October 2012. After losing population right after World War II, the town experienced rather steady growth in the following decades to a total population of 866 by 2010, growing to 1,183 by October 2012 according to Town records, a 37% increase during this short period.

Racial Composition

Chilmark is the least racially diverse community on the Vineyard with a very small minority population of 3.6% according to 2010 census data.

Age Distribution

Chilmark had the highest median age on the Island of 50.7 years, among the highest in the state. This is due to its relatively high number of residents over 55 years of age, 43.2%, including 23% who were 65 years of age or older. On the other end of the age range, Chilmark had the lowest level of children under age 18 on the Island, representing only 18% of all residents.

Households

Almost 61% of Chilmark's households were families, higher than the other Island communities with the exception of West Tisbury. The average household size was 2.16 persons, relatively low in comparison to the other towns.

Income

Chilmark had the *highest income levels on the Island* with a median household income of \$72,917 and median family income of \$88,958. Nevertheless, almost 100 households earned

less than \$35,000 and 70 individuals were still living below poverty level, representing 8.1% of all residents.

Employment

While Chilmark had limited job opportunities, with 765 jobs as of August 2012, employment has been increasing with a 261% growth in jobs between 1990 and 2011. The average weekly wage was only \$727 in 2011 however, second lowest on the Island next to Aquinnah and insufficient to support market housing costs.

Housing

Chilmark had 1,606 housing units in 2010. *Almost three-quarters of the town's housing involved seasonal or second homes, the highest on the Island.* Chilmark also had the *lowest level of rentals* on the Island representing 26.1% of the housing stock.

Chilmark also had the *highest housing values on the Island* with a median single-family house price of \$825,000 as of September 2012, down from a high of \$2.8 million in 2007. Town Assessor data indicates that was only one (1) residential property valued at less than \$300,000 while 64.5% of the single-family homes and 79.7% of the properties with more than one house were valued above \$1 million. The town had no condominiums.

Chilmark had an *affordability gap of \$440,000, the highest on the Vineyard*, which represents the difference between what a median income household can afford (\$385,000) and the median priced unit (\$825,000). This analysis demonstrates how very challenging it is to afford housing in Chilmark as even those earning below 150% of area median income are virtually shutout of the private housing market with few exceptions. Three (3) of the community's year-round housing units are included on the Subsidized Housing Inventory, units that were improved through the Homeowner Rehab Program, with another four (4) units that will be included as part of the Town's Middle Line Road project.

2.3 Edgartown (see page 91)

Population Growth

Edgartown is *among the largest communities on the Island*, representing about one-quarter of the Vineyard's population. The town had 4,067 residents according to the 2010 census data, increasing by 11.4% to 4,531 residents as of August 2012 according to Town records.

Racial Composition

Almost 12% of all residents were non-White in 2010, comparable to the 12.4% Island-wide level for the Island.

Age Distribution

Edgartown's age distribution was relatively evenly spread among various age categories with the exception of young adults age 18 to 24 which were relatively few in number. The median age was 44.8 years, slightly less than the 45.3 years for the Island as a whole.

Households

Almost 60% of the community's households were families, and 98 of these families were single female heads of households. The average household size was 2.25 persons, relatively high in comparison to the other towns.

Income

Edgartown had a median household income of \$67,625, near the mid-range between a low of \$57,500 for Aquinnah and a high of \$72,917 in Chilmark. About one-fifth of town residents earned less than \$35,000 and 11.7% or 476 residents as well as 93 or 8.7% of all families lived below the poverty level, the highest level on the Vineyard.

Employment

Next to Tisbury, Edgartown had the greatest number of employment opportunities on the Vineyard with 3,682 jobs as of August 2012, many related to the service economy. The average weekly wage was only \$798 in 2011, in the mid-range between a low of \$706 in Aquinnah and a high of \$891 in Tisbury, still insufficient to support market housing costs.

Housing

Edgartown had 5,220 housing units in 2010 of which 3,258 or 62.4% were seasonal or second homes. Another 71 units were built since then through October 2012. Almost all of the housing units are single-family homes. Edgartown's housing values are also in the mid-range in comparison to the other towns with a median single-family house price of \$653,388 in comparison to a low of \$374,000 in Oak Bluffs and the high of \$825,000 in Chilmark as of September 2012. Town Assessor data indicates that 79 of the 3,488 single-family homes were valued at less than \$300,000 while 26.8% of were valued above \$1 million. Almost half were in the \$400,000 to \$700,000 range. The town had 141 condominiums, 73.8% valued between \$300,000 and \$600,000. Edgartown also had 643 properties that involved multiple houses on one (1) lot with more than half assessed at more than \$1 million.

Edgartown had an *affordability gap* of \$306,388 for single-family homes, again close to the mid-range on the Island between a low of \$94,000 in Oak Bluffs to a high of \$440,000 in Chilmark. This gap represents the difference between what a median income household can afford (\$347,000 for Edgartown) and the median priced unit (\$653,388). This analysis demonstrates how very challenging it is to afford housing in Edgartown as there were only 87 single-family homes likely to be affordable to a household earning at or below the median income level and likely to be very small and in poor condition.

In regard to rentals, the Census Bureau's American Community Survey estimated that the 268 rental units had a *median gross monthly rental of \$1,302, the highest on the Island*, requiring an income of about \$64,000. A total of 68 of these rentals involved subsidized units.

Edgartown had affordable 89 units included on the Subsidized Housing Inventory (SHI), representing 4.54% of the town's year-round housing stock. Major subsidized developments include Morgan Woods (60 rental units), Fisher Road Apartments (8 rental units), and five (5) ownership units at High and Pease Point and Fair Way Village. The remaining 16 units involved the Homeowner Rehab Program.

2.4 Oak Bluffs (see page 102)

Population Growth

Oak Bluffs is the *largest community on the Island* with a population of 4,527 in 2010, increasing to 4,737 residents as of September 2012, according to Town records. The town includes 26% of the Island's total population.

Racial Composition

Oak Bluffs also had the *largest minority population* with 719 minority residents or 15,9% of all residents.

Age Distribution

Oak Bluffs had a median age of 44.4 years. With the exception of a relatively low level of young adults, the town's age distribution was relatively evenly spread among age ranges. The largest age group were those 65 years of age or older that included 792 residents or 17.5% of the population.

Households

About 55% of Oak Bluff's households were families, the lowest level on the Island next to Tisbury, the rest being single individuals or households with unrelated members. The average household size was 2.24 persons, relatively high in comparison to the other towns.

Income

The town had a median household income of \$59,156, lower than Island-wide levels. There were 444 households, or 32% of all households, that earned less than \$35,000, including 426 individuals and 66 families living below the poverty level.

Employment

Oak Bluffs had the *highest employment on the Island* with 3,919 jobs as of August 2012, increasing by 132% between 1990 and 2011. Many of these jobs were in the service industry, supporting the community's lively tourist industry. The average weekly wage was only \$731 in 2011, not enough to afford the median gross monthly rental of \$1,000 much less homeownership.

Housing

Oak Bluffs had 4,257 housing units in 2010 with another ? units built since then through October 2012. About half of these units were for seasonal use or second homes. Of the year-round units, two-thirds were owner-occupied and the remaining third, or 670 units, were rentals.

While housing costs are still high, Oak Bluffs has the *most affordable housing on the Island* with a median single-family house price of \$374,000 as of September 2012. Town Assessor data indicates that 264 of the 3,326 single-family homes were valued at less than \$300,000 and more than half (53.4%) were assessed in the \$300,000 to \$500,000 range.

Oak Bluffs also had 78 condos, two-thirds of which were assessed between \$200,000 and \$400,000. There were also 217 properties with more than one house on the same lot with

55.8% assessed between \$400,000 and \$700,000 and 21.7% assessed for more than \$1 million.

The town had an *affordability gap of \$94,000, the lowest on the Vineyard*, which represents the difference between what a median income household can afford (\$280,000) and the median priced unit (\$374,000). Nevertheless, there were only eight (8) single-family homes that would have been affordable to a household earning at or below 80% AMI with another 211 that would likely have been affordable to households earning between 80% AMI and median income.

In regard to rental housing, census survey data counted 252 rentals with a *median gross monthly rent of \$1,000, the lowest on the Island*. This rental would still require an annual income of about \$52,000 given utility costs and not spending more than 30% of one's income on housing.

There were 146 units, or 6.83% of Oak Bluffs' year-round housing, eligible for inclusion in the Island's Subsidized Housing Inventory (SHI), 35.5% of the Island's total 411 affordable units. These include the Island Elderly Housing's Woodside Village and Aidyberg developments, for example, and the Dukes County Regional Housing Authority's Lagoon Heights project and Noyes Building.

2.5 Tisbury (see page 113)

Population Growth

Tisbury had a population of 3,949 per the 2010 census and had grown to 4,194 residents by October 2012 according to Town records. The town includes about 23% of the Island's population.

Racial Composition

Tisbury has the *second largest minority population* with 541 minority residents or 13.7% of all residents.

Age Distribution

Tisbury had a median age of 44.3 years. With the exception of a relatively low level of young adults, the town's age distribution was fairly evenly spread among age ranges. The largest age group included those 65 years of age or older, totaling 659 residents or 16.7% of the population.

Households

About 54% of Tisbury's households were families, the lowest level on the Island. The average household size was 2.19 persons, relatively low in comparison to the other towns.

Income

The town had a *median household income of \$58,551, the lowest in comparison to the other towns*. There were 390 households that earned less than \$35,000, including 170 individuals and 27 families who lived below the poverty line. *Of particular note were the 117 seniors 65 years of age or older who were living beneath the poverty level, representing 17.8% of all those in this age group*.

Employment

Tisbury has substantial employment opportunities with 3,507 jobs as of August 2012. The average weekly wage was \$891 in 2011, the highest on the Island. Nevertheless, this income is still insufficient to afford the median gross monthly rental of \$1,111, much less homeownership.

Housing

Of the 3,094 total housing units in 2010, 1,129 or 36.5% were seasonal or second homes, the lowest level on the Vineyard. Of the year-round units, 61.8% were owner-occupied and the remaining 38.2%, or 689 units, were rentals. Tisbury had the highest level of rental-occupancy on the Island. Tisbury also had the greatest amount of housing diversity with 11.4% of its units in small multi-family dwellings.

While housing costs are still high, Tisbury, next to Oak Bluffs, has the most affordable housing on the Island with a median single-family house price of \$430,000 as of September 2012. Town Assessor data indicates that 105 of the 1,991 single-family homes were valued at less than \$300,000 with 560 units (28.2%) assessed in the \$300,000 to \$400,000 range, and another 615 (30.8%) valued between \$400,000 and \$600,000. Almost 20% of the homes were assessed above \$1 million.

Tisbury had 119 condos, more than half (52.9%) assessed between \$300,000 and \$600,000. There were also 227 properties with more than one house on the same lot with 30.4% assessed between \$400,000 and \$600,000 and 37.9% assessed for more than \$1 million.

The town had an affordability gap of \$155,000, the lowest on the Vineyard next to Oak Bluffs, which represents the difference between what a median income household can afford (\$275,000) and the median priced unit (\$430,000). Nevertheless, there were only 20 single-family homes that would have been affordable to a household earning below 80% AMI and an additional 117 homes that would have been affordable to a household earning between 80% AMI and median income.

In regard to rental housing, census survey data counted 328 rentals, with a median gross monthly rent of \$1,111. This rental would still require an annual income of about \$56,500 given utility costs and not spending more than 30% of one's income on housing.

There were 109 units or 5.55% of Tisbury's year-round housing eligible for inclusion in the Island's Subsidized Housing Inventory (SHI), 26.5% of the total 411 affordable units. These include the Island Elderly Housing's Hillside Village and Love Housing Apartments, for example, and a good number of the Dukes County Regional Housing Authority's projects.

2.6 West Tisbury (see page 125)

Population Growth

West Tisbury had a population of 2,740 per the 2010 census and grew to 3,103 residents by October 2012 according to Town records. The town includes about 17% of the Island's total population.

Racial Composition

West Tisbury has a relatively small minority population that includes 141 minority residents or 5.1% of all residents in 2010.

Age Distribution

West Tisbury had a median age of 46.9 years with a *significant population of baby boomers* as 22% of the population was in the 55 to 64 age range. It also had the *highest number of children with 20% of the population under 18* compared to the other towns.

Households

About 61% of West Tisbury's households were *families, the highest level on the Island, correlated with the relatively high portion of children. The average household size was 2.26 persons, also highest among Vineyard communities.*

Income

The town had *the highest median household income (\$71,667) next to Chilmark and the highest median family income of \$91,389.* There were 139 households that earned less than \$35,000, that included 260 individuals and 32 families who were lived below the poverty line.

Employment

West Tisbury has a growing employment base with 2,667 jobs as of August 2012, *increasing by 766% between 1990 and 2011.* The *average weekly wage was only \$848 in 2011, the second highest on the Island next to Tisbury.* Nevertheless, this income is insufficient to afford the median gross monthly rental of \$1,212.

Housing

Of the 2,204 total housing units in 2010, 951 or 43.1% *were seasonal or second homes, the lowest level on the Vineyard next to Tisbury.* Of the year-round units, 72.2% *were owner-occupied, the second highest level on the Vineyard.* Almost all of the units were single-family homes (92.1%) and the census counted 129 mobile homes.

Housing costs are high with a *median single-family home price of \$704,000 as of September 2012, second highest next to Chilmark.* Town Assessor data indicates that 38 of the 1,449 single-family homes were valued at less than \$300,000. More than half of the homes (52.3%) were assessed between \$500,000 and \$800,000 and almost one-quarter (23.2%) of the community's single-family homes were assessed for more than \$1 million.

West Tisbury had only four (4) condos, and of the 275 properties that involved multiple houses on one (1) lot, 41.8% were valued beyond \$1 million.

The town had an *affordability gap of \$344,000, surpassed only by its other up-Island neighbors.* This gap represents the difference between what a median income household can afford (\$360,000) and the median priced unit (\$704,000). There were only 39 single-family homes that would have been affordable to a household earning below median income, only 16 for those earning below 80% AMI. There were an additional 265 homes that would have been affordable to a household earning 100% to 150% AMI, suggesting only limited affordability.

In regard to rental housing, census survey data counted 63 rentals, with a *median gross monthly rent of \$1,212*. This rental would still require an annual income of about \$60,500 given utility costs and not spending more than 30% of one’s income on housing. *Almost two-thirds of the rental units involved no formal rent payments.*

There were 23 units or 1.84% of Tisbury’s year-round housing eligible for inclusion in the Island’s Subsidized Housing Inventory (SHI), 5.6% of the Island’s total 411 affordable units. These include four (4) affordable co-housing units, six (6) rental units at the Dukes County Regional Housing Authority’s Sepiessa and Halcyon Way projects. There was an additional affordable ownership unit and 12 properties that participated in the Homeowners Rehab Program.

3. Demographic and Economic Profile³³

It is important to closely examine demographic and economic characteristics, particularly past and future trends, in order to understand the composition of the population and how it relates to current and future housing needs. Key questions to be addressed include:

- What have been the growth trends for each town and the Island?
- What are the variations in household size and types of households that suggest unmet or greater housing needs?
- What are the ramifications of increases and decreases of various age groups in regard to housing needs?
- What changes in income levels have occurred and how does this relate to housing affordability?
- What proportion of the population is disabled or has other special needs that suggest the need for supportive services or home modifications?
- What have been the growth trends of seasonal and second home residents?

These and other social and economic issues are discussed in the following sections.

3.1 Population Growth – 10% growth since 2000 following a higher growth period

Martha’s Vineyard continues to grow albeit at a slower pace. As Table 3-1 indicates, the population remained relatively flat between 1930 and 1970, but started to increase substantially after that. Between 1970 and 1980 the year-round population almost doubled and then grew by another 30% in the 1980s, and almost the same amount in the ‘90s. From 2000 through 2010, the Vineyard attracted another 1,548 residents, representing a 10.3% increase in population. This growth by town is also presented in Figure 3-1.

Table 3-1: Total Population and Change, 1930 to 2010 and 2020 Projections

Year	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	W. Tisbury	County
1930	161/--	252/--	1,276/--	1,333/--	1,541/--	270/--	4,953/--
1940	127/-21.1%	226/-10.3%	1,370/7.4%	1,584/18.8%	1,966/27.6%	260/-3.7%	5,669/14.5%
1950	88/-30.7%	183/-19.0%	1,508/10.1%	1,521/-4.0%	1,930/-1.8%	347/33.5%	5,633/-0.6%

³³ It should be noted that this Housing Needs Assessment includes the most up-to-date data available. When 2010 census data is not available, the most recent issue of the Census Bureau’s American Community Survey (ACS) is used. Because the ACS is based on sample data, it is subject to sampling error and variation.

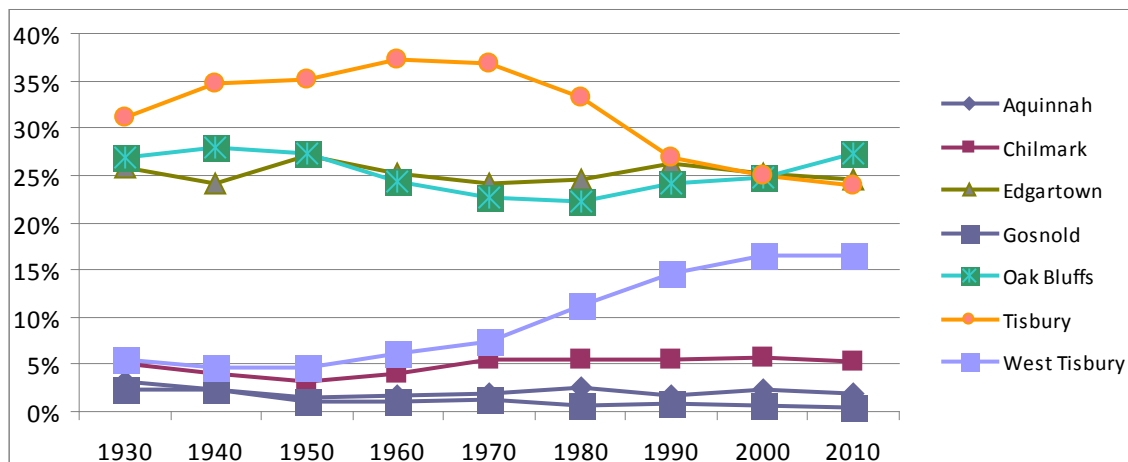
1960	103/17.0%	238/30.1%	1,474/-2.3%	1,419/-6.7%	2,169/12.4%	360/3.7%	5,829/3.5%
1970	118/14.6%	340/42.9%	1,481/0.5%	1,385/-2.4%	2,257/4.1%	453/25.8%	6,117/4.9%
1980	220/86.4%	489/43.8%	2,204/48.8%	1,984/43.2%	2,972/31.7%	1,010/123%	8,942/46.2%
1990	201/-8.6%	650/32.9%	3,062/38.9%	2,804/41.3%	3,120/5.0%	1,704/68.7%	11,639/30.2%
2000	344/71.1%	843/29.7%	3,779/23.4%	3,713/32.4%	3,755/20.4%	2,467/44.8%	14,987/28.8%
3/2010	311/-9.6%	866/2.7%	4,067/7.6%	4,527/21.9%	3,949/5.2%	2,740/11.1%	16,535/10.3%
2012	468 (as of 10-18-12)	1,183 (as of 10-1-12)	4,531 (as of 8-1-12)	4,737 (as of 9-19-12)	4,194 (as of 10-18-12)	3,103 (as of 10-18-12)	18,216/10.2%
% Cty	1.9%	5.2%	24.6%	27.4%	23.9%	16.6%	100% (2010)
2020	466/49.8%	1,164/34.4%	5,619/38.2%	6,061/33.9%	4,501/14.0%	3,883/41.7%	21,694/31.2%

Source: US Census Bureau, 2010, Town Clerk records and projections from the Massachusetts Institute of Social and Economic Research (MISER), renamed the Donahue Institute at the University of Massachusetts.

Note: There were also 75 residents of the town of Gosnold in Dukes County in 2010.

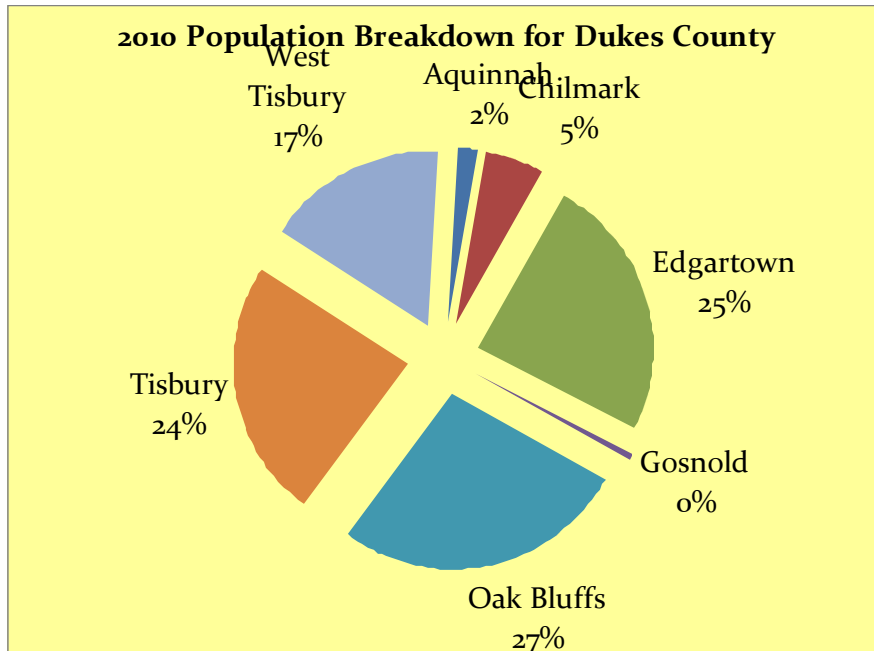
Since the 2010 census figures were released, another 1,681 new residents have been added to the Island's population for a total population of 18,216 as of October 2012, reflecting another 10.2% rate of growth.

Figure 3-1: Percentage Population Growth by Town, 2010



As shown in Figure 3-2, about three-quarters of the population reside in Edgartown, Oak Bluffs and Tisbury, relatively evenly distributed among these communities. West Tisbury has experienced the greatest percentage growth, particularly in the 1980s. From 2000 through 2010, Aquinnah actually lost population while Chilmark, Edgartown and Tisbury all experienced population growth rates of less than 10%. Oak Bluffs grew the most at about 22% with West Tisbury at 11%. From 2010 through October 2012, additional growth ranged from a low of 4.6% in Oak Bluffs to a high of 50.5% in Aquinnah according to Town records (see Table 1 in Appendix 2).

Figure 3-2

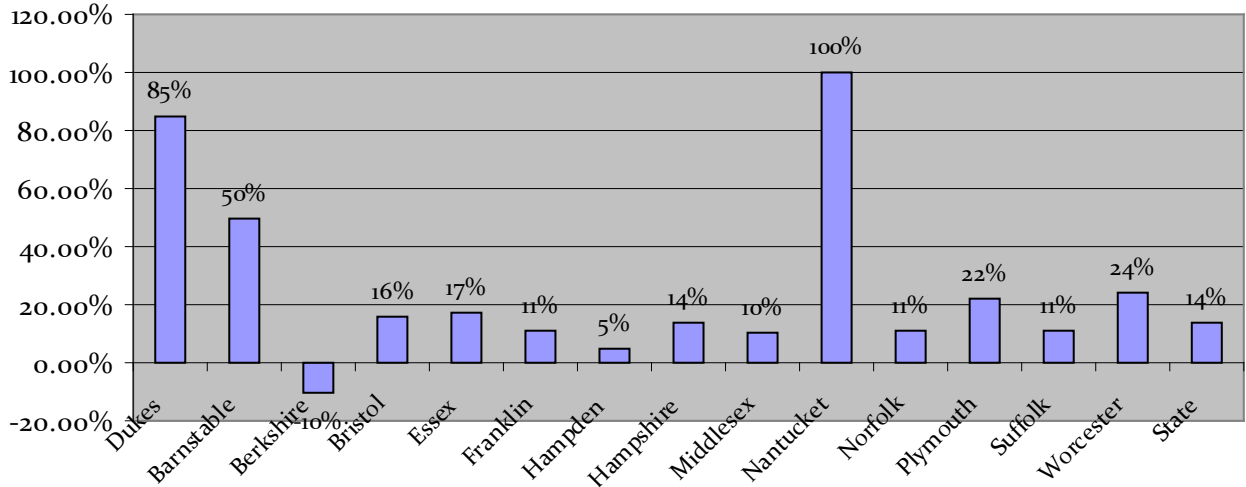


Population projections from the State Data Center, based on aging and migration patterns, suggest continued substantial growth but overestimated actual growth for 2010 as projections predicted that the population would grow by another 6,750 residents, 5,200 more than what actually occurred. The high growth estimates through 2020 incorporate the exaggerated 2010 projections, but given more recent growth patterns in several communities they may not be too off the mark. For example, according to Town records, Aquinnah and Chilmark have already surpassed the 2020 projections. Since the Island-wide population grew by 10.2% between 2010 and October 2012, it is not inconceivable that it would increase by another 19.1% by 2020 to reach a projected population of 21,694.

As shown in Figure 3-3, 1980 to 2010 growth rates in Nantucket and Dukes County, at 100% and 85% respectively, were dramatically higher than other counties in the state. Barnstable County also experience substantial growth at about 50% during this period, but the overall state rate was 14.1% with Berkshire County actually losing population.

Figure 3-3

**Percentage Population Growth for Counties and the State
Between 1980 and 2010**



3.2 Racial Composition – Increasing minority population of up to 12.4% of all residents

The population of non-White residents has increased over the past several decades, from 5.7% in 1990, to 9.3% in 2000, and 12.4% by 2010. As Table 3-2 indicates, 12.4% of the Island’s population was a member of a minority group, ranging from a low of 3.6% and 5.1% in Chilmark and West Tisbury to 42.4% in Aquinnah with its significant Native American population. Oak Bluffs also had noteworthy minority representation at 15.9% including 220 Black or African-American residents and 178 in the “other” race category.

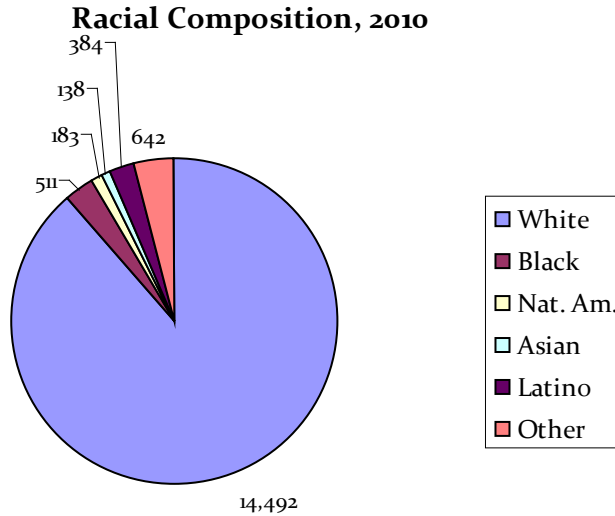
Table 3-2: Racial Composition by Town and Island-wide, 2010

Race	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	W. Tisbury	Count y
Minority Pop. *	132 (42.4%)	31 (3.6%)	476 (11.7%)	719 (15.9%)	541 (13.7%)	141 (5.1%)	2,043 (12.4%)
Black	5	15	102	220	144	25	511
Native Am.	83	2	20	44	17	17	183
Asian/Pac. Is.	1	2	26	57	18	20	138
Other	6	3	224	178	206	25	642
Latino **	15	7	99	110	118	35	384
Total Pop.	311	866	4,067	4,527	3,949	2,740	16,535

Sources: US Census Bureau, 2010 * All non-White classifications ** Latino or Hispanic of any race.

Figure 3-4 shows that while White residents are predominant, there is relative diversity among minority representation.

Figure 3-4



3.3 Age Distribution – Substantial population gains in older residents

Table 3-3 summarizes changes in the Island’s age distribution between 1990 and 2010, which is visually presented in Figure 3-3. This information demonstrates the relative aging of the population, certainly reflective of state and national trends and confirmed by median age increases from 37.3 years in 1990, to 40.7 years in 2000, and 45.3 years by 2010. The driving force behind these increases was the population age 45 to 64, many who belong to the baby boom generation. In general, there were significant declines in younger residents and gains in the older ones as described below.

- Children – Declines relative to the total population*
 Those under age 18 increased by 469 residents but decreased in proportion to all residents from 23.2% in 1990 to 19.2% by 2010. This decline is also revealed in decreasing school enrollment, from a total of 1,395 students in the 1999-2000 school year to 1,229 by 2011-2012, representing a loss of 11.9%. The decline in the number of children is becoming increasingly common in more affluent areas of the state where young adults find difficulty finding jobs with the incomes that are necessary to afford to live in these places and raise children.
- Older Children and Very Young Adults*
 Those ages 18 to 24 grew by 45.3% between 1990 and 2010, representing an increase of 307 residents and comparable to the Island-wide growth rate, but remaining only about 6% of the population. Throughout these decades, it is likely that many in this age range who were raised locally have left the Island to attend college, pursue some form of higher education, and/or find employment.

- *Younger Adults – Decreased by 224 residents despite a 42% Island growth rate*
Those ages 25 to 44, which include most of the young families, decreased by 224 residents, declining in proportion to the total population, from 36.6% to 24.4% between 1990 and 2010, while the overall Island population grew by 42.1%. This group, largely the children of the baby boomers, simply do not have the economic wherewithal to afford today’s market, and as the figures indicate, many have left the Island.
- *Middle Years – Dramatic increases*
Residents between the ages of 45 and 64 increased from 2,158 in 1990 to 5,645 by 2010, an increase of 162%. These residents, many of whom are part of the baby boom generation, comprised 18.5% of the population in 1990 but grew to 34.1% in 2010. This group includes people who benefited from the economic slump of the late 1980’s and early 1990’s housing market, have good jobs, kids in the school system, low mortgage payments, and want to remain on the Island through retirement.

Table 3-3: Age Distribution for Dupkes County, 1990 to 2010

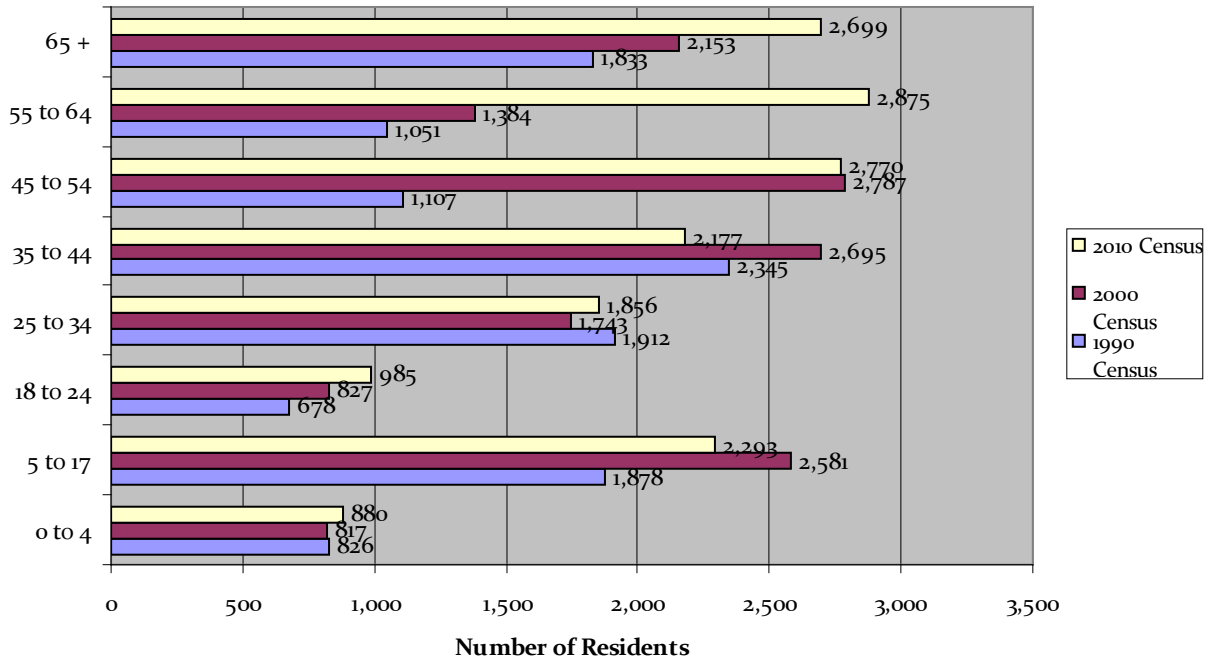
Age Range	1990		2000		2010	
	#	%	#	%	#	%
Under 5 Years	826	7.1	817	5.5	880	5.3
5 – 17 Years	1,878	16.1	2,581	17.2	2,293	13.9
18 – 24 Years	678	5.8	827	5.5	985	6.0
25 – 34 Years	1,912	16.4	1,743	11.6	1,856	11.2
35 – 44 Years	2,345	20.1	2,695	18.0	2,177	13.2
45 – 54 Years	1,107	9.5	2,787	18.6	2,770	16.8
55 – 64 Years	1,051	9.0	1,384	9.2	2,875	17.4
65 – 74 Years	1,061	9.1	1,132	7.6	1,477	8.9
75 – 84 Years	577	5.0	783	5.2	831	5.0
85+ Years	195	1.7	238	1.6	391	2.4
Total	11,639	100.0	14,987	100.0	16,535	100.0
Under 18	2,704	23.2	3,398	22.7	3,173	19.2
Age 65+	1,833	15.7	2,153	14.4	2,699	16.3
Median Age	37.3 Years		40.7 Years		45.3 Years	

Source: US Census Bureau, 1990, 2000 and 2010

- *Older Adults – Grew largely in proportion to overall growth*
Those aged 65 to 84 grew by about the same rate as the general population, by 40.9%, representing an increase of 670 residents and remaining about 14% of the population in 1990 and 2010.
- *Frail Elderly – Doubled in number*
Those age 85 and older, while relatively small in number, doubled in number and grew substantially from 1.7% to 2.4% of all residents.

Figure 3-5

Changes in Age Distribution: 1990 to 2010



The substantial growth of aging adults on the Vineyard suggests that there should be a focus on integrating more handicapped accessibility and supportive services into new and existing housing.

Table 3 in Appendix 2 presents the breakdown of ages for each of the six towns based on the 2010 census. As a percentage of the total population, Martha’s Vineyard had fewer children and more seniors than most communities in the Commonwealth. For example, with a median age of 50.7 years, Chilmark is ranked 329 of the 351 communities in the state in terms of age, ranked 73 out of all communities in terms of having fewer children, and 332 of 351 due to having such a high percentage of residents 65 years of age or older. All towns have median ages well above the state and higher percentages of seniors. See Table 4 in Appendix 2 for a breakdown of this ranking by town.

3.4 Households – Increasing numbers of smaller households

While the Vineyard population grew by 42.1% from 1990 to 2010, the numbers of households increased by 47.3% to 7,368 total households as indicated in Table 3-4. This is correlated to the increasing number of smaller, non-family households³⁴, which increased from 1,997 in 1990 to 3,147 by 2010. This increase in smaller households is reflected in the decreasing average household size, from 2.31 persons in 1990 to 2.22 by 2010. The growing number of smaller, non-

³⁴ 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.

family households³⁵ is also reflective of local and national trends driven by fewer numbers of children and “traditional” families, increases in “child-free” and “child-delayed” families, and increases in empty nesters and senior and frail populations, particularly those who are living alone.

Table 3-4: Household Characteristics for Dukes County, 1990-2010

Types of Households	1990		2000		2010	
	#	%	#	%	#	%
Total Households	5,003	100.0	6,421	100.0	7,368	100.0
Family Households*	3,026	60.5	3,791	59.0	4,221	57.3
Female Headed Families*	263	5.3	384	6.0	387	5.3
Non-family Households*	1,977	39.5	2,630	41.0	3,147	42.7
Average Household Size	2.31 persons		2.30 persons		2.22 persons	

Source: US Census Bureau, Census 1990, 2000 and 2010 * Percent of all households

Table 5 in Appendix 2 presents this household information by town for 2010. The average household size varies from a low of 2.14 persons in Aquinnah to 2.26 persons in West Tisbury, West Tisbury with the highest proportion of families at 61.2% of all households, and Aquinnah at 55.9%. The percentage of female-headed households with children under 18, typically the most financially vulnerable of households, was fairly low, ranging from 3.5% in Chilmark to 6.2% in Aquinnah.

Single-person households in Dukes County comprised about one-third of all households and 78.3% of all non-family households in 2010. Of these single-person households, 921 or 37.4% were 65 years of age or older, up from 35% in 2000. *Moreover, almost 31% of the households with children were headed by one parent (70.7% of these involved single mothers) suggesting a compelling need for affordable family housing for families with only one income.* There were also an estimated 2,303 two-person households, comprising 41.6% of all households; yet smaller housing units are in relatively short supply (see Table 4-6).

There is a pressing need for a greater number of smaller units to accommodate a growing population of small households.

3.5 Income – More than one-quarter of all households earned less than \$35,000 in 2010

Table 3-5 presents income data based on the 1990, 2000 and 2010 census estimates, which is also visually presented in Figure 3-6. Incomes have increased substantially with the median household income³⁶ doubling during this timeframe from \$31,994 in 1990 to \$62,407 by 2010. In comparison, the median household income level increased by only 73% for the state during this period. The Island’s median was fairly comparable to the state’s of \$63,961.

³⁵ Non-family households include individuals as well as unrelated household members.

³⁶ Median household income is for all households including individuals, unrelated household members and families.

Those earning less than \$35,000 decreased by half between 1989 and 2010, from 53.6% of all households to 26.2%, but still represent a substantial portion of the population -- 1,449 households. Residents earning between \$35,000 and \$50,000 declined by almost 300 households between 1989 and 2010, from 20.2% to 13.2% or from 1,024 to 728. In total, 2,177 households earned less than \$50,000, making it difficult to afford to live on the Vineyard as will be shown in future sections, particularly in relation to existing housing costs. Those with higher incomes, earning more than \$75,000, increased from 544 or 10.7% of all households in 1989, to 2,431 or 44% by 2010. Once again, this level was comparable to the state at 43.1%.

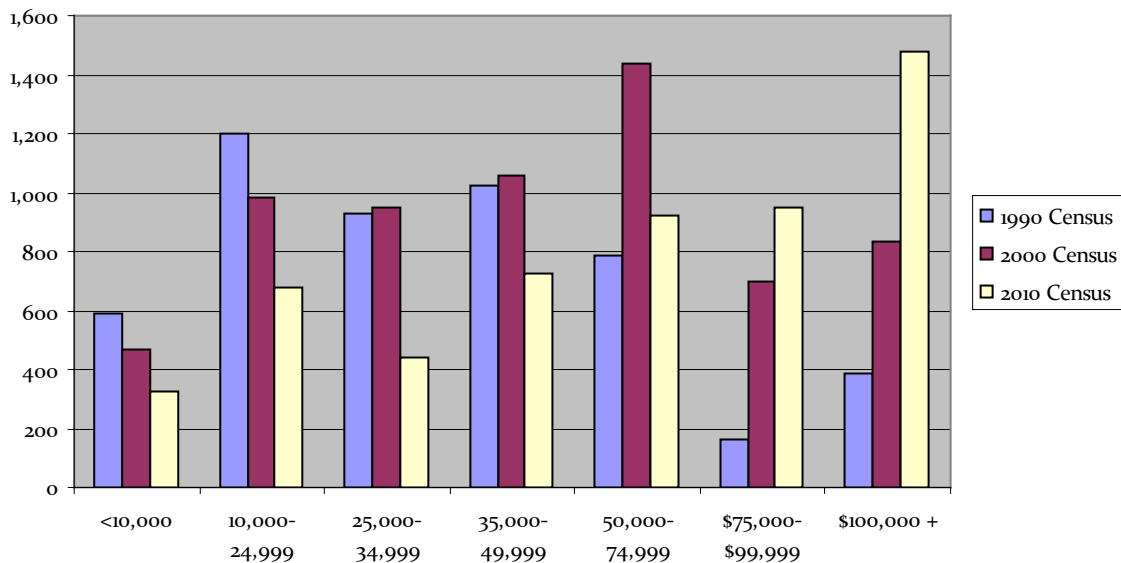
Table 3-5: Income Distribution by Household, 1989-2010

Income Range	1990		2000		2010	
	#	%	#	%	#	%
Under \$10,000	591	11.6	465	7.2	325	5.9
10,000-24,999	1,199	23.6	982	15.3	681	12.3
25,000-34,999	932	18.4	952	14.8	443	8.0
35,000-49,999	1,024	20.2	1,056	16.4	728	13.2
50,000-74,999	786	15.5	1,440	22.4	922	16.7
75,000-99,999	160	3.2	699	10.9	952	17.2
100,000-149,999	384	7.6	465	7.2	784	14.2
150,000 +			372	5.8	695	12.6
Total	5,076	100.0	6,431	100.0	5,530	100.0
Median hh Income	\$31,994		\$45,559		\$62,407	

Source: US Census Bureau, Census 1990 and 2000, Summary File 3 and American Community Survey, 2006-2010

Figure 3-6

Dukes County Household Income Distribution, 2010



While median household income increased by 95.1% for the Island between 1990 and 2010, it increased by 215% for Aquinnah but was lower at \$57,500 in comparison to the other

towns as shown in Table 3-6. Median household income increased by 121% for West Tisbury, 112% for Chilmark, and 107% for Tisbury; but only 86.4% and 90.1% for Edgartown and Oak Bluffs, respectively. The highest income levels were in Chilmark and West Tisbury with median levels well above the County's.

Table 3-6: Median Income³⁷ by Town, 1990 to 2010

Town	1990		2000		2010	
	Median Hh Income	Median Family Inc.	Median Hh Income	Median Family Inc.	Median Hh Income	Median Family Inc.
Aquinnah	\$18,250	\$27,500	\$45,208	\$45,458	\$57,500	\$83,750
Chilmark	34,375	40,625	41,917	63,750	72,917	88,958
Edgartown	36,285	43,803	50,407	55,153	67,625	79,219
Oak Bluffs	31,117	38,462	42,044	53,841	59,156	75,025
Tisbury	28,281	40,274	37,041	53,051	58,551	69,936
W. Tisbury	32,422	39,423	54,077	59,514	71,667	91,389
County	31,994	41,369	45,559	55,018	62,407	77,231

US Census Bureau, 1990 and 2000 Summary File 3 and American Community Survey 2006-2010

Table 3-7 examines the incomes of households by the age of the members. This information confirms the relative dominance of older adults on the Vineyard with only 69 households in the lowest age range of 25 years or less. All of these young households had incomes of less than \$75,000, almost three-quarters in the \$35,000 to \$50,000 income range. Of the 1,116 households age 25 to 44, 209 or 18.7% earned less than \$35,000, a true challenge given the Island's high cost of living. Another 517 or 46.4% of those in the 45 to 64-age range earned less than \$35,000 in addition to 77 or almost half of those age 65 or more. With the exception of those 25 or less, an additional 12% of households in the other age ranges were earning between \$35,000 and \$50,000, still likely confronting major financial strains.

Table 3-7: Income Distribution by Age of Householder for Dukes County, 2010

Income Range	Age of 25 Years or Less		Age 25 to 44 Years		Age 45 to 64 Years		Age of 65 Years +	
	#	%	#	%	#	%	#	%
	Under \$10,000	0	0.0	10	0.9	184	6.5	131
10,000-24,999	11	15.9	110	9.9	182	6.5	378	24.7
25,000-34,999	0	0.0	89	8.0	151	5.4	203	13.3
35,000-49,999	50	72.5	139	12.5	342	12.1	197	12.9
50,000-74,999	8	11.6	170	15.2	524	18.6	220	14.4
75,000-99,999	0	0.0	333	29.8	462	16.4	157	10.3
100,000-149,999	0	0.0	182	16.3	525	18.7	77	5.0
150,000 +	0	0.0	83	7.4	445	15.8	167	10.9
Total	69	100.0	1,116	100.0	2,815	100.0	1,530	100.0

Source: U.S. Census Bureau, Census 1990 and 2000 Summary File 3 and American Community Survey, 2006-2010

³⁷ Median household income is for all households including individuals, unrelated household members and families. Median family income is for families only with at least one parent and one child.

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.³⁸ This suggests that there are significant numbers of households who have very limited financial means and likely confronting enormous challenges affording to live on the Vineyard.

Table 3-8: Income Distribution by Tenure for Dukes County, 2010

Income Range	Homeowners		Renters	
	#	%	#	%
Under \$10,000	235	5.2	90	8.6
10,000-24,999	225	5.0	225	21.5
25,000-34,999	334	7.4	109	10.4
35,000-49,999	536	12.0	192	18.4
50,000-74,999	792	17.7	130	12.4
75,000-99,999	773	17.2	179	17.1
100,000-149,999	706	15.7	78	7.5
150,000 +	653	14.6	42	4.0
Total	4,485	100.0	1,045	100.0
Median Income	\$71,856		\$44,102	

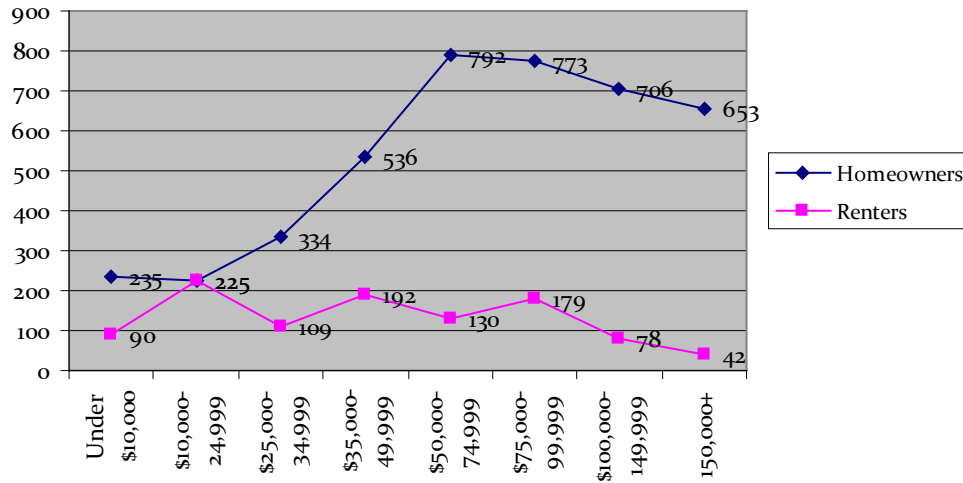
Source: U.S. Census Bureau, American Community Survey 2006-2010 in 2010 inflation-adjusted dollars.

There were significant disparities between those who own their home and those who rent. As Table 3-8 and Figure 3-7 indicate, as the income level increases the number of renters fluctuates somewhat but is largely on a downward path while the number of owners increases precipitously then remains relatively flat and then falls off somewhat. This dichotomy is also reflected in median income levels, \$71,856 for homeowners and \$44,102 for renters. *It should also be noted that the median household income for owners increased by 40% from \$51,379 in 2000, while the median for renters increased by only 26% from \$35,026.*

Figure 3-7

³⁸ Of the 700 seniors earning less than \$35,000, about one-fifth are living in subsidized housing and are not cost burdened (125 Island Elderly Housing units plus six DCRHA units at Greenough House and another handful of units set-aside for the elderly disabled).

Income Distribution by Tenure



3.6 Poverty – Increases in poverty levels³⁹

While poverty levels were lower than the state overall, the numbers and percentages of those living in poverty has been climbing on the Vineyard. The number of individuals and families in poverty almost doubled between 1990 and 2010 and about tripled in the case of those 65 years of age or older. The exceptions were children under 18 years of age, which decreased somewhat, and female-headed households with children. Poverty levels by town are summarized in Table 8 of Appendix 2.

Table 3-9: Poverty Status, 1990 to 2010

	1990		2000		2010		State 2010
	#	%	#	%	#	%	%
Individuals*	769	6.7	1,083	7.3	1,422	8.6	10.8
Families**	121	4.1	192	5.0	232	5.5	7.5
Female-headed Families***	57	21.7	92	20.4	24	6.1	32.7
Related Children Under 18 ears****	146	5.4	348	10.4	136	4.3	12.9
Individuals 65+*****	68	3.7	106	5.3	194	7.2	9.3

Source: US Census Bureau, Census 1990 and 2000 Summary File 3 and the American Community Survey 2006-2010.

* Percentage of total population ** Percentage of all families

*** Percentage of all female-headed families **** Percentage of related children less than 18 years

***** Percentage of all individuals age 65+

³⁹ 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.

3.7 Employment – Increasing number of jobs dominated by the service industry with major seasonal employment shifts

Census Bureau estimates for 2010 indicate that the Island had a total labor force of 8,949 workers or two-thirds of the population 16 years of age or older. There were 8,425 employed workers with an unemployment rate of 5.9% at the time. Of these employed workers 2,549 or 30% were in management, business, science or arts occupations and 3,524 or 42% were in service or sales and office occupations. Another 1,812 or 21.5% were in construction, maintenance, and production occupations.

Table 3-10 provides more detailed breakdowns of employment from 1990 through 2010. This table illustrates several dramatic employment trends. *First, employment has expanded dramatically over the past couple of decades, going from an annual average employment of 5,085 in 1990 to 7,929 in 2000 and 8,425 by 2010, representing a 66% rate of growth.* This job growth is correlated to increases in the total population, seasonal population and income levels. Some industries experienced significant shrinkage in job opportunities, however, including wholesale and retail trade, government, and transportation and warehousing.

Table 3-10: Changes in the Number and Type of Employment for Dukes County, 1990 to 2010

Industry	1990	2000	2010	% Change '90-10
Services ⁴⁰	1,118	3,341	3,626	224%
Construction	368	1,451	1,810	392%
Wholesale and retail trade	1,657	1,396	952	-42.5%
Finance, ins., real estate	300	553	760	153%
Manufacturing	119	231	303	155%
Government	929	397	301	-68%
Transportation, warehousing, util	482	307	266	-45%
Information	*	144	204	42%
Agric., forestry, fishing, etc.	112	109	203	81%
Total	5,085	7,929	8,425	66%

Source: US Census Bureau, Census 1990 and 2000 Summary File 3 and the American Community Survey 2006-2010. *Data not available for 1990.

Second, *the Island economy is dominated by service-oriented jobs.* These jobs not only increased in number, growing by 224%, but also as a percentage of all jobs, from 22% in 1990 to 43% by 2010. Construction jobs have also grown dramatically, increasing by 392% between 1990 and 2010 with the second highest average employment. Almost all of the net growth in employment came from these industries. Given increases in both property values and seasonal visitors, the corresponding increase in finance and real estate jobs is not surprising. On the other hand, decreases in wholesale and retail trade were more

⁴⁰ Includes professional, scientific, management, administrative, waste management, education, health care, social assistance, art, entertainment, food, accommodations, recreation and other services.

unexpected given more people and resulting greater expendable income. Information by town is included in Table 11 of Appendix 2.

The third major employment trend involves *major seasonal fluctuations*, summarized in Table 3-11 and visually presented in Figure 3-8.

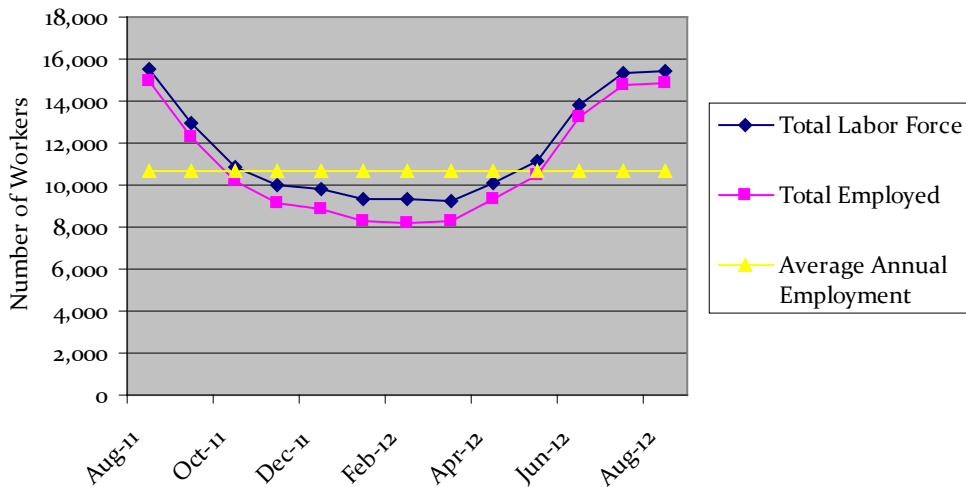
Table 3-11: Labor Force and Unemployment, August 2011- August 2012

Month	Labor Force	Employed	Unemployed	Unemp. Rate County/State
August 2012	15,399	14,850	549	3.6/6.4
July 2012	15,371	14,784	587	3.8/6.6
June 2012	13,813	13,212	601	4.4/6.3
May 2012	11,166	10,510	656	5.9/5.8
April 2012	10,094	9,336	758	7.5/5.9
March 2012	9,248	8,287	961	10.4/6.4
February 2012	9,353	8,209	1,144	12.2/7.5
January 2012	9,348	8,240	1,108	11.9/7.7
December 2011	9,797	8,899	898	9.2/6.6
November 2011	9,980	9,175	805	8.1/6.4
October 2011	10,852	10,221	631	5.8/6.7
September 2011	12,924	12,288	636	4.9/7.3
August 2011	15,567	14,941	626	4.0/7.2

Source: Massachusetts Executive Office of Labor and Workforce Development, October 2012

Figure 3-8

Employment Pattern, August 2011 to August 2012



Looking at monthly employment over a term of 13 months, from August 2011 through August 2012, the sizable shifts in jobs is notable. During the summer months, July and August in particular, the number of employed workers peaks. In August 2012 there were 14,850 jobs on record, down just a bit from 14,941 in 2011 and significantly higher than the average annual employment of 10,668 workers. Unemployment was correspondingly low,

at 3.6% in comparison to 6.4% for the state. After the summer season ends, jobs substantially shrink, reaching lows in January and February. By February 2012, there were 8,209 employed workers and an unemployment rate of 12.2% compared to 7.5% statewide.

For many families summer is a make-it or break-it period to secure sufficient income to last through the winter.

Table 3-12 shows that employment increased substantially for all six towns between 1990 and 2011, ranging from a 28% rate of job growth in Tisbury to 766% in West Tisbury. The number of jobs in 2011 also varied considerably, largely correlated to the size of the local population, from 201 workers in Aquinnah to 2,811 in Oak Bluffs. The employment figures for August 2012 by town illustrate the substantial upsurge in jobs that occur in the summer with increased seasonal employees, rising to 281 in Aquinnah and 3,919 in Oak Bluffs for example.

Another notable employment trend is the *relatively low weekly wages* for the Island’s year-round population, largely driven by the dominant service industry. For the first quarter of 2012, the average weekly wage for the Vineyard was \$875 in comparison to the state average of \$1,227. Average weekly wages for each town are summarized in Table 3-13, ranging from \$706 in Aquinnah to \$891 for Tisbury. These weekly wages are translated into monthly income and how much would be available for housing in comparison to actual housing costs. While more detailed affordability information is provided in Appendix 1, this table shows the great disparity between wages and housing costs.

Table 3-12: Average Annual Employment By Town, 1990 to 2011

Town	1990	2000	2011	August 2012	% Change 1990-2011
Aquinnah	59	225	201	281	241%
Chilmark	152	543	549	765	261%
Edgartown	1,451	2,484	2,642	3,682	82%
Oak Bluffs	1,210	2,336	2,811	3,919	132%
Tisbury	1,971	2,420	2,516	3,507	28%
West Tisbury	221	1,751	1,913	2,667	766%
Total	5,064	9,759	10,632	14,821	110%

Source: Massachusetts Executive Office of Labor and Workforce Development, October 2012

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 affordable housing problem.

Table 3-13: Average Weekly Wages in Comparison to Rental Housing Costs by Town

Town	Average Weekly Wage, 2011	Average Monthly Wage	Maximum Housing Cost/Month*	Median Gross Rent, 2010
Aquinnah	\$706	\$2,824	\$697.20	\$1,180
Chilmark	\$727	\$2,908	\$722.40	\$1,141
Edgartown	\$798	\$3,192	\$807.60	\$1,302
Oak Bluffs	\$731	\$2,924	\$727.20	\$1,000
Tisbury	\$891	\$3,564	\$919.20	\$1,111
West Tisbury	\$848	\$3,392	\$867.60	\$1,212
County**	\$875**	\$3,500	\$900.00	\$1,180

Source: Source: Massachusetts Executive Office of Labor and Workforce Development, October 2012 and US Census Bureau, American Community Survey 2006-2010

* Assumes a monthly utility allowance of \$150 and the household spending no more than 30% of their income on housing.

** For first quarter of 2012 as opposed to the average annual wage.

As part of preparing the *Island Plan*, the Vineyard’s Master Plan, the Martha’s Vineyard Commission engaged a consultant to develop an Economic Profile, which was completed in January 2008.⁴¹ This report identified a *significant underground economy*, largely a result of a large foreign workforce and regular utilization of contract labor. The Profile estimated that there were 16 unreported jobs for every 100 reported jobs, and that the unreported jobs paid \$12 in wages for every \$100 in reported wages, representing at least 1,200 unreported jobs and \$34 million in unreported earnings. The document further pointed out that the chief significance of this underground economy was a weakening of community stability as underground workers typically stay for only short periods of time and often save wages for use off-Island. As a result these workers tend to invest little while living on the Vineyard and have a marginal impact on the local economy beyond the contribution of their labor.

As noted in the 2001 Island-wide Housing Needs Assessment, *Preserving Community*,⁴² there were large increases in early morning commuters using the 46-ticket fare offered by the Woods Hole Steamship Authority. More recently the total number of passenger trips involving these special commuter books reflected some seasonal patterns of use, ranging from a high of 8,905 in May 2012, to a low of 6,433 by December. The May level was higher however than the following summer months, from 8,269 in June to 8,116 in August. This data does not breakdown the direction of the commutes but suggest that commuters represent a significant share of Island jobholders that include a segment of Vineyard residents who commute off-Island to jobs. Additionally, dramatic improvements in technology and transportation have enabled year-round and part-time residents to work away from their offices for periods of time. As explained in *Preserving Community*, “At the upper end of the economic scale, the Vineyard is quietly becoming a bedroom community for the global economy”.

⁴¹ Ryan, John of Development Cycles, *Martha’s Vineyard Economic Profile*, prepared for the Martha’s Vineyard Commission and the Island Plan Steering Committee’s Livelihood and Commerce Work Group, January 2008.

⁴² Ryan, John of Development Cycles, *Preserving Community: An Island-wide Housing Needs Assessment*, November 2001.

3.8 Disability Status – Significant numbers of residents with disabilities

Table 3-14 presents information on the numbers and types of disabilities within several age ranges. Unfortunately, the Census Bureau has not released this type of data since 2000 for the Vineyard, but these figures suggest that the Island has had a significant number of disabled residents, about one-quarter of all residents. It is unlikely that the level of disabilities has changed markedly, particularly given the aging of the population.

Table 3-14: Types of Disabilities by Age, Numbers/Percentages for Dukes County, 2000

Type of Disability	5-15 Years of Age	16-64 Years of Age	Age 65 +	Total
Sensory	0/0.0%	180/7.1%	240/23.2%	420/11.4%
Physical	6/5.2%	402/15.8%	346/33.5%	754/20.4%
Mental	99/85.3%	300/11.8%	123/11.9%	522/14.1%
Self-care	11/9.5%	64/2.5%	114/11.0%	189/5.1%
Go-outside home	0/0.0%	136/5.4%	210/0.0%	346/9.4%
Employment	0/0.0%	1,460/57.4%	0/0.0%	1,460/39.6%
Total	116/100.0%	2,542/100.0%	1,033/100.0%	3,691/100.0%

Source: US Census Bureau, 2000 Summary File 3

3.9 Education – Somewhat higher education attainment and school enrollments

In 2010, 93.5% of those 25 years and older had a high school diploma or higher, and 40.0% had a Bachelor’s degree or higher, up from the 2000 figure of 90.4% and 38.4%, respectively. These levels of educational attainment are relatively high. For example, the percentage of those with a Bachelor’s degree or higher was 38.5% for the state in 2010.

In regard to school enrollment, while the total number of children has decreased by 6.6%, from 3,398 to 3,173 children under 18 between 2000 and 2010, the numbers of students enrolled in school decreased even more from 1,395 students, in the 1999-2000 school year, to 1,229 by 2011-2012 or by 11.9% according to state Department of Education data for all Island schools.

3.10 Resident Mobility – Stable residency

In 2010, 93% of residents were living in the same house as the year before while 3.9% moved within the Island. This represents relatively low resident mobility in comparison to the state where only 86% lived in the same house as the prior year. This attachment to living on the Island is also evidenced by census data indicating that 61.2% of all households lived in the same house in 2000 as they did in 1995 with an additional 20.2% living in a different house but still on the Vineyard.

4. Housing Profile

This section of the Housing Needs Assessment reviews housing characteristics and trends, analyzes the housing market from a number of different data sources and perspectives, compares what housing is available to what residents can afford, summarizes what units are defined as affordable by the state, and establishes the context for identifying priority housing needs.

4.1 Housing Growth – Dramatic growth in the 1980s and 1990s, slowing only somewhat more recently with the majority of units produced for seasonal use or as second homes

Table 4.1 indicates that 17.6% of the County’s housing stock predates World War II. After a relatively slow period of growth through 1970, there was a spurt of building activity in the following three decades when 8,961 housing units were built. Since 2000, growth has remained high but has slowed down somewhat with an additional 2,352 units built through 2010, representing a 13.7% rate of growth, and another ? units built as of October 2012, indicating growth of ?%.

Table 4-1: Housing Units by Year Structure Was Built, 2010

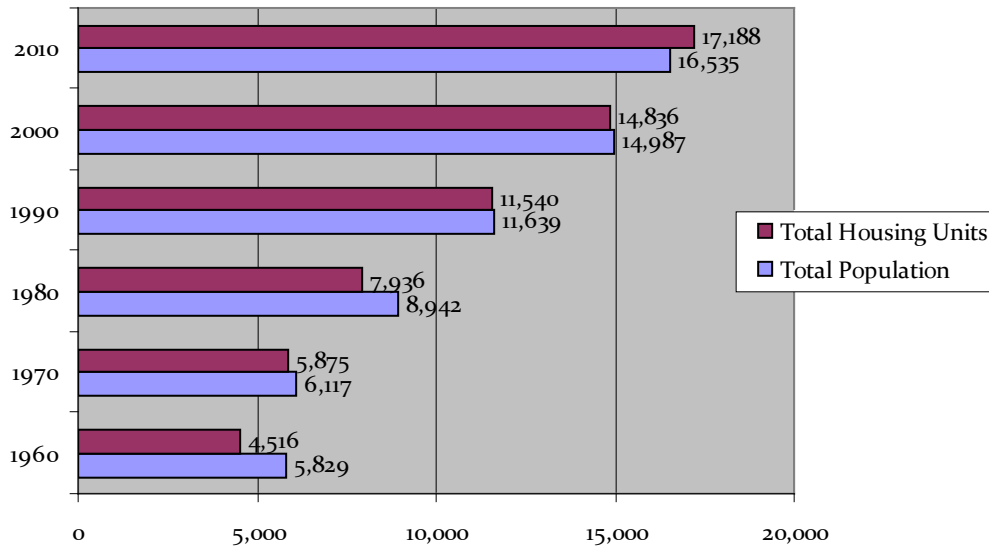
Time Period	#	%
2000-2010	2,352	13.7
1990-1999	3,296	19.2
1980-1989	3,604	21.0
1970-1979	2,061	12.0
1960-1969	1,359	7.9
1950-1959	724	4.2
1940-1949	760	4.4
1939 or earlier	3,032	17.6
Total	17,188	100.0

Source: US Census Bureau, 2000 Summary File 3 and 2010.

A comparison of population and housing growth from 1960 through 2010 is presented in Figure 4-1. This chart shows the substantial increase in both population and housing after the 1970s, indicating that housing and population growth were close to a one-to-one ratio, with units surpassing residents between 2000 and 2010. Given the average household size of 2.22 persons, the majority of the new housing produced involved seasonal units or second homes, detailed in Section 4.2 below. Information on housing growth for each town is presented in Table 12 of Appendix 2. What is notable is how very small most of these communities were after World War II and how precipitous their growth was in the 1980s and 1990s.

Figure 4-1

Population and Housing Growth, 1960 to 2010



4.2 Types of Units and Structures

Table 4-2 includes a summary of housing characteristics from 1990 through 2010, detailing more recent housing growth and changes in occupancy and tenure. Of the 17,188 total housing units in 2010, the Vineyard had 7,935 year-round units⁴³ of which 7,368 or 42.9% were occupied year-round. Of the occupied units, 4,900 or 66.5% were owner-occupied and the remaining 2,468 units, or about one-third of the occupied units, were year-round rentals.

Table 4-2: Housing Characteristics for Dukes County, 1990-2010

Housing Characteristics	1990		2000		2010	
	#	%	#	%	#	%
Total # Units	11,604	100.0	14,836	100.0	17,188	100.0
Occupied Units *	5,003	43.1	6,421	43.3	7,368	42.9
Occupied Owner Units	3,569	71.3	4,577	71.3	4,900	66.5
Occupied Rental Units	1,434	28.7	1,844	28.7	2,468	33.5
Total Vacant Units/ Seasonal Units *	6,601/ 5,390	56.9/46.4	8,415/7,995	56.7/53.9	9,820/ 9,253	57.1/53.8
Ave. Household Size of Owner Units	2.40 persons		2.39 persons		2.29 persons	
Ave. Household Size of Rental Units	2.08 persons		2.09 persons		2.10 persons	

Source: US Census Bureau, Census 1990, 2000 and 2010/Seasonal units include second homes.

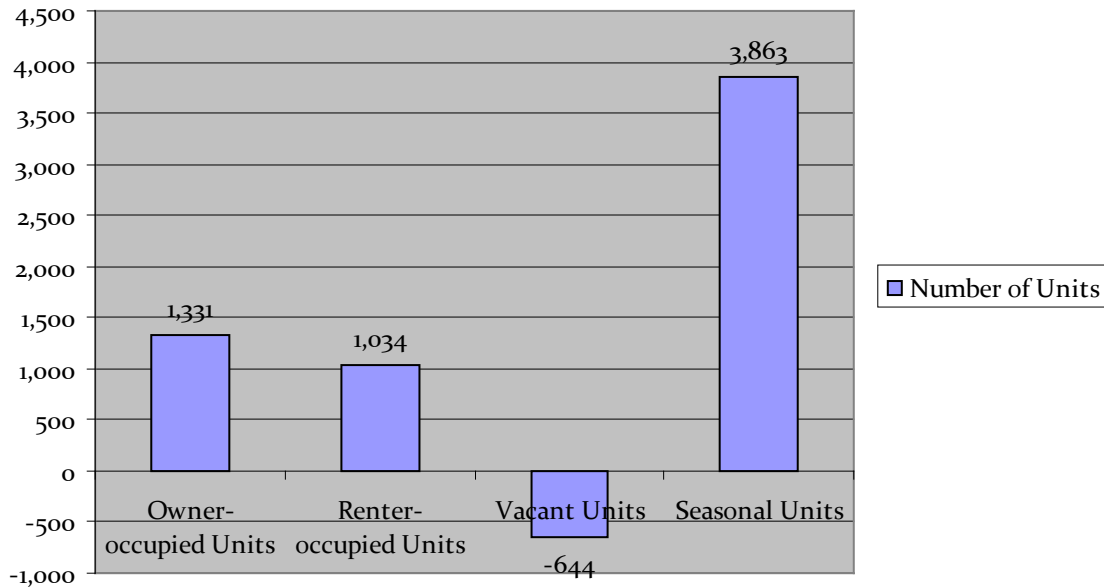
* Percentage of all housing units ** Percentage of occupied housing units

⁴³ The year-round figure is the one used under Chapter 40B for determining the 10% affordability goal, which based on 2010 census data is 7,935 units (total housing units of 17,188 minus 9,253 seasonal units).

Figure 4-2 shows the incremental growth of unit types during the same period, indicating more growth in year-round homeownership units than rentals, a substantial decrease in vacant for sale or rental units that demonstrates a tightening of the housing market, and a stunning increase in seasonal units or second homes.

Figure 4-2

Change in Number of Units, 1990 to 2010



This information by town is provided in Table 13 of Appendix 2. While Edgartown had the most housing units at 5,220 units, Chilmark had both the highest percentage of owner-occupied housing (73.9%) as well as seasonal and second home units (74.0%). Tisbury had the highest proportion of rental units at 38.2% of its housing stock. The average household size for homeowners ranged from 2.09 persons in Aquinnah to 2.36 persons in West Tisbury, and ranged for renters from 2.01 persons in West Tisbury to 2.25 in Edgartown.

In reviewing changes in the housing stock since 1990, a number of important trends become apparent:

- Continued but slower housing growth**
 Building permit activity since the 2010 census count is summarized by town in Table 4-3 for a total of 181 net new units through mid-October 2012.⁴⁴ Almost all of the new units were single-family homes, however there were some duplexes built as well as several conversions of garage or office space to apartments.

During the last few years, housing starts have gone down significantly, the economy being a major factor. Many contractors had to downsize their operations,

⁴⁴ Some of the new units listed for Chilmark and Oak Bluffs may have involved the demolition of a previous structure but data was not available.

and some even had crippling overhead that lead to their demise. There has been a big changeover from new construction to additions, repairs, and some teardown replacements. Spec building has become nonexistent, and custom home building is limited. There has been an increase in modular home construction, not only for single-family homes but for garages and guest houses as well.

Table 4-3: New Housing Units From April 2010 to Mid-October 2012

	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
# Units	7 Single-family Units	34 Single-family Units	82 Single-family Units 9 Conversions 2 Duplex Units 1 SF to Duplex	12 Single-family Units	24 Single-family Units 6 Duplex Units	41 Single-family Units
# Demos	4	NA	25	NA	0	8
Total Net Units	3	34	69	12	30	33

Sources: Town Building Departments, October 2012 SF = Single-family units; Conversions indicates a change of use from garages or offices to residential units. NA = Data not available

There was a considerable amount of demolition/rebuild activity as noted in Table 4-3, involving the teardown and replacement of at least 37 units or about one-quarter of the new units produced during this timeframe.⁴⁵ These teardowns primarily involved summer rentals that were acquired because of their locations and replaced by large homes, also for summer rental.

The demolition delay bylaw in Edgartown requires property owners to offer any unit that they plan to demolish to the Dukes County Regional Housing Authority, which in turn notifies other housing organizations on the Island of the opportunity to move the unit to another site for affordable housing. During the past few years, a dozen or so units have been moved and remain occupied as affordable. Because the Housing Authority or other organizations have to cover the costs of moving the structure plus any improvements, this opportunity has not been fully utilized and some of the units were not worth saving given their condition. Nevertheless, housing organizations have benefited by stripping the properties of building materials that were used on other affordable housing initiatives.

Given the numbers of demolition and rebuilding activity, funding to move units and locations to place them should be made available to save viable housing and convert units to long-term affordability for year-round residents.

The Island Plan, prepared in December 2009, estimated that there about 31% of the Island’s land area, or about 17,815 acres, was available for future development or protection. With current zoning, the Plan estimated that as many as 12,000 more homes

⁴⁵ Data on teardowns was not available for Chilmark and Oak Bluffs.

and main buildings could be added, translating into about 26,000 more people. Efforts to guide future development, including a diversity of housing types and affordability levels, will be essential to the Island’s future.

- **Relative scarcity of multi-family housing**

Table 4-4 shows that the vast majority of Island housing units was in single-family detached homes. Only about 10% of all units were in other types of dwellings, 2% in single-family attached homes, 3% in small multi-family units, and about another 3% in mobile homes, boats or RV’s. Unlike most communities, there is a very limited amount of housing in larger multi-family structures with only 1.5% of all units in dwellings of five (5) or more units. See Table 14 in Appendix 2 for the distribution of housing types by town.

Table 4-4: Units by Type of Structure, 1990-2010

Type of Structure	1990		2000		2010	
	#	%	#	%	#	%
1-detached units ⁴⁶	10,491	90.4	13,518	91.1	15,205	90.5
1-attached units	143	1.2	367	2.5	336	2.0
2 units	298	2.6	458	3.1	328	2.0
3-4 units	228	2.0	217	1.5	173	1.0
5-9 units	138	1.2	175	1.2	145	0.9
10+ units	65	0.6	84	0.6	98	0.6
Mobile homes, boats, RV’s	241	2.1	17	0.1	524	3.1
Total	11,604	100.0	14,836	100.0	16,809	100.0

Source: U.S. Census Bureau, Census 1990 and 2000 Summary File 3 and American Community Survey 2006-2010. Data includes all housing units, including seasonal units and second homes.

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.

- **Two-thirds of rentals were in single-family homes**

As noted in Table 4-5, almost all of the owner-occupied units were in single-family dwellings and two-thirds of the rentals were single-family dwellings as well, most likely indistinguishable from ownership units. This level is extremely high in comparison to the state at 14.2%. More than one-quarter of the rental units were in small multi-family properties with only 67 units in larger developments, all in Oak Bluffs, likely referring to Island Elderly Housing’s Woodside Village development. This information by town is presented in Table 14 of Appendix 2.

⁴⁶ A single-family detached unit is freestanding as one unit while single-family attached homes involve townhouses or duplex units, typically condos.

Table 4-5: Type of Structure by Tenure for Year-round Housing, 2010

Type of Structure	Homeowner Units		Renter Units	
	#	%	#	%
1-units/detached and attached	4,317	96.3	705	67.5
2 to 9 units	134	3.0	273	26.1
10+ units	0	0.0	67	6.4
Other	34	0.7	0	0.0
Total	4,485	100.0	1,045	100.0

Source: US Census Bureau, American Community Survey 2006-2010

- **High seasonal housing stock**

A major characteristic of the Island’s housing dynamic is the high and continuing development of units that are used seasonally or periodically as second homes. As noted above, *more than two-thirds of the new housing produced from 1990 to 2010 was for seasonal or occasional use*. Dukes County has the second highest percentage of seasonal units, second only to Nantucket as noted in Figure 4-3. Barnstable County also has a high seasonal and second home market with Berkshire County next at less than 20%. All of the other counties had seasonal housing units of less than 10% of their housing stock.

Figure 4-3

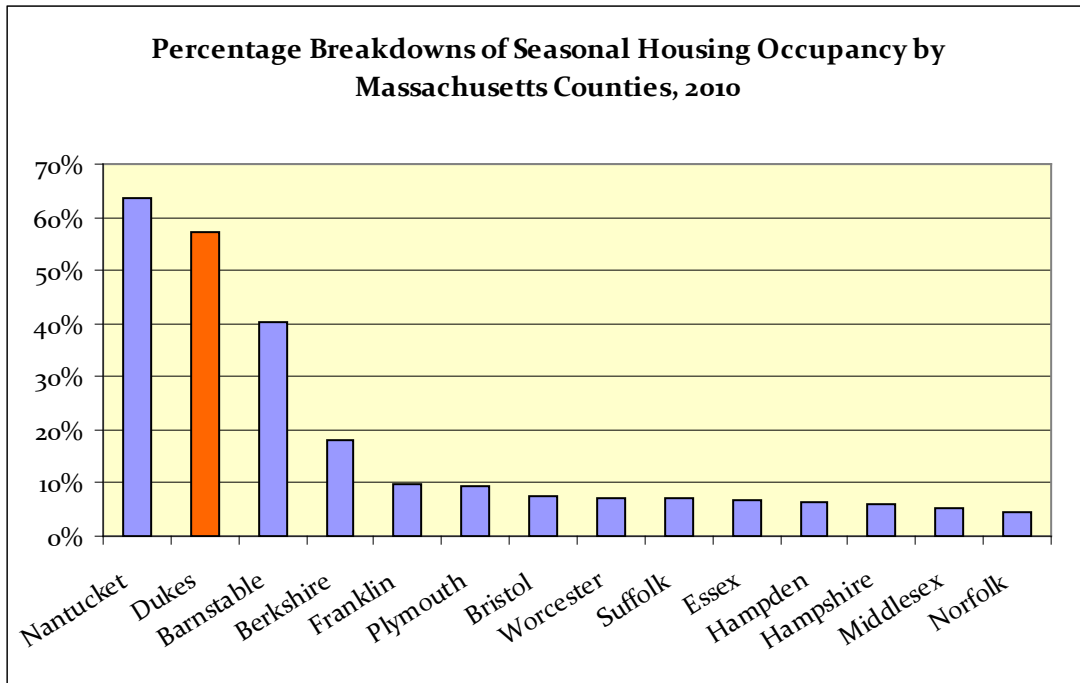


Figure 4-4

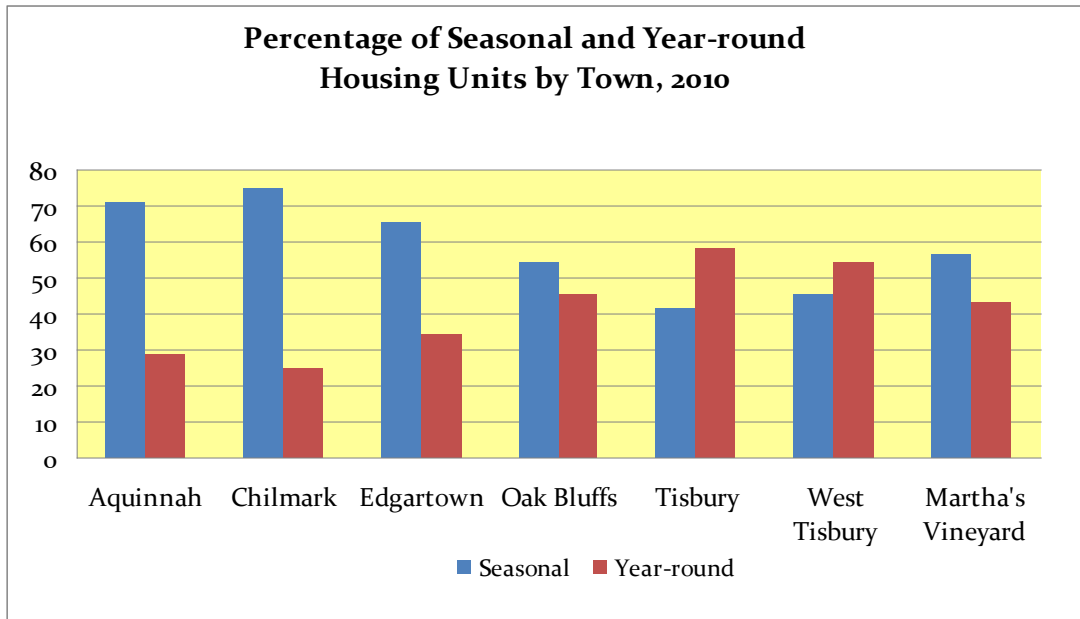


Figure 4-4 compares the percentage of seasonal and year-round units for each of the six towns. All of the communities have more seasonal units than year-round units with the exceptions of Tisbury and West Tisbury. Aquinnah, Chilmark and Edgartown all had very high levels of seasonal units at 68.6%, 74.0% and 62.4%, respectively.

- Proportional increase in rental units***
 Rental housing production increased by 72.1% between 1990 and 2010, creating 1,034 additional year-round rental units. The proportion of rental units as part of the total housing stock grew from 28.7% in 1990 to one-third of all units by 2010. There were more new year-round owner-occupied units built during this period, 1,331 units, but the percentage of the total owner-occupied housing stock decreased from 71.3% in 1990 and 2000 to about two-thirds of all units by 2010.
- Decrease in persons per unit for homeowner units and a small increase for rentals***
 As noted in the demographic profile, household size continues to shrink as a whole and largely reflects regional, state and national trends towards smaller households. The average number of persons per unit declined between 1990 and 2010, from 2.40 persons to 2.29 persons for owner-occupied units. Surprisingly, the average number of persons per rental unit increased a bit, from 2.08 to 2.10 persons during the same period.
- The size of Island housing is comparable to the state average***
 While housing on the Vineyard is significantly more costly, when compared to the state overall, certainly in comparison to most communities, these costs do not translate into larger homes overall. Table 4-6 provides information on the distribution of unit sizes, more specifically the number of rooms per unit, in

comparison to the state. This data indicates that the median sized unit was relatively modest with 5.6 rooms, or two to three bedrooms, the same as the state. In addition those units most appropriate for single persons, with three rooms or less, comprised only 13.3% of the housing stock, somewhat lower than the state level of 15.1%. On the other end of the range, larger housing units with eight (8) rooms or more involved 15.1% of the Vineyard's housing stock but 20.8% of the units in the state. There was a higher proportion of units with five to seven units on the Vineyard in comparison to the state however.

Table 4-6: Number of Rooms Per Unit, 2010

Number of Rooms Per Unit	Dukes County		Massachusetts	
	#	%	#	%
1 Room	662	3.9	68,766	2.5
2 Rooms	653	3.9	79,410	2.8
3 Rooms	930	5.5	273,947	9.8
4 Rooms	2,009	12.0	437,273	15.6
5 Rooms	3,631	21.6	515,001	18.4
6 Rooms	3,740	22.2	499,493	17.8
7 Rooms	2,652	15.8	343,280	12.3
8 Rooms	1,545	9.2	261,476	9.3
9 or More Rooms	987	5.9	321,659	11.5
Total	16,809	100.0	2,800,305	100.0
Median (Rooms)	5.6 Rooms		5.6 Rooms	

Source: US Census Bureau, American Community Survey 2006-2010

It should also be noted that one-third of all households involved individuals living alone. Since one-quarter of all units had four rooms or less, there are considerable numbers of single-persons who are over-housed on the Island.

4.3 Vacancy Rates – Increased rental vacancy rate

The vacancy rates for ownership housing for both 2000 and 2010 were well below 5%, indicative of an extremely tight housing market. The vacancy rate for rental units increased from a relatively low rate of 3.6% in 2000 to 8.2% by 2010. The high seasonal turnover of rentals may explain this higher rental vacancy rate somewhat, and it still remained lower than the national level as shown in Table 4-7.

Table 4-7: Vacancy Rates by Tenure, 2000 and 2010

Tenure	2000	2010	MA 2010	Nation 2010
Rental	3.6	8.2	6.5%	9.2%
Homeowner	1.3	2.5	1.5%	2.4%

Source: US Census Bureau, 2000 and 2010

4.4 Foreclosures -- Increasing foreclosure activity

From January 1 through November 1, 2012, the Island experienced 40 petitions to foreclose, the first formal part of the foreclosure process, and 30 actual foreclosure auctions. While

there was very limited foreclosure activity in Aquinnah, Chilmark and West Tisbury, there were twelve (12) auctions in Oak Bluffs, five (5) in Edgartown, and ten (10) in Tisbury. This level of foreclosure activity is up from 2011, when there were 20 auctions and only a dozen petitions to foreclose and considerably higher than 2007, prior to the economic downturn, with only four (4) petitions and two (2) auctions. A breakdown of foreclosure activity by town is provided in Table 15 of Appendix 2.

4.5 Housing Costs and Affordability – High housing costs leading to large affordability gaps for both homeownership and rentals

Homeownership – Values have come down but are still extraordinarily high
Martha’s Vineyard has among the highest housing costs in the state, surpassed only by Nantucket with a median single-family home price of more than \$1 million as of September 2012. Table 4-8 shows the dramatic increase in home values from *census data*, from a median of \$195,800 in 1990 to \$681,300 by 2010 in comparison to a median of \$342,000 for the state. In 2010, only 1,000 homes, or 22.3% of the owner-occupied housing stock, were valued below \$500,000. Only 148 units or 3.3% were valued at less than \$200,000 and therefore affordable to households earning at or below 80% of area median income (AMI). These were likely subsidized or very small in poor condition.

Table 4-8: Values of Owner-Occupied Housing, 1990 – 2010

Price Range	1990		2000		2010	
	#	%	#	%	#	%
Less than \$100,000	191	6.2	64	1.6	80	1.8
\$100,000 to \$199,999	1,405	45.7	734	18.7	68	1.5
\$200,000 to \$299,999	749	24.3	1,132	28.8	171	3.8
\$300,000 to \$499,999	504	16.4	1,190	30.3	681	15.2
\$500,000 to \$999,999	228	7.4	572	14.6	2,546	56.8
\$1 million or more			235	6.0	939	20.9
Total	3,077	100.0	3,927	100.0	4,485	100.0
Median (dollars)	\$195,800		\$304,000		\$681,300	

Source: US Census Bureau, Census 1990 and 2000 and American Community Survey 2006-2010

Table 4-9 summarizes median sales prices for single-family homes and condominiums from 2000 through September 2012, and these prices are also presented in Figure 4-5. Prices for single-family homes increased steadily, reaching 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. It appears that the market is beginning to revive somewhat with a median price of \$535,000 as of September 2012, up to \$565,000 by the end of 2012, and to \$600,000 as of March 2013. Table 16 of Appendix 2 includes information on median values by town.

The condo market, which is much smaller at 348 units in 2012, has fluctuated widely over the past dozen years as shown in Figure 4-5. Because the number of sales is small, new units coming onto the market can affect median prices significantly. In 2003, 2010 and 2011, the median values of single-family and condos approached each other, with another marked drop-off in condo prices in 2012.

Table 4-9: Median Sales Prices and Number of Sales, January 2000 – September 2012

Year	Months	Single-family/#	Condo/#
2012	Jan – Sep	\$535,000/197	\$209,000/9
2011	Jan – Dec	512,000/204	477,500/12
2010	Jan – Dec	600,000/245	499,000/10
2009	Jan – Dec	592,500/181	340,000/17
2008	Jan – Dec	650,000/178	305,000/19
2007	Jan – Dec	700,000/235	370,000/23
2006	Jan – Dec	649,500/264	283,000/23
2005	Jan – Dec	660,000/329	295,000/38
2004	Jan – Dec	580,000/373	349,000/36
2003	Jan – Dec	487,500/290	461,669/26
2002	Jan – Dec	400,000/338	124,000/45
2001	Jan – Dec	405,000/270	30,500/56
2000	Jan – Dec	335,000/293	103,750/52

Source: Banker & Tradesman/The Warren Group, October 16, 2012

A December 2012 article in *Banker & Tradesman*, referencing Nantucket and Martha’s Vineyard, stated, “Even as the broader housing market in Massachusetts has begun to surge back this year, they’re breaking out ahead of the pack, providing a signal about the strength of the high-end market.”⁴⁷ The article went on to point out that the Island’s housing market goes beyond the region indicating, “Of course, the Islands also benefit from some unique factors as well, with most purchasers long-time vacationers who come from all over the country, increasing the pool of potential buyers.”

Figure 4-5

Median Home and Condo Prices, 2000 to September 2012

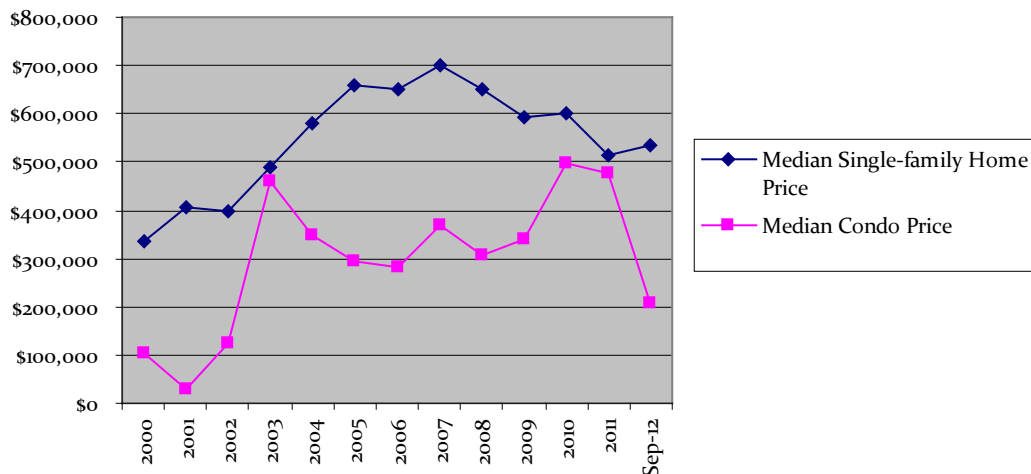


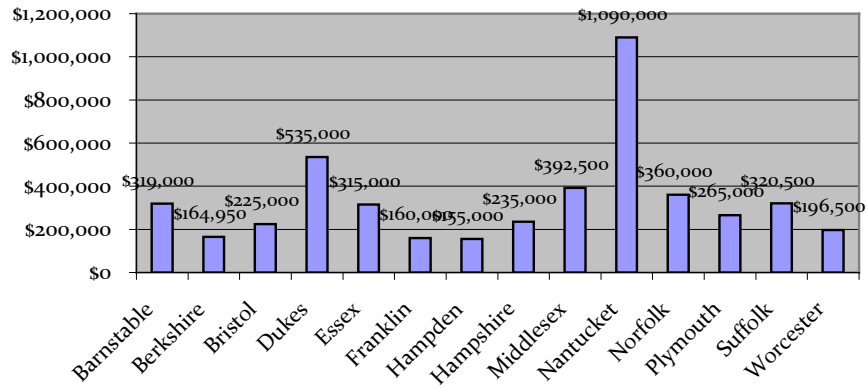
Figure 4-6 presents the median sales prices for single-family homes by county as of October 2012, clearly demonstrating the high housing prices on the Islands -- \$535,000 and

⁴⁷ Sullivan, Colleen M., “High End Sales Propel Nantucket, Vineyard Housing Markets: Buyers See ‘Bargains’ on Islands, from \$200,000 Houses to \$20 Million Mansions”, *Banker & Tradesman*, December 10, 2012.

\$1,090,000 for Dukes and Nantucket Counties, respectively. The next highest median price is \$392,500 for Middlesex County. The state’s median house price was \$287,500, not much more than half that of Dukes County.

Figure 4-6

Median Single-family Sales Prices by County as of October 2012



Another analysis of housing market data is presented in Table 4-10, which provides information on the *distribution of recent sale prices* from August 2011 through early October 2012. (See Table 17 in Appendix 2 for information by town.) There were a total of 335 sales, all single-family homes with the exception of five (5) condos. Units that sold below \$200,000, included 19 homes but were typically very small, likely needed significant improvements, and had few locational advantages. Almost one-third sold between \$300,000 and \$500,000 and about one-fifth sold for more than \$1 million. The highest sales price was \$7 million for a large waterfront property in Tisbury. The median price during this period of time was \$525,000. There were only five (5) condominium sales during this period, four (4) in Edgartown and one (1) in Oak Bluffs with prices ranging from a low of \$209,000 to a high of \$1.1 million.

Table 4-10: Single-family House and Condo Sales, August 2011 to October 5, 2012

Sales Price Range	#	%
Less than 199,999	19	5.7
\$200,000-299,999	39	11.6
\$300,000-399,999	55	16.4
\$400,000-499,999	50	14.9
\$500,000-599,999	39	11.6
\$600,000-699,999	30	9.0
\$700,000-799,999	22	6.6
\$800,000-899,999	13	3.9
\$900,000-999,999	7	2.1
\$1,000,000-1,999,999	30	9.0
\$2,000,000 +	31	9.3
Total	335	100.0

Source: Multiple Listing Service data from Banker & Tradesman, October 23, 2012.

Town Assessor data is presented in Table 4-11 that provides the range of values by major dwelling type. As indicated in Table 4-4, the Island has very limited diversity of housing types and almost all residential properties are single-family detached or attached homes, including the 11,698 properties in Table 4-11, plus at least some of the condos and the multiple houses that are on a single lot. While the towns include other types of residential properties, the numbers of mixed residential and commercial units as well multi-family properties are small in number. Even condos are a small segment of the Island's housing stock with only 348 units. Condos are nonexistent in Chilmark and total only six (6) and four (4) units in Aquinnah and West Tisbury, respectively. The breakdown of these housing types by town is included in Tables 18 to 20 in Appendix 2.

This data is also visually displayed in Figure 4-7. While the distribution of values for most types of properties is generally a bell-shaped curve, with most properties clustered in the middle ranges, this is not the case for Vineyard values. The chart actually displays two (2) curves representing two (2) separate housing markets. The first curve is what might be expected in most relatively affluent communities with housing values rising precipitously above the \$200,000 level, with about 44% of the units included in Table 4-11 (about 47% of single-family homes) in the \$300,000 to \$600,000 range, and with a significant drop-off after that to much smaller numbers of units in the \$700,000 to \$1 million range. The Vineyard includes another distinct luxury housing market. After the million-dollar threshold, there is another curve that includes about one-quarter of all single-family homes and 17.5% of the properties with multiple houses, peaking at the \$2 million level for single-family homes.

A map of the distribution of these ranges of housing values is included as Appendix 6.

Table 4-11: Island-wide Assessed Values of Residential Properties with Numbers/Percentages, 2012

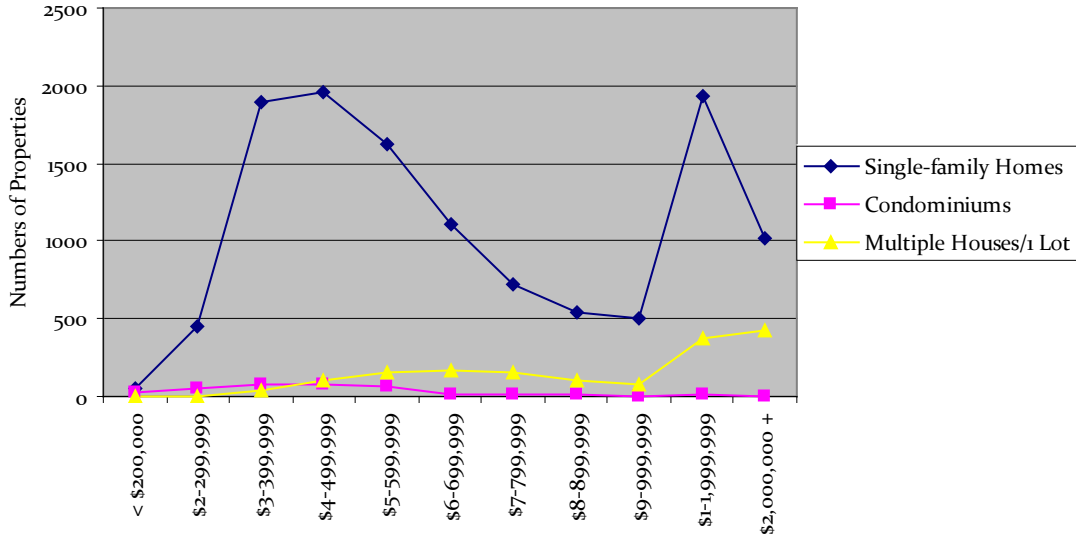
Value	Single-family Properties	Condominiums	Multiple Houses/1 Lot	Total
< \$200,000	53/0.5%	28/8.0%	0/0.0%	81/0.6%
\$2-299,999	451/3.9%	50/14.4%	4/0.3%	505/3.7%
\$3-399,999	1,897/16.2%	77/22.1%	38/2.4%	2,012/14.7%
\$4-499,999	1,959/16.7%	81/23.3%	97/6.1%	2,137/15.7%
\$5-599,999	1,620/13.8%	66/19.0%	154/9.6%	1,840/13.5%
\$6-699,999	1,108/9.5%	12/3.4%	173/10.8%	1,293/9.5%
\$7-799,999	722/6.2%	12/3.4%	158/9.9%	892/6.5%
\$8-899,999	535/4.6%	9/2.6%	103/6.4%	647/4.7%
\$9-999,999	504/4.3%	3/0.9%	81/5.1%	588/4.3%
\$1-1,999,999	1,927/15.6%	10/2.9%	370/23.1%	2,307/16.9%
\$2,000,000 +	1,022/8.7%	0/0.0%	422/26.4%	1,444/10.6%
Total	11,698/100.0%	348/100.0%	1,600/100.0%	13,646/100.0%

Source: Town Assessors, fiscal year 2012

There are actually two 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.

Figure 4-7

Numbers of Properties by Type and Value



Not surprisingly, there were very few units that were valued at less than \$200,000, only 81 or 0.6% of the property types included in the analysis. Some of these units were subsidized and most were relatively small.

A detailed affordability analysis of these market conditions is provided in Appendix 1. Through the combination of information in Tables 1 and 2 of Appendix 1, it is possible to compute the affordability gap, typically defined as the difference between what a median income household can afford and the median priced unit on the market. *The affordability gap was \$225,000 as of September 2012, the difference between \$310,000 (based on the median income figure and 80% financing) and the median house price of \$535,000. As of March 2013 the gap had increased to \$290,000.*

The gap increased 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 as of September 2012, increasing to \$362,000 by March 2013. It is only at the 150% AMI level that the affordability gap begins to disappear, assuming 80% financing and the purchaser’s ability to come up with about \$110,000 in cash to cover the down payment and closing costs and meet other rigorous underwriting criteria.

Table 4-12: Affordability Gaps for Homeownership as of October 2012

County	Median Income *	Affordable Price **	Median House Price ***	Affordability Gap
Dukes	\$62,407	\$310,000	\$535,000	\$225,000
Barnstable	\$56,699	\$288,000	\$319,000	\$31,000
Berkshire	\$42,969	\$195,000	\$164,950	-\$30,050
Bristol	\$53,409	\$239,000	\$225,000	-\$14,000
Essex	\$64,887	\$300,000	\$315,000	\$15,000
Franklin	\$50,361	\$221,000	\$160,000	-\$81,000
Hampden	\$47,897	\$217,000	\$155,000	-\$62,000
Hampshire	\$54,179	\$246,000	\$235,000	-\$11,000
Middlesex	\$76,978	\$356,000	\$392,500	\$36,500
Nantucket	\$83,347	\$444,000	\$1,090,000	\$646,000
Norfolk	\$81,889	\$373,000	\$360,000	-\$13,000
Plymouth	\$68,253	\$306,000	\$265,000	-\$41,000
Suffolk	\$49,276	\$223,000	\$320,500	\$97,500
Worcester	\$60,493	\$270,000	\$196,500	-\$73,500
Massachusetts	\$63,961	\$290,000	\$288,000	-\$2,000

Source: Calculations provided by Karen Sunnarborg.

* Based on US Census Bureau estimates from its American Community Survey, 2008-2010.

** Figures based on interest of 5.0%, 30-year term, estimated annual property tax rates,⁴⁸ 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 80% financing.

*** Based on the Warren Group/Banker & Tradesman Town Stats figures of November 30, 2012.

A comparison of affordability gaps for all counties in Massachusetts is presented in Table 4-12, clearly showing that the Islands have the highest affordability gaps by far. While the affordability gaps were \$225,000 and \$646,000 for Dukes and Nantucket Counties respectively, the only other counties that had any affordability gaps at all included Barnstable County at \$31,000, Essex County at \$15,000, Middlesex County at \$36,500, and Suffolk County at \$97,500. While affordability gaps would have been much higher for all counties a few years ago before the bursting of the housing bubble, the significant decrease in median home prices and interest rates have caused the gap to completely disappear in most counties.

Another result of the recent recession has been increasing challenges in obtaining mortgage financing, including much higher upfront cash requirements. The estimates included in Table 4-12 are based on 80% financing, requiring a purchaser to come up with 20% down payments in addition to closing costs. In effect the high upfront cash requirements effectively increases the affordability gap substantially. For example, a household earning the median income of \$68,253 in Plymouth County, could likely afford a single-family house costing \$306,000 but would have to have approximately \$65,000 in

⁴⁸ Tax rates were estimated based on a review of municipalities within each county (\$6 per thousand for Barnstable County, \$13 for Berkshire, \$14 for Bristol, \$5.36 for Dukes, \$12 for Essex, \$15 for Franklin, \$15 for Hampden, \$13 for Hampshire, \$12 for Middlesex, \$3.62 for Nantucket, \$13 for Norfolk, \$14 for Plymouth, \$13.14 for Suffolk, \$14 for Worcester County, and \$13 statewide.

cash available to obtain financing, not an easy task for any household that does not have access to equity from a previous house.

The analysis in Appendix 1 also identifies how many single-family homes on the Vineyard were affordable within various income categories, showing that Island-wide only 20 single-family homes were assessed as being affordable to those earning at or below 80% of area median income (a maximum of \$54,000 for a household of two) and most of these were either very small cottages or subsidized units. Another 59 homes were affordable to those earning between 80% AMI and median income (median income of \$62,407), representing less than 1% of all single-family units. This analysis also indicates that there is very limited availability of homes for those earning between median income and 150% AMI.

Rental Housing – Significant seasonal shifts have led to homelessness during the summer

The Vineyard’s rental market is complicated by substantial seasonal shifts. Because of the high demand for summer rentals, many property owners are economically motivated to rent in the summer season, often for exorbitant prices by the week, and then lower the price significantly during the winter, typically spanning Labor Day through Memorial Day. While year-round rentals are certainly available, they tend to come at some premium in comparison to winter rentals in compensation from some foregone summer revenue.

This economic scenario establishes the context for what has been known as the “Island Shuffle”, where those in winter rentals are forced to find alternative accommodations during the summer. In essence many of these renters become homeless in search of a temporary place to live whether doubled up with friends or families, camping, or commuting from off-Island.

Table 4-13 presents information on rental costs from 1990 to 2010, based on the US Census. The rental market has changed substantially as the median rent more than doubled between 1990 and 2010, going from \$512 per month to \$1,180. In 2000 more than half of the community’s rental units were in the \$500 to \$1,000 price range. By 2010 the market had shifted to where more than half of these units were priced beyond \$1,000, with almost one-fifth renting for more than \$1,500. Rental costs by town are provided in Table 23 of Appendix 2.

Rental listings from Craigslist and local realtors in Martha’s Vineyard for September and October 2012 (see Appendix 1 for these listings) suggest that more current rents are higher, ranging from \$800 for a two-bedroom winter rental in Oak Bluffs to \$2,500 for a new two-bedroom, year-round house in Katama. Most of the rentals fell between \$1,200 and \$2,200. There were actually only a few apartments available on a year-round basis. A local realtor indicated that they typically had no more than eight to a dozen listings of long-term rentals (units available year-round or for the winter season) at any particular time.

Table 4-13: Rental Costs, 1990-2010

Gross Rent	1990		2000		2010	
	#	%	#	%	#	%
Under \$200	95	6.9	45	2.5	0	0.0
\$200-299	75	5.5	66	3.7	20	1.9
\$300-499	370	26.9	130	7.3	49	4.7
\$500-749	461	33.5	559	31.4	42	4.0
\$750-999	160	11.6	487	27.4	184	17.6
\$1,000-1,499	33	2.4	251	14.1	304	29.1
\$1,500 +			24	1.3	207	19.8
No Cash Rent ⁴⁹	181	13.2	218	12.2	239	22.9
Total*	1,375	100.0	1,780	100.0	1,045	100.0
Median Rent	\$512		\$741		\$1,180	

Source: US Census Bureau, Census 1990 and 2000 Summary File 3 and American Community Survey 2008-2010

Note: The estimates provided by the Census Bureau’s American Community Survey substantially undercount the total number of occupied rental units in comparison to the actual 2010 census count of 2,468 units.

While a home can rent for \$1,200 per month in the winter, it can then command \$15,000 to \$25,000 per week during the summer. Seasonal rentals range considerably from a \$1,200 per week “shack” on Chappaquiddick to as high as \$45,000 per week with waterfront access, a pool, and all of the “bells and whistles” that accompany Island luxury. A local realtor suggested that houses along Edgartown’s harbor perhaps held the highest value. Typically any house with waterfront access or views, a pool, and a relatively new or updated house would rent in the \$20,000 to \$30,000 per week range.

The detailed affordability analysis in Appendix 1 also examines rentals. Table 1 looks at what renters can afford at different income levels. For example, a two-person household earning at 50% of area median income and earning \$35,800 annually could afford a monthly rental of only about \$595.00, assuming they are paying no more than 30% of their income on housing and pay utility bills that average about \$300 per month. A rental this low is impossible to find on the Vineyard unless the unit is subsidized. The lowest two-bedroom rental advertised in September and October 2012 was more than twice this amount, listed at \$1,400, also typically requiring first and last month’s rent and a security deposit equivalent to a month’s rent when the lease is signed or about \$4,000 in cash. *This means that any household looking to rent in the private housing market must have a considerable income and amount of cash available. The consequence is that people have to pay much more than they can afford for their housing.*

Also, using the lowest prices advertised in September and October of 2012 on Craigslist, a year-round two-bedroom unit renting for \$1,400 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 income level, leaving those earning less than median income priced out of the rental market. While winter rentals might be a bit more affordable, they leave these households veritably homeless during the summer. To put these rentals in another perspective, someone earning minimum wage of

⁴⁹ “No cash rent” means that the tenant does not make formal payments to the owner.

\$8.00 for 40 hours per week every week during the year would still only earn a gross income of \$16,640. Households with two persons earning the minimum wage would still have less than half the income that is needed to afford this market rent. Even someone earning the average weekly wage of \$875 during the first quarter of 2012 (translating into an annual income of approximately \$46,000) would only be able to afford a unit of about \$850 per month.

Market rents are not only well beyond lower wage earners, but are even too high for those earning at median income. Consequently renters pay far too much for their housing and may become virtually homeless during the summer given the seasonal competition for limited units.

4.6 Subsidized Housing Inventory (SHI)

Appendix 6 includes a summary of the projects and number of units by town that are included in the Subsidized Housing Inventory (SHI) and thus meet all state requirements of affordability under Chapter 40B regulations (see Appendix 4 for details on these requirements). There was a total of 411 SHI units or 5.2% of the Island's year-round housing stock. About three-quarters of the units involved rentals, and almost half of the affordable units were produced through comprehensive permits and therefore involved overrides of local zoning. Another 34 units should be eligible for inclusion on the SHI but were not included as of June 2013. Maps of existing affordable and community housing units are included in Appendix 7, one that includes density information and the other with the locations of conservation areas. These maps show the greater concentration of units in the down-Island communities.

As noted in the table, there are a few projects where the affordability restrictions are due to expire and will lead to some loss of SHI units in the future. For example, the shorter-term deed riders for the Housing Rehab Programs will expire between 2017 and 2019. The affordability of the three units at the Rectory are also due to expire in 2017, although since the units are owned and managed by the Dukes County Regional Housing Authority (DCRHA) it is likely that they will be refinanced to extend affordability into the long-term. All of the other units, where affordability is not in perpetuity, involve expiring dates well into the future, however restrictions for some of these projects included different terms and conditions than those used today and need to be closely monitored to insure continued affordability.

Due to the exceedingly high property values on the Vineyard, the State Legislature granted Nantucket and Dukes County the right to place permanent deed restrictions on properties whose owners earn up to 150% of area median income (AMI), but still priced out of the local housing market. A summary of the full range of income limits, from 30% to 150% AMI, is included as Appendix 5

In addition to SHI units, communities have produced 166 additional community housing units that are directed to those earning between 80% and 150% of median income and include deed restrictions to insure long-term affordability. Additionally, the Island benefited from 99 rental subsidies through DCRHA's Rental Assistance Program, Section 8

Housing Choice Vouchers, or Massachusetts Rental Voucher Program (MRVP) managed by the Housing Assistance Corporation (HAC). *This represents a total of 707 subsidized housing units on the Island or 8.9% of its year-round housing stock.*

Martha's Vineyard is fortunate to have strong local capacity to produce affordable and community housing and provide important housing resources and services through a number of local and regional organizations. These are detailed in Part 2 of this study and include the following:

- *Dukes County Regional Housing Authority (DCRHA)*
- *Martha's Vineyard Commission (MVC)*
- *Island Elderly Housing (IEH)*
- *Island Housing Trust (IHT)*
- *Habitat for Humanity of Martha's Vineyard*
- *Aquinnah Wampanoag Tribal Housing Authority The Resource Inc. (TRI)*
- *The Community Builders (TCB)*
- *Housing Assistance Corporation (HAC)*
- *Community Action Committee of Cape Cod and the Islands*
- *Almost all of the towns have both an Affordable Housing Committee and Housing Trust⁵⁰*

In addition to 34 units that are now eligible for inclusion in the SHI, there are a number of projects in planning and development that are estimated to produce additional affordable housing units that will be eligible for inclusion in the SHI, including the following:

- *Sepiessa II (West Tisbury)*
The Island Housing Trust is in the process of adding a one-bedroom, two-bedroom and three-bedroom apartment for a total of three (3) additional rental units for those earning at or below 60% AMI.
- *Greenough House (Tisbury)*
The Housing Authority is working on adding two (2) units.
- *Dr. Fisher Road (West Tisbury)*
A private developer is building two (2) three-bedroom houses for those earning at or below 120% of median income.
- *6 Water Street (Tisbury)*
The Island Housing Trust is planning four to six one-bedroom rental units for those earning at or below 60% AMI.
- *Thimble Farm (Tisbury)*
IHT is also planning four two-bedroom rental units, also targeted to those earning at or below 60% AMI.

⁵⁰ Aquinnah does not have an Affordable Housing Trust Fund at this time.

5. Priority Housing Needs

As indicated in Section 2, this Housing Needs Assessment recommends that there be a focus on rental unit development, proposing about an 80% to 20% split between rentals and affordable homeownership in the new affordable and community housing units created. The reasons behind this recommendation are based on the following important benefits of rentals:

- Better address the needs of lower waged workers, addressing the more transitory residency of many workers.
Indicator of Need: The average weekly wage is still insufficient to cover most rentals much less far more expensive homeownership options.
- Target the needs of the Island's most vulnerable residents with very limited financial means.
Indicator of Need: The number of individuals and families in poverty almost doubled between 1990 and 2010 and almost tripled in the case of those 65 years of age or older.
- Reduce the negative impacts of the summer's "Island Shuffle" on both individuals and families.
Indicator of Need: While winter rentals may be more affordable, they render many households virtually homeless during the summer, estimated to involve approximately 23% of renters who have lived on the Island for at least five years according to the November 2001 Housing Needs Assessment.
- Provide opportunities for some seniors who are overhoused and spending far too much to remain in their homes to relocate to more affordable and less isolated settings, opening up their homes to families requiring more space.
Indicator of Need: Of the 1,610 Island seniors who are homeowners, 56.5% were spending too much of their income on housing.
- Promote accessory units in existing homes that provide small year-round rentals and also offer additional income to owners, particularly those on fixed incomes.
Indicator of Need: There were 429 seniors who were homeowners and spending more than half of their income on housing, most of these earning at or below 50% AMI.
- Offer opportunities to build new more clustered, mixed-income communities that promote greater affordability through economies of scale in development, reduce the stigma of affordable housing, and help build connections among Island residents.
Indicator of Need: In order to meet annual production goals of at least 50 units, it will be necessary to develop multi-family housing that takes advantage of some economies of scale and are of sufficient size to utilize public subsidy funds such as the Low Income Housing Tax Credit.

The affordability analysis in Appendix 1 (Table 6) indicates that there has been a shortage of rental units for those in the lowest income levels with a deficit of 192 units for extremely low-income households earning less than 30% of area median income and 173 units for those earning between 30% and 50% of area median income, referred to by HUD as very low-income households. This population clearly needs subsidized rentals. Of the 675 rental units that were estimated to be occupied by those earning at or below 80% AMI (see Table 7 in Appendix 1), 304 were included as part of the Island's Subsidized Housing Inventory (see Table 4-14), leaving approximately 371 rental units that were apparently not subsidized. This level is equivalent to the 365-unit deficit of affordable rental units needed as calculated in Table 6 of Appendix 1, which reinforces this level of need.

It is likely that these deficits do not completely reflect the total need for affordable rental units. First, the figures are based on estimates from Census Bureau survey data that suggest a rental housing stock of 1,140 units instead of the 2,468 counted when the Census Bureau obtained information from every household. It may not be unreasonable to suggest that the estimates in Table 6 of Appendix 1 represent only about half of the actual demand. Second, the seasonal shifts in the rental market create even more burdens for households. Clearly those renters who are displaced during the summer season should be added to any estimates of need. Third, there are substantial wait lists for subsidized rental units, including 235 households for DCRHA rental units and 115 households for its Rental Assistance Program. Fourth, as the population continues to grow, there will be a responding need for more workers with corresponding needs for more housing, rental housing in particular.

It is important to note that the affordability analysis in Appendix 1 calculates larger deficits for homeownership units than rentals. However, as suggested above, this Housing Needs Assessment recommends a priority focus on those residents with the most limited financial means that are best accommodated through rentals. Nevertheless, this Needs Study also incorporates production goals for first-time homeownership opportunities equivalent to 20% of new affordable and community housing units created. This study also recognizes that many of the cost burdened homeownership are likely ineligible for subsidized housing as the significant equity in their homes would disqualify them from assistance.

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.

As indicated in Table 7 of Appendix 1, there were 730 households who earned at or below 30% of area median income in 2009 (the most recently-released data from a special HUD report that breaks down income level by tenure, type of household and cost burdens). Of these households, 705 or 81% were paying too much for their housing (140 paying between 30% and 50% of their income on housing costs and 450 paying more than half of their

income on housing). Of the 200 total renters in this income range, 115 were paying too much and it is likely that the remaining 85 were living in subsidized housing.

Given existing rents, it is hard to imagine circumstances where tenants at this income level can afford to live on the Vineyard unless 1) they are living in units subsidized by a public program or project, 2) the owners are offering below market rents, or 3) the tenants are paying way too much for housing based on their income. Additionally, given current housing prices, homeownership is out of reach for these extremely and very low-income households unless perhaps they are long-term owners without a mortgage. Even those without mortgage payments are likely encountering difficulties affording to live in their homes given the high costs of living on the Vineyard.

It should be noted that while those falling within these income categories clearly have the greatest unmet housing needs on the Island, providing housing for them requires substantial amounts of subsidies given existing affordability gaps.

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 within the community to raise children and pass on the Island legacy to subsequent generations. While the number of family households on the Island increased between 1990 and 2010, the percentage of families decreased from 60.5% of all households to 57.3%. Moreover, almost 31% of the households with children were headed by one parent (70.7% of these involved single mothers) suggesting a compelling need for affordable housing for families with only one income. Many families were also spending far too much for their housing.

According to information from HUD that was distilled from census estimates (Table 7 of Appendix 1), of the 350 small families⁵¹ who were renters, 125 were spending more than half of their incomes on housing, most of them earning less than 50% AMI. Of the 1,955 small families that were homeowners, 810 or 41.4% were experiencing cost burdens, including 315 of these families who were earning within 80% AMI.

There were few large families, reflected in the Island's declining average household size. Information from Appendix 1 (Table 7) estimate only 70 renters and 250 owners involved large families, with only four (4) of the renters but 58% of the owner households experiencing cost burdens. In fact all of the 80 large families that were homeowners and earning within 80% AMI were paying more than half of their income on housing. These costs burdened owners should have other alternative and affordable places to live on the Island.

This Housing Needs Assessment recommends directing approximately 60% of new units created to families.

⁵¹ Small families are those with two (2) to four (4) members and large families have five (5) or more members.

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 seniors were also living in housing that was by common definition not affordable, although approximately 131 of these seniors were living in subsidized housing and therefore not cost burdened.

Appendix 1 (Table 7) documents that there were 55 renters and 909 owners age 62 or more who were experiencing cost burdens including an estimated 439 who were spending at least half their income on housing expenses. *It is likely that most of the seniors who rented were already in subsidized housing, although the remaining 55 with cost burdens would be primary targets for assistance.*⁵² Of the 870 seniors who were homeowners, 369 or 42.4% were paying more than half of their income on housing. These seniors were likely to be living on fixed incomes but with substantial equity in their homes that would make it difficult for them to qualify for subsidized units whether affordable ownership or rentals. Also, other market options are beyond their means unless they can pay cash to cover most of the purchase price for a new home or condo with the equity from their previous home or opt for a market rental unit.

It will also be important to incorporate greater handicapped accessibility and “visitability” improvements into new and existing units to accommodate an increasingly aging population. For example, residents between the ages of 45 and 64 increased from 2,158 in 1990 to 5,645 by 2010, an increase of 162%. These residents, many of whom are part of the baby boom generation, comprised 18.5% of the population in 1990 but grew to 34.1% in 2010. More supportive services to help seniors age in place will also be required. Housing production goals incorporate these factors, suggesting that at least 10% of all new units be handicapped accessible and/or have supportive services. Also, additional assisted living facilities and nursing homes should be promoted to serve this increasingly older population of Islanders, enabling them to remain in their community.

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. Of these single-person households, 1,541 or 62.6% were under 65 years of age. As indicated in Appendix 1 (Table 7) those in the “other” category, representing non-family and non-elderly households, had substantial cost burdens including 41.2% of renters and 51% of owners. Two hundred (200) or 41.2% of these renter households were spending more than half of their income on housing as was another 334 or 51% of these owner households. Affordable rental housing will be needed to provide housing for essential single workers, including those lower wage earners in the service industries. These singles also include children who were raised on the Vineyard and are looking for an avenue to return to their community.

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.

⁵² Approximately 131 seniors occupy subsidized housing and therefore have no cost burdens.

People with Disabilities

Table 3-14 presents information on the numbers and types of disabilities within several age ranges. Unfortunately, the Census Bureau has not released this type of data since 2000, but these figures suggest that there have been significant numbers of residents with disabilities. In 2000, there were 3,691 residents who claimed a disability, representing about 25% of all residents. It is unlikely that the level of disabilities has changed markedly, particularly given increases in older residents.

The Massachusetts Accessible Housing Registry (MassAccess),⁵³ shows a great shortage of accessible units throughout the state and lists only 19 such units on the Vineyard (these units were at Woodside Village, Aidylberg, Greenough House, Margaret C. Love House (1 studio), Vineyard Village Apartments, and Sepiessa Point Apartments), although there is one (1) additional unit in the Housing Authority's Noyes Building and two (2) at their Middle Line Road development. It is difficult to assess where improvements may have been made without the units being included on the Mass Access website, but it is clear that the Island has a severe shortage of accessible units.⁵⁴

There are additional housing units on the Vineyard that provide housing and supportive services to those with special needs including:

- Eight (8) units as part of group homes for mentally disabled adults who do not require continuous medical or nursing care. These units are administered by the Massachusetts Department of Mental Health (DMH) or by a provider agency under contract with DMH.
- The Havenside Corporation that is a private, non-profit provider of rental apartments for Island elders (25 one-bedroom units, 4 two-bedroom units, and one (1) studio).
- The Henrietta Brewer House (14 units) and Long Hill (10 units) are assisted living facilities for seniors.
- Windemere Nursing and Rehabilitation Center that provides beds for seniors and those with Alzheimers (16-bed residential living wing, 21-bed Alzheimers/Special Needs wing, and 40-bed long-term care wing).
- Vineyard House that provides supportive housing for adults in recovery (in three (3) homes for 17 adults).
- Seven Hills Community Services and Community Systems Inc. offers residential services for adults with mental retardation in private homes as part of a shared living or adult foster care arrangement (7 adults).
- Fellowship Health Resources Inc. provides residential services for those with mental illness (8 SRO units at the Housing Authority's Lagoon Heights).
- A DCRHA property, 45 Franklin Street, with four (4) SRO's for individuals with cognitive impairments with serves supported by a Department of Developmental Services (DDS) contract.

⁵³ MassAccess is a website that was created by Citizens Housing and Planning Association (CHAPA) and other partners to help people with disabilities find affordable and accessible housing in Massachusetts.

⁵⁴ Accessible homeownership units are more difficult to identify as there may be homeowners who have made modifications to their homes to promote better accessibility without any intentions of selling in the future.

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

Homelessness is a regional problem. The Cape and Islands Regional Network to End Homelessness conducts an annual Point in Time census of the homeless every January, counting families and individuals on the streets, in motels, in emergency shelters, and in transitional housing. In January 2011, there were 269 individuals on the Cape and the Islands who were identified as homeless and 248 homeless families that included 218 teens and children. There is some sentiment that the incidence of homelessness among families is underreported and actual numbers are higher. This count also does not include the hidden homeless or those doubled-up not by choice with family or friends or otherwise precariously housed. The many challenges to providing housing for the homeless include the lack of resources to rehabilitate apartments and build new housing, the reduction of Section 8 subsidies, and the relocation of the homeless from other areas.

The Cape and the Islands Regional Network to End Homelessness has prepared a Regional Plan that includes the following additional information on the homeless:

- There were 150 to 200 veterans and their families on Cape Cod and the Islands who were homeless or at risk of homelessness. This population encounters a number of other problems as well including physical and mental health issues and unemployment.
- Youth in the 18 to 24 age range are at risk of homelessness as they grapple with addiction, gender issues or sexual orientation, age out of foster care, are returning veterans, and have a disability.
- Seniors also face homelessness due largely to substantial reductions in income following retirement and the lack of affordable, accessible and community-based housing in concert with minimal family support and chronic medical issues and disabilities.

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. The Regional Plan acknowledges that while the Cape and the Islands has a comprehensive prevention system in place, the current system does not provide enough permanent supportive housing to move the homeless from shelters into more stable housing. It further recognizes that these shortages are even more acute on the Islands.

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. Various local organizations, including Island Clergy, the Dukes County Commissioners, local businesses (such as hotels/motels that provide rooms) and police provide support to the homeless or those at risk of homelessness. The Boys and Girls Club provides meals for children, and there are counseling and other interventions available locally to treat substance abuse and mental health problems that sometimes contribute to homelessness.

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

Table 5 in Appendix 1 estimates that there is not a shortage of housing for those earning above 80% of area median income for both rentals and homeownership. However, there was not a significant surplus of homeownership units for those earning between 80% and median income and it is likely that units that might be affordable to those in this income range are small and in relatively poor condition. Moreover, the waitlists for subsidized units maintained by the Dukes County Regional Housing Authority includes 55 households earning between 80% AMI and median income, 42 with incomes between 100% and 120% AMI and 26 with incomes between 120% and 140%, further demonstrating some need for community housing units.

It should be noted that subsidized housing development on the Island has included 166 units as of June 2013 for those earning beyond 80% AMI in an effort to meet a wider range of housing needs and leverage limited public funding. For example, the houses at Jenney Way included units for those earning within four (4) income tiers – 80%, 100%, 120% and 140% AMI, all with resale restrictions.

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. (one-third of homeownership units)

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.

Summary

Table 5-1 provides a summary of what housing is available to various subpopulations, estimates the unmet need for each of these populations and compares it to what is proposed to be undertaken in efforts to implement this Housing Needs Assessment.

While the proposed annual housing production goal of 50 units appears to be ambitious given past production levels, it still falls substantially short of the actual need. Without a significant and permanent source of financing, an annual goal of 30 units might be more reasonable in the short-term.

Table 5-1: Unmet Housing Needs

Type of Housing	Housing Available	Unmet Need*	Recommended For Next Year/Five Years**
Rentals			
Extremely Low Income (within 30% AMI)	8	192/384	40 units/200 units
Very Low Income (30 to 50% AMI)	77	173/346	
Low to Moderate Income (50 to 80% AMI)	240	About 26 on DCRHA wait list	
Ownership			
Less than 80% AMI	20	1,492	10 units/50 units
80% to 100% AMI	50	0	
100% to 150% AMI	575	0	
Total	970	1,492	50 units/250 units
Types of Populations			
Seniors***	180 rental units 701 owner units	55 renters 909 owners	20% of all units created or 10/50 units
Families***	222 rental units 1,145 owner units	198 renters 1,250 owners	60% of all units created or 30/150 units
Singles***	125 rental units 86 owner units	200 renters 334 owners	20% of all units created or 10/50 units
Total	527 rental units 1,932 owner units	453 renters 2,493 owners	50 units/250 units
People with Disabilities***	22 (19 MassAccess + 3 more DCRHA units) + est. 175 other units with supportive services	3,494	10% of all units created or 5/25 units (part of the total units created for senior, families and individuals)
Homeless***	No shelters on the Island	Difficult to estimate	Part of the 200 rental units listed above
Community Housing	166		1/3 of new ownership units produced

Sources: US Department of Housing and Urban Development (HUD), SOCDs CHAS Data, 2009; MassAccess; and Massachusetts Department of Housing and Community Development, August 28, 2012.

*See Tables 5 and 6 in Appendix 1. Also, because Table 7 in Appendix 1 undercounts the occupied rental units by about half, we have also doubled the unmet housing needs for another estimate.

** Based on annual production goals that total 50 units/year.

*** These population groups are also largely incorporated in the numbers of those with unmet housing needs earning at extremely low and very low income levels. The numbers with disabilities represents an estimate of 25% of all residents in 2012, the same level of those with disabilities in 2000. Available units for seniors, families and other individuals were derived from the number of units that did not involve occupants with cost burdens in Table 7 of Appendix 1 and the unmet housing needs included those who were paying too much for their housing (more than 30% of their income). Singles came from the “other “ category in Table 7 of Appendix 1 that include non-elderly and non-family households.

APPENDIX 1

Affordability Analysis of Existing Housing

While it is useful to have a better understanding of past and current housing costs, it is also important to analyze the implications of these costs on housing affordability. Tables 1 and 2 examine affordability from two different vantage points. Table 1 calculates what households earning at various income levels can afford, and Table 2 examines some of the housing costs summarized above in Section 4.5, estimating what households must earn to afford these prices *based on spending no more than 30% of their income on housing expenses*, the commonly applied threshold of affordability.

There is some debate as to whether this 30% affordability threshold is an appropriate one for the Vineyard. Some argue that because housing costs are so very high, it is unrealistic to expect many households to be able to adhere to a 30% standard and 40% might be a more pragmatic alternative. Others suggest that the Island's high cost of living also make it extremely difficult to stick to a 30% housing affordability guideline and the figure should be closer to 20%. The Martha's Vineyard Commission has prepared or commissioned studies that analyzed the actual costs of living and doing business on the Island. The Commission itself prepared a report on the cost of living in 2006 that indicated a composite cost of living index of 157 for the Vineyard as opposed to a national average of 100, or 57% above the national average.⁵⁵ This was about 12% higher than the index for Boston for the same time period. The highest contributing cost contributing to the index was housing, which was almost twice the national average and 13% higher than Boston's. Transportation costs were also a major contributing factor, estimated to be 22% higher than Boston's.

Another report, prepared by John J. Ryan of Development Cycles and the Martha's Vineyard Commission in October 2008, indicated an even higher cost of living index for the Vineyard with a composite score of 170 as opposed to the national average of 100 and 135 for the Boston area.⁵⁶ This translates into the need for an after tax income of \$85,050 for the Vineyard to have the equivalent buying power of a typical American family with an after tax income of \$50,000.

Both assertions hold some validity. For the purpose of this Housing Needs Assessment, the 30% standard will be maintained as it is the generally acknowledged guideline and basically cuts the difference between the other 40% and 20% affordability options.

Table 1 shows how homeownership and rentals are more or less affordable to households earning at different income levels. The calculations in the table also indicate that the amount of down payment has a substantial bearing on what households can afford. Before the economic turndown, it had been fairly easy for purchasers to limit their down payments to 5% or even less as long as they paid private mortgage insurance or qualified for a subsidized mortgage program such as the state's Soft Second Loan Program. Lenders now are typically applying more rigid lending criteria, including the need for 20% down payments and stricter credit requirements, that make homeownership, particularly first-

⁵⁵ Flynn, Christine, *Martha's Vineyard Commission Cost of Living Index for 2006*, April 2007.

⁵⁶ Ryan, John J. of Development Cycles, *Martha's Vineyard Cost of Living and Doing Business Study*, prepared for the Martha's Vineyard Commission, October 2008.

time homeownership, much more challenging. Because condominiums and small multi-family units are such a very small segment of the Island’s housing stock, the analysis focuses solely on single-family homes and rentals.

As Table 1 demonstrates, a household earning the same level of income can acquire a much higher priced home with more cash down. It should be noted that the figures assume that those earning at or below 80% AMI would qualify for a subsidized mortgage program without a requirement for purchasing private mortgage insurance (PMI). The highest house price that a household could afford at the 80% AMI limit of \$54,000 is \$238,000 in the case of 95% financing and \$277,500 if the purchaser could come up with approximately \$60,000 in upfront cash for the 20% down payment and closing costs.

Table 1: Affordability Analysis I
Maximum Affordable Prices Based on Income Levels and Financing

Single-family	Income Level	30% Monthly Income	Estimated Max. Affordable Price 5% Down ***	Estimated Max. Affordable Price 20% Down ***
	80% AMI = \$54,000**	\$1,350	\$238,000	\$277,500
	Median Income= \$62,407*	\$1,560.18	\$264,000	\$321,500
	120% AMI = \$85,920 ****	\$2,148	\$364,000	\$431,000
	150% AMI = \$107,400****	\$2,685.00	\$456,000	\$556,000
Rental	Income Level	30% Monthly Income	Estimated Utility Cost****	Affordable Monthly Rental
	30% AMI = \$21,500**	\$537.50	\$300	\$237.50
	50% AMI = \$35,800**	\$895.00	\$300	\$595.00
	80% AMI = \$54,000**	\$1,350.00	\$300	\$1,050.00
	Median Income = \$62,407*	\$1,560.18	\$300	\$1,260.18

Source: Calculations provided by Karen Sunnarborg.

* Based on US Census Bureau estimates from its American Community Survey, 2008-2010, for Dukes County.

** HUD 2012 Income Limits for the Dukes County MSA for a household of two (2), which is the average household size for owner-occupants on the Vineyard (2.29 persons).

*** 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*).

****Figures from Dukes County Regional Housing Authority. These include utility allowances that vary according to the number of bedrooms, program (HOME, HUD, MHP, LIP, Section 8) and type of utility (gas, oil). The average allowance for a two-bedroom unit using gas was \$340 and \$270 with oil. This analysis uses an average utility allowance of \$300 per month.

Note: The estimated purchase prices for the affordable units at the 80% AMI level are maximum levels and not equivalent to the actual purchase prices of affordable units as the state formula for calculating purchase prices insures a marketing window and is based on a household earning at 70% AMI.

Table 1 also looks at what renters can afford at different income levels. For example, a two-person household earning at 50% of area median income and earning \$35,800 annually could afford a

monthly rental of only about \$595.00, assuming they are paying no more than 30% of their income on housing and pay utility bills that average about \$300 per month. A rental this low is impossible to find on the Vineyard unless the unit is subsidized, year-round rentals in particular. The lowest two-bedroom rental advertised in September and October 2012 was more than twice this amount of \$1,400, also typically requiring first and last month's rent and a security deposit equivalent to a month's rent when the lease is signed. This means that any household looking to rent in the private housing market must have a considerable income and amount of cash available. The consequence is that people have to pay much more than they can afford for their housing.

Table 2 explores affordability from another angle, going from specific housing costs to income instead of the other way around as was the case in Table 1. Taking the median single-family house prices for Dukes County and each of the six towns, the income that would be required to afford this price is calculated, showing the differences between 95% and 80% financing. For example, using the \$535,000 median single-family home price for the County as of September 2012, a household would have to earn \$126,000 if they could access 95% financing. An income of \$103,500 would be required in the case of 80% financing, which would also require about \$60,000 in cash to cover down payment and closing costs. The calculations for each of the towns vary according to the median price and tax rate, ranging from an estimated income of \$75,150 to afford the median house price in Oak Bluffs based on 80% financing, to twice that amount or \$150,000 for Chilmark.

Table 2: Affordability Analysis II
Income Required to Afford Median Price or Minimum Market Rents

Single-family	Median Price*	Estimated Mortgage		Income Required**	
		5% Down	20% Down	5% Down	20% Down
Island-wide	\$535,000	\$508,250	\$428,000	\$126,000	\$103,500
Aquinnah	\$642,500	\$610,375	\$514,000	\$148,000	\$121,000
Chilmark	\$825,000	\$783,750	\$660,000	\$184,800	\$150,000
Edgartown	\$653,388	\$620,719	\$522,710	\$149,500	\$122,000
Oak Bluffs	\$374,000	\$355,300	\$299,200	\$91,000	\$75,150
Tisbury	\$430,000	\$408,500	\$344,000	\$105,250	\$87,150
West Tisbury	\$704,000	\$668,800	\$563,200	\$164,500	\$135,000
Rental/Island-wide	Estimated Market Monthly Rental***	Estimated Monthly Utility Costs****	Income Required		
One-bedroom	\$1,000	\$235	\$49,400		
Two-bedroom	\$1,400	\$300	\$68,000		
Three-bedroom	\$1,800	\$380	\$87,200		

Source: Calculations provided by Karen Sunnarborg.

* From The Warren Group Town Stats data as of September 2012.

** Figures based on interest of 5.0%, 30-year term, annual property tax rate of \$5.36 per thousand for Dukes County (this is based on an average of the tax rates for all six towns, weighted by the number of housing units) and actual tax rates for each town (\$3.93 for Aquinnah, \$2.08 for Chilmark, \$3.43 for Edgartown, \$7.39 for Oak Bluffs, \$8.01 for Tisbury, and \$4.92 for West Tisbury), 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.

*** Lowest prices seen in September and October 2012 in Craigslist for year-round rentals.

**** Utility allowances vary according to the number of bedrooms, program (HOME, HUD, MHP, LIP, Section 8) and type of utility (gas, oil). The average allowance for a two-bedroom unit using gas was \$340 and \$270 with oil, for example with this analysis about cutting the difference with an average utility allowance of \$300 per month.

Updated rental listings from Craigslist and local realtors in Martha's Vineyard are offered below (most of these listings involve the tenant paying utilities) for September and October 2012. There were only a few apartments available on a year-round basis. A local realtor indicated that they typically had no more than eight to a dozen listings of long-term rentals (units available year-round or for the winter season) at any particular time.

No listings for Aquinnah

Chilmark

\$800 for a 1,300 square foot winter rental of a 2-bedroom house at the end of a ½ mile dirt road

\$1,400 for a 2-bedroom cottage available year-round

\$1,600 of a 2-bedroom cottage available year-round

Edgartown

\$750 for a year-round cottage on Chappaquiddick Island

\$1,000 for a bedroom in a 2-bedroom townhouse with a year-round option

\$1,200 for a 1-bedroom, 400 square foot guesthouse available as a winter rental

\$1,300 for a 2-bedroom unit on the outskirts of Edgartown, available year-round

\$1,800 for a 3-bedroom home, available on a year-round basis

\$2,500 for a new 2-bedroom house in Katama on a year-round basis

Oak Bluffs

A 1-bedroom rental unit was advertised as follows:

\$700 for 1 person as a winter rental

\$900 for a couple as a winter rental

\$900 for 1 person as a year-round rental

\$1,200 for a couple as a year-round rental

\$800 for a 2-bedroom winter rental

\$900 for a 2-bedroom, 900 square foot guesthouse for the winter

\$1,250 for a 1-bedroom cottage as a winter rental

\$1,500 for a 1-bedroom guesthouse available year-round

\$1,700 for a winter rental of a small 4-bedroom house

\$1,850 for a 3-bedroom year-round rental

\$2,200 for a 4-bedroom home available year-round

Tisbury

\$1,700 for a winter rental of a 3-bedroom house in Vineyard Haven

West Tisbury

\$900 for a 1-bedroom winter rental with 800 square feet of living space

\$1,050 for a 1-bedroom basement walkout apartment for winter or year-round

\$1,200 for a 2-bedroom winter rental described as "cute and clean"

\$1,260 for a 2-bedroom winter rental

\$2,200 for a 4-bedroom house for the winter

Using the lowest prices advertised in September and October of 2012 on Craigslist, a year-round two-bedroom unit renting for \$1,400 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 income level, leaving those earning less than median income priced out of the rental market. While winter rentals might be a bit more affordable, they leave these households veritably homeless during the summer. To put these rentals in another perspective, someone earning minimum wage of \$8.00 for 40 hours per week every week during the year would still only earn a gross income of \$16,640. Households with two persons earning the minimum wage would still have less than half the income that is needed to afford this market rent.

Market rents are not only well beyond lower wage earners, but are also too high for those earning even at median income. Consequently renters pay far too much for their housing and may become virtually homeless during the summer given the seasonal competition for limited units.

Through the combination of information in Tables 1 and 2, it is possible to compute the affordability gap, typically defined as the difference between what a median income household can afford and the median priced unit on the market. The affordability gap would then be \$225,000 as of September 2012, the difference between \$310,000 (based on the median income figure 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 decreases to \$104,000 for households earning at 120% AMI, and *it is only at the 150% AMI level that the affordability gap disappears, assuming 80% financing and the purchaser's ability to come up with about \$110,000 in cash to cover the down payment and closing costs.*

Table 3: Affordability Gaps for Homeownership as of September 2012

Town	Median Income*	Affordable Price**	Median House Price***	Affordability Gap
Aquinnah	\$57,500	\$290,000	\$642,500	\$352,500
Chilmark	\$72,917	\$385,000	\$825,000	\$440,000
Edgartown	\$67,625	\$347,000	\$653,388	\$306,388
Oak Bluffs	\$59,156	\$280,000	\$374,000	\$94,000
Tisbury	\$58,551	\$275,000	\$430,000	\$155,000
West Tisbury	\$71,667	\$360,000	\$704,000	\$344,000
County	\$62,407	\$310,000	\$535,000	\$225,000

Source: Calculations provided by Karen Sunnarborg.

* Based on US Census Bureau estimates from its American Community Survey, 2008-2010, for Dukes County and 2006-2010 for the six towns.

** Figures based on interest of 5.0%, 30-year term, annual property tax rate of \$5.36 per thousand for Dukes County (this is based on an average of the tax rates for all six towns, weighted by the number of housing units) and the actual tax rates for each town (\$3.93 for Aquinnah, \$2.08 for Chilmark, \$3.43 for Edgartown, \$7.39 for Oak Bluffs, \$8.01 for Tisbury, and \$4.92 for West Tisbury), 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 80% financing.

*** Based on the Warren Group/Banker & Tradesman Town Stats figures of October 16, 2012.

Table 3 provides information on the affordability gap for each town, ranging from a low of \$94,000 in Oak Bluffs to a high of \$440,000 in Chilmark. *It is important to note that this analysis*

assumes 80% financing, requiring substantial amounts of upfront cash from savings or equity from a previous house, effectively widening the affordability gap.

Table 4 identifies how many single-family homes on the Vineyard were affordable within various income categories, showing that only 78 single-family homes were assessed as being affordable to those earning at or below 80% of area median income and most of these are either very small cottages 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.

It is also important to note that this analysis is based on assessed values of all single-family properties on the Vineyard but does not include smaller segments of the housing stock including condos and multiple houses on one parcel, but there were only 78 condos and four (4) multiple houses on one parcel that were assessed for less than \$300,000. These calculations for each of the six towns are provided in Table 22 of Appendix 2.

**Table 4: Affordability Analysis III
Relative Affordability of Single-family Units on the Island, 2012**

Price Range ***	Income Range	Number	Percentage
Less than \$238,000	Less than 80% AMI**	78	0.7
\$238,001-\$310,000	80% - 100% AMI (median income)*	420	3.6
\$310,001-\$540,000	100% - 150% AMI ****	4,006	34.4
More than \$540,000	More than 150% AMI****	7,153	61.4
Total		11,657	100.0

Source: Town Assessors' Databases for fiscal year 2012.

* Based on US Census Bureau estimates from its American Community Survey, 2008-2010, for Dukes County.

** HUD 2012 Income Limits for the Dukes County MSA for a household of two (2), which is the average household size for owner-occupied units on the Vineyard (2.29 persons).

*** 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).

****Figures from the Dukes County Regional Housing Authority.

Table 5 demonstrates a need for more affordable homeownership opportunities for those earning at or below 80% of area median income. These calculations suggest that of the 1,570 owner households who were estimated to have earned at or below 80% AMI, there were only 78 single-family homes that would have been affordable to them based on fiscal year 2012 assessed values and other noted assumptions. It is likely that another 28 condos

that were assessed for less than \$200,000 would have been affordable as well.⁵⁷ There is a projected deficit of 1,492 ownership units for those earning at or below 80% of median. While there is a small surplus of units that are affordable to those earning between 80% and median income, it is likely that many of these units are very small and in poor condition.

Table 5: Homeownership Need/Demand Analysis, 2012

Income Group	Income Range*	Affordable Sales Prices Single-family **	# Owner Households ***	# Existing Single-family Units**	Deficit -/ Surplus+
Less than 80% AMI	\$54,000 and less	Up to \$238,000	1,570	78	-1,492
80%-100% AMI	\$54,001 to \$62,407	\$238,000-\$310,000	266	420	154
100%-150% AMI	\$62,408 to \$107,400	\$238,001-\$540,000	1,163	4,006	2,843

Source: US Census Bureau's 2008-2010 American Community Survey, 2010 estimates and Town Assessor's data for fiscal year 2012.

* For a household of two (2) as the average household size for owners was 2.29 persons per the 2010 US census. Also based on 2012 HUD income limits for Dukes County.

** See analysis in Table 4. *** Data from Table 7 and extrapolated data from Table 3-8 for the 80% to 100% and 100% to 150% AMI ranges.

Table 6 indicates that there has been a shortage of rental units for those in the lowest income levels with a deficit of 192 units for extremely low-income households earning less than 30% of area median income and 173 units for those earning between 30% and 50% of area median income, referred to by HUD as very low-income households. This population clearly needs subsidized rentals. Of the 675 rental units that were estimated to be occupied by those earning at or below 80% AMI (see Table 7), 304 were included as part of the Island's Subsidized Housing Inventory (see Table 4-13), leaving approximately 371 rental units that were apparently not subsidized. This level is equivalent to the 365-unit deficit calculated in Table 6.

It is likely that these deficits do not totally reflect total need for affordable rental units. First, the figures are based on estimates from Census Bureau survey data that suggest a rental housing stock of 1,140 units instead of the 2,468 counted as part of the actual 2010 census counts. It may not be unreasonable to suggest then that the estimates in Table 6 represent only about half of the actual demand. Second, the seasonal shifts in the rental market create even more burdens for households. Clearly those renters who are displaced during the summer season should be added to any estimates of need. Third, there are substantial wait lists for subsidized rental units, including 235 households for DCRHA rental units and 115 households for its Rental Assistance Program. Fourth, as the population continues to grow, there will be a responding need for more workers with corresponding needs for more housing, rental housing in particular.

⁵⁷ Because monthly condo fees as included in mortgage underwriting, condo prices tend to be higher than single-family homes for purchasers earning at the same income level.

Table 6: Rental Unit Need/Demand Analysis, 2012

Income Group	Income Range*	Affordable Rent**	# Renter Households***	# Existing Units****	Deficit -/ Surplus+
Less than 30% AMI	\$21,500 and less	\$237.50 and less	200	8	-192
Between 30% and 50% AMI	\$21,501 to \$35,800	\$237.51 to \$595	250	77	-173
Between 50% and 80% AMI	\$35,801 to \$54,000	\$596 to \$1,050	225	240	+15
Between 80% and 100% AMI	\$54,000 to \$62,407	1,051 to 1,260.18	44	127	+83

Source: US Census Bureau’s 2008-2010 American Community Survey, 2009 estimates.

* For a household of two (2) as the average household size for renters was 2.10 persons per the 2010 US census. Also based on 2012 HUD income limits for Dukes County.

** Includes a utility allowance of \$150 per month.

*** Data from Table 7 and extrapolated income data for renters from Table 3-8 for those earning between 80% and 100% AMI.

**** Extrapolated data on monthly rental costs from the US Census Bureau’s American Community Survey estimates for 2008-2010.

This analysis likely undercounts actual need. Data from Table 7 below suggests that there were 675 rentals that were occupied by those earning at or below 80% of area median income, of which 304 were subsidized and included as part of the Subsidized Housing Inventory (see Table 4-13).

It is also useful to identify numbers of residents living beyond their means based on their housing costs. HUD provides data on housing affordability problems through its CHAS report, identifying cost burdens by household type and tenure and offering a breakdown of households within specific income categories as summarized in Table 7. This report, based on 2009 estimates for Dukes County, indicates the following:

- Of the 5,610 households counted, 1,412 or one-quarter were spending between 30% and 50% of their income on housing and another 1,2394 or 22.1% were spending more than half their income on housing including 245 renters and 994 owners.
- There were 730 households earning at or below 30% AMI, referred to by HUD as extremely low-income households, and 61.6% were spending more than 50% of their income on housing including 69.8% of the owners and 40% of renters in this income category. Many of those paying more than half of their income on rental housing were single adults, categorized as part of the “other renter” category.
- There were 610 households earning between 30% and 50% AMI, referred to by HUD as very low-income households, and more than half (51.6%) were spending 50% or more of their income on housing including 56% of the renters and 49% of the owners.
- Of the 905 households earning between 50% and 80% AMI, which HUD defines as low- and moderate-income households, 474 were spending too much on housing, including 60 renters and 414 owners, with 254 households spending at least half of their income on housing.
- There were 55 renters and 909 owners age 62 or more who were experiencing cost burdens including an estimated 439 who were spending at least half their income on housing

expenses. It is likely that most of the seniors who rent are already in subsidized housing, although the remaining 55 with cost burdens should be primary targets for assistance.

- Of the 350 small families who were renters, 125 were spending more than half of their incomes on housing, most of these earning less than 50% AMI. Of the 1,955 small families that were homeowners, 810 or 41.4% were experiencing cost burdens, including 315 of these families who were earning within 80% AMI.
- There were few large families counted in the data, only 70 renters and 250 owners, with only four (4) of the renters but 58% of the owner households experiencing cost burdens. In fact all of the 80 large families that were homeowners and earning within 80% AMI were paying more than half of their income on housing.
- Those in the “other” category, representing non-family and non-elderly households, had substantial cost burdens including 41.2% of renters and 51% of owners.

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.

Table 7: Type of Households by Income Category and Cost Burdens*, 2009

Type of Household	Households Earning < 30% MFI/# with cost burdens (# spending 50% or more)	Households Earning > 30% to < 50% MFI/ # with cost burdens *	Households Earning > 50% to < 80% MFI/# with cost burdens *	Households Earning > 80% MFI/ # with cost burdens *	Total/# with cost burdens *
Elderly Renters	95/35 (10)	15/0 (0)	60/10 (0)	65/0 (0)	235/45 (10)
Small Family Renters	30/0 (20)	110/4 (95)	65/25 (10)	145/40 (0)	350/69 (125)
Large Family Renters	0/0 (0)	15/4 (0)	15/0 (0)	40/0 (0)	70/4 (0)
Other Renters	75/0 (50)	110/35 (45)	85/0 (15)	215/55 (0)	485/90 (110)
Total Renters	200/35 (80)	250/43 (140)	225/35 (25)	465/95 (0)	1,140/208 (245)
Elderly Owners	320/80 (215)	250/95 (115)	300/105 (39)	740/200 (60)	1,610/480 (429)
Small Family Owners	90/0 (90)	90/40 (45)	195/35 (105)	1,580/375 (120)	1,955/450 (360)
Large Family Owners	40/0 (40)	0/0 (0)	40/0 (40)	170/40 (25)	250/40 (105)
Other Owners	80/25 (25)	20/4 (15)	145/45 (45)	410/160 (15)	655/234 (100)
Total Owners	530/105 (370)	360/139 (175)	680/185 (229)	2,900/775 (220)	4,470/1,204 (994)
Total	730/140 (450)	610/182 (315)	905/220 (254)	3,365/870 (220)	5,610/1,412 (1,239)

Source: US Department of Housing and Urban Development (HUD), SOCDs CHAS Data, 2009.

MFI indicates median family income.

*Cost burdens indicate that households are spending more than 30% of their income on housing. The CHAS report also provides data on those spending more than 50% of earnings on housing as indicated by parentheses ().

Definitions: Large-family households are defined as having five (5) or more members, small families with two (2) to four (4) members. Elderly refers to those 62 years of age and older. “Other” household refers to non-family and non-elderly households.

APPENDIX 2

Town Profiles

THE TOWN OF AQUINNAH

INTRODUCTION

Dramatic clay cliffs that are unique to the entire East Coast characterize the town of Aquinnah, formerly called Gay Head. Small and largely undeveloped, the community has been occupied primarily of Native Americans of Wampanoag descent.

(We should include a map of the Island that shades the area for each particular town.)

DEMOGRAPHIC AND ECONOMIC PROFILE

Population Growth

Aquinnah is a small community with a population of 311 according to the 2010 US Census, which grew to 468 residents according to Town records as of October 2012. The town actually lost population during the 1980s as well as more recently with a loss of 33 residents between 2000 and 2010. It includes about 2.6% of the Island's population.

Table 1: Population Growth – Total Population and Percentage Change, 1930 to 2012 and 2020 Projections

Year	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury	Dukes County
1930	161/--	252/--	1,276/--	1,333/--	1,541/--	270/--	4,953/--
1940	127/-21.1%	226/-10.3%	1,370/7.4%	1,584/18.8%	1,966/27.6%	260/-3.7%	5,669/14.5%
1950	88/-30.7%	183/-19.0%	1,508/10.1%	1,521/-4.0%	1,930/-1.8%	347/33.5%	5,633/-0.6%
1960	103/17.0%	238/30.1%	1,474/-2.3%	1,419/-6.7%	2,169/12.4%	360/3.7%	5,829/3.5%
1970	118/14.6%	340/42.9%	1,481/0.5%	1,385/-2.4%	2,257/4.1%	453/25.8%	6,117/4.9%
1980	220/86.4%	489/43.8%	2,204/48.8%	1,984/43.2%	2,972/31.7%	1,010/123%	8,942/46.2%
1990	201/-8.6%	650/32.9%	3,062/38.9%	2,804/41.3%	3,120/5.0%	1,704/68.7%	11,639/30.2%
2000	344/71.1%	843/29.7%	3,779/23.4%	3,713/32.4%	3,755/20.4%	2,467/44.8%	14,987/28.8%
3/2010	311/-9.6%	866/2.7%	4,067/7.6%	4,527/21.9%	3,949/5.2%	2,740/11.1 %	16,535/10.3%
2020 est.	466/49.8%	1,164/34.4%	5,619/38.2%	6,061/33.9%	4,501/14.0%	3,883/41.7%	21,694/31.2%
% 2010 County pop.	1.9%	5.2%	24.6%	27.4%	23.9%	16.6%	100.0%
2012	468 (as of 10-18-12)	1,183 (as of 10-1-12)	4,531 (as of 8-1-12)	4,737 (as of 9-19-12)	4,194 (as of 10-18-12)	3,103 (as of 10-18-12)	18,216
% 10/12 County pop.	2.6%	6.5%	24.9%	26.0%	23.0%	17.0%	100.0%

Sources: US Census Bureau 2010, projections from the Massachusetts Institute of Social and Economic Research (MISER), and Town Clerks from all six towns.

Note: There were also 75 residents of the town of Gosnold in Dukes County in 2010.

Racial Composition

Aquinnah is the most racially diverse community on the Vineyard with a minority population of 42.4% of all residents, most who were of Native American descent from the Wampanoag tribe.

Table 2: Racial Composition by Town and Island-wide, 2010

Race	Aquinnah	Chilmark	Edgar-town	Oak Bluffs	Tisbury	West Tisbury	Dukes County
Minority Pop. *	132 (42.4%)	31 (3.6%)	476 (11.7%)	719 (15.9%)	541 (13.7%)	141 (5.1%)	2,043 (12.4%)
Black	5	15	102	220	144	25	511
Native Am.	83	2	20	44	17	17	183
Asian/Pac. Is.	1	2	26	57	18	20	138
Other	6	3	224	178	206	25	642
Latino **	15	7	99	110	118	35	384
Total Pop.	311	866	4,067	4,527	3,949	2,740	16,535

Sources: US Census Bureau, 2010 * All non-White classifications ** Latino or Hispanic of any race.

Age Distribution

Aquinnah has fewer seniors than its Island sister communities, but more young adults and middle-aged residents.

Table 3: Age Distribution by Town - Number/Percentage, 2010

Age Range	Aquinnah	Chilmark	Edgar-town	Oak Bluffs	Tisbury	West Tisbury
Under 18 Years	61/19.6%	156/18.0%	803/19.7%	867/19.2%	728/18.4%	547/20.0%
18 - 24 Years	22/7.1%	33/3.8%	232/5.7%	269/5.9%	260/6.6%	165/6.0%
25 - 34 Years	30/9.6%	76/8.8%	470/11.6%	534/11.8%	495/12.5%	242/8.8%
35 - 44 Years	42/13.5%	90/10.4%	540/13.3%	630/13.9%	535/13.5%	330/12.0%
45 - 54 Years	57/18.3%	137/15.8%	690/17.0%	773/17.1%	635/16.1%	467/17.0%
55 - 64 Years	70/22.5%	175/20.2%	711/17.5%	662/14.6%	637/16.1%	603/22.0%
Over 65 Years	29/9.3%	199/23.0%	621/15.3%	792/17.5%	659/16.7%	386/14.1%
Total	311/100.0%	866/100.0%	4,067/100%	4,527/100%	3,949/100%	2,740/100%
Median Age	45.5 Years	50.7 Years	44.8 Years	44.4 Years	44.3 Years	46.9 Years

Source: US Census Bureau, 2010

Table 4: State Ranking Regarding the Age of the Population by Town, 2010

Town	Pop. Growth 2000-2010	Median Age	State Rank	% Below Age 5	State Rank	Age 65 or Older	State Rank
Aquinnah	-9.6%	45.5	255	6.4%	322	9.3%	17
Chilmark	2.7%	50.7	329	4.2%	73	23.0%	332
Edgartown	7.6%	44.8	234	5.6%	250	15.3%	217
Oak Bluffs	21.9%	44.4	219	5.8%	279	17.5%	274
Tisbury	5.2%	44.3	214	5.0%	175	16.7%	254
W. Tisbury	11.1%	46.9	289	4.7%	146	14.1%	175
County	10.3%	45.3	--	5.3%	--	16.3%	--
State	1.03%	39.1	--	5.6%	--	13.8%	--

Source: US Census Bureau, 2010

Note: Rank of the 351 municipalities in Massachusetts

Households

Almost 56% of Aquinnah's households were families, and the community had the highest percentage of female-headed households with children and the lowest average household size of 2.14 persons in comparison to the other towns.

Table 5: Household Characteristics – Number/Percentage, 2010

Type of Household	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Total Hhs	145/100.0%	398/100.0%	1,794/100.0%	1,989/100.0%	1,806/100%	1,197/100.0%
Family Hhs*	81/55.9%	242/60.8%	1,074/59.9%	1,095/55.1%	975/54.0%	733/61.2
Female Heads of Families *	9/6.2%	14/3.5%	98/5.5%	94/4.7%	103/5.7%	69/5.8
Non-family Households*	64/44.1%	156/39.2%	720/40.1%	894/44.9%	831/46.0%	464/38.8
Ave. Hh Size	2.14 persons	2.16 persons	2.25 persons	2.24 persons	2.19 persons	2.26 persons

Source: US Census Bureau, 2010

Income

The town has a median per capita income of \$31,233 and a median household income \$57,500, lower than the other towns. Aquinnah's median family income of \$83,750 is on the other hand among the highest in comparison to the other Island communities.

Table 6: Income Distribution by Town – Number/Percentage, 2010

Income	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	W. Tisbury
Under \$10,000	10/7.8	35/9.3	88/6.2	56/4.0	95/7.5	41/4.8%
10,000-24,999	19/14.8	17/4.5	127/8.9	239/17.0	154/12.2	98/11.4%
25,000-34,999	6/4.7	47/12.5	73/5.1	149/10.6	141/11.2	22/2.6%
35,000-49,999	25/19.5	38/10.1	262/18.4	191/13.6	98/7.8	103/12.0%
50,000-74,999	13/10.2	53/14.1	183/12.9	169/12.0	264/20.9	222/25.9%
75,000-99,999	12/9.4	52/13.9	340/23.9	277/19.7	137/10.9	123/14.4%
100,000-149,999	18/14.1	59/15.7	137/9.6	171/12.2	280/22.2	116/13.6%
150,000 +	25/19.5	74/19.7	213/15.0	151/10.8	92/7.3	136/15.9%
Total	128/100.0	375/100.0	1,423/100.0	1,403/100.0	1,261/100.0	856/100.0%
Per Capita Income	\$31,233	\$49,133	\$37,147	\$28,417	\$29,693	\$36,254

Source: US Census Bureau, American Community Survey, 2006-2010

Table 7: Median Income by Town, 1990 to 2010

Town	1990		2000		2010	
	Median Hh Income	Median Family Inc.	Median Hh Income	Median Family Inc.	Median Hh Income	Median Family Inc.
Aquinnah	\$18,250	\$27,500	\$45,208	\$45,458	\$57,500	\$83,750
Chilmark	34,375	40,625	41,917	63,750	72,917	88,958
Edgartown	36,285	43,803	50,407	55,153	67,625	79,219
Oak Bluffs	31,117	38,462	42,044	53,841	59,156	75,025
Tisbury	28,281	40,274	37,041	53,051	58,551	69,936
W. Tisbury	32,422	39,423	54,077	59,514	71,667	91,389
County	31,994	41,369	45,559	55,018	62,407	77,231

Source: US Census Bureau, 1990 and 2000 Summary File 3; American Community Survey 2006-2010

Poverty

There were 31 individuals living below the poverty line in 2010, representing 10% of all residents and higher than the other communities with the exception of Edgartown.

Table 8: Poverty Levels by Town – Number/Percentage, 2010

	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Individuals*	31/10.1	70/8.1	476/11.7	426/9.4	170/4.3	260/9.8
Families**	5/6.7	9/3.6	93/8.7	66/6.0	27/2.8	32/4.4
Female-headed Families***	4/50.0	4/25.0	0/0.0	9/9.5	0/0.0	0/0.0
Related Children Under 18 Years****	5/9.0	3/1.7	20/2.5	95/11.0	0/0.0	0/0.0
Individuals 65 Years and Over	4/14.8	16/8.1	0/0.0	63/7.9	117/17.8	10/2.6

Source: US Census Bureau, American Community Survey, 2006-2010

* Percentage of total population ** Percentage of all families

*** Percentage of all female-headed families **** Percentage of related children less than 18 years

***** Percentage of all individuals age 65+

Employment

Aquinnah has relatively few employment opportunities with 281 jobs as of August 2012, but employment has been growing, increasing by 241% between 1990 and 2011.

Table 9: Average Annual Employment By Town, 1990 to 2011

Town	1990	2000	2011	August 2012	% Change 1990-2011
Aquinnah	59	225	201	281	241%
Chilmark	152	543	549	765	261%
Edgartown	1,451	2,484	2,642	3,682	82%
Oak Bluffs	1,210	2,336	2,811	3,919	132%
Tisbury	1,971	2,420	2,516	3,507	28%
West Tisbury	221	1,751	1,913	2,667	766%
Total	5,064	9,759	10,632	14,821	110%

Source: Massachusetts Executive Office of Labor and Workforce Development, October 2012

The average weekly wage was only \$706 in 2011 that translates into an average monthly income of \$3,036. This income is insufficient to afford the median gross rent of \$1,180 in 2010 based on a household spending no more than 30% of its income on housing. This is a problem for all communities on the Island, demonstrating substantial affordability gaps.

Table 10: Average Weekly Wages in Comparison to Rental Housing Costs by Town

Town	Average Weekly Wage, 2011	Average Monthly Wage*	Maximum Housing Cost/Month**	Median Gross Rent, 2010
Aquinnah	\$706	\$3,036	\$610.74	\$1,180
Chilmark	\$727	\$3,126	\$637.83	\$1,141
Edgartown	\$798	\$3,431	\$729.42	\$1,302
Oak Bluffs	\$731	\$3,143	\$642.99	\$1,000
Tisbury	\$891	\$3,831	\$849.39	\$1,111
West Tisbury	\$848	\$3,646	\$793.92	\$1,212

Source: Massachusetts Executive Office of Labor and Workforce Development, October 2012; and US Census Bureau, American Community Survey 2006-2010

* Monthly income based on 4.3 times the weekly wage.

** Assumes a monthly utility allowance of \$300 and the household spending no more than 30% of their income on housing.

Table 11: Employment and Wages by Industry (Number of Establishments/Average Employment/Average Weekly Wages), 2011

Industry	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Agric., forestry, fishing, hunting					3/12/\$372	
Construction	3/5/\$1,188	4/10/\$785	73/242/\$1,274	38/76/\$904	69/201/\$1,020	32/118/1,102
Manufacturing					7/31/\$642	
Wholesale Trade			8/13/\$808	3/13/\$1,156	8/57/\$880	
Retail Trade		8/28/\$526	67/389/\$505	39/207/\$649	83/603/\$720	11/65/\$836
Transportation/Warehousing			16/132/\$709	5/19/\$683	12/71/\$926	4/58/\$706
Information			8/77/\$729	5/23/\$828	9/69/\$930	5/24/\$940
Finance/Ins.			9/96/\$1,337	4/27/\$962	8/68/\$1,069	
Real estate/rental/leasing			21/40/\$684	9/18/\$1,090	13/39/\$684	4/9/\$996
Professional/tech. services		3/2/\$5,952	21/76/\$1,122	7/10/\$757	35/117/\$1,264	11/30/\$975
Administrative/waste services		7/32/\$897	18/143/\$1,013	11/30/\$571	28/115/\$907	9/88/\$725
Educ. services				4/344/\$1,025		3/131/\$955
Health care/social assist.			8/33/\$729	7/123/\$755	25/570/\$1,182	6/21/\$498
Arts/entertainment/rec.			11/172/\$763	8/76/\$611	14/98/\$724	
Accommodation/food services			46/571/\$611	47/396/\$480	31/283/\$571	7/64/\$525
Other services		7/7/\$872	39/139/\$673	20/159/\$360	54/134/\$634	14/28/\$798
Public Administration	4/78/\$666		15/131/\$1,226			9/71/\$787
Total	11/92/\$706	53/253/\$727	372/2,442/\$798	225/1,682/\$731	414/2,619/\$891	128/757/\$848

Source: Massachusetts Executive Office of Labor and Workforce Development, October 2012

HOUSING PROFILE

Housing Growth

Aquinnah experienced the greatest housing growth between 1970 and 2000. From 2000 through early 2010, another 43 units were added to the housing stock with three (3) additional units built as of October 2012 for a total of 570 housing units.

Table 12: Housing Units by Year Structure Was Built by Town – Number/Percentage, 2010

Years	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
2000-2010	43/7.6%	89/5.4%	330/6.7%	206/4.8%	96/3.2%	107/5.0%
1990-1999	142/25.0%	367/22.2%	1,077/21.6%	614/14.4%	313/10.5%	506/23.7%
1980-1989	116/20.5%	263/15.9%	1,356/27.2%	1,101/25.9%	518/17.5%	701/32.9%
1970-1979	79/13.9%	294/17.8%	897/18.0%	598/14.0%	455/15.3%	210/9.8%
1960-1969	57/10.1%	193/11.7%	217/4.4%	145/3.4%	211/7.1%	123/5.8%
1950-1959	29/5.1%	118/7.1%	150/3.0%	93/2.2%	161/5.4%	94/4.4%
1940-1949	31/5.5%	70/4.2%	308/6.2%	104/2.4%	170/5.7%	0/0.0%
1939 or earlier	70/12.3%	257/15.6%	647/13.0%	1,396/32.8%	1,043/35.2%	391/18.3%
Total	567/100.0%	1,651/100%	4,962/100.0%	4,257/100.0%	2,967/100%	2,132/100%

Source: US Census Bureau, American Community Survey, 2006-2010

Because this is sample data, there are variations from the actual counts summarized in Table 13.

Types of Units and Structures

Of the 503 total housing units as of 2010, 345 or 68.6% were seasonal or second homes, the highest level on the Island next to Chilmark. Of the year-round units, 62.8% were owner-occupied compared to rentals representing 37.2% of all units.

Table 13: Housing Characteristics by Town – Number/Percentage, 2010

Housing Characteristics	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Total # Units	503/100.0%	1,606/100%	5,220/100.0%	4,346/100%	3,094/100%	2,204/100%
Occupied Units *	145/28.8%	398/24.8%	1,794/34.4%	1,989/45.8%	1,806/58.4%	1,197/54.3%
Occ. Owner Units **	91/62.8%	294/73.9%	1,199/66.8%	1,319/66.3%	1,117/61.8%	864/72.2%
Occ. Rental Units **	54/37.2%	104/26.1%	595/33.2%	670/33.7%	689/38.2%	333/27.8%
Total Vacant Units- Seasonal & Occ. Units *	358-345/ 71.2%- 68.6%	1,208-1,188/ 75.2%- 74.0%	3,426-3,258/ 65.6%-62.4%	2,357-2,208/ 54.2%- 50.8%	1,288-1,129/ 41.6%- 36.5%	1,007-951/ 45.7%- 43.1%
Ave. Hh Size of Owner-Occ. Unit	2.09 persons	2.21 persons	2.25 persons	2.33 persons	2.26 persons	2.36 persons
Ave. Hh Size of Renter-Occ. Unit	2.24 persons	2.02 persons	2.25 persons	2.05 persons	2.06 persons	2.01 persons

Source: US Census Bureau, American Community Survey, 2006-2010

* Percentage of all housing units ** Percentage of occupied housing units

Almost all of Aquinnah's housing units were single-family homes.

Table 14: Type of Structure by Town – Number/Percentage, 2010

Type of Structure	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
1-units/ detached and attached	553/97.5%	1,578/95.6%	4,716/94.7%	3,888/91.3%	2,600/87.6%	1,981/92.9%
2 to 9 units	8/1.4%	8/0.5%	107/2.1%	134/3.1%	339/11.4%	22/1.0%
10+ units	0/0.0%	0/0.0%	0/0.0%	98/2.3%	0/0.0%	0/0.0%
Mobile home	6/1.1%	65/3.9%	159/3.2%	137/3.2%	28/0.9%	129/6.1%
Other	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%
Total	567/100.0%	1,651/100.0%	4,982/100.0%	4,257/100.0%	2,967/100.0%	2,132/100.0%

Source: US Census Bureau, American Community Survey, 2006-2010

The community has experienced little foreclosure activity, with only one (1) auction and three (3) petitions to foreclose, all occurring in 2012.

Table 15: Foreclosure Activity by Town – 2011/January 1 through November 1, 2012

Type of Structure	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Foreclosure Auction	0/1	0/1	5/5	7/12	8/10	0/1
Petition to Foreclose	0/3	1/2	4/10	2/13	3/10	2/2

Source: Banker & Tradesman, November 6, 2012

Housing Costs and Affordability

Homeownership

Aquinnah had a median single-family house price of \$642,000 as of September 2012 from a high of almost \$1.8 million in 2007.

Table 16: Median Single-family Home Prices by Town, September 2012

Median Sales Price	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
1990	\$252,500	\$250,000	\$117,500	NA	NA	\$135,459
2000	\$875,000	\$912,500	\$327,000	\$270,000	\$299,950	\$435,000
2005	\$1,797,500	\$1,700,000	\$717,500	\$595,000	\$580,000	\$705,000
2007	\$1,350,000	\$2,800,000	\$700,000	\$532,250	\$672,500	\$866,000
2010	\$862,500	\$1,385,000	\$675,000	\$475,000	\$468,750	\$615,000
Sept. 2012	\$642,500	\$825,000	\$653,388	\$374,000	\$430,000	\$704,000

Source: Banker & Tradesman/The Warren Group, October 18, 2012

In regard to actual sales, there were only nine (9) sales between August 2011 and October 2012, with a median sales price of \$808,000. Only three (3) of the sales were below \$700,000, but there were two (2) sales of more than \$2 million.

**Table 17: Distribution of Sales Prices by Town and Number/Percentage,
August 1, 2011 to October 5, 2012**

Sales Price Range	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
< \$199,999	0/0.0%	0/0.0%	3/2.7%	10/10.4%	3/4.6%	3/8.6%
\$2-299,999	0/0.0%	1/5.3%	9/8.1%	16/16.7%	13/20.0%	0/0.0%
\$3-399,999	0/0.0%	2/10.5%	11/9.9%	26/27.1%	14/21.5%	2/5.7%
\$4-499,999	2/22.2%	1/5.3%	21/18.9%	13/13.5%	9/13.8%	4/11.4%
\$5-599,999	1/11.1%	1/5.3%	11/9.9%	12/12.5%	9/13.8%	5/14.3%
\$6-699,999	0/0.0%	2/10.5%	11/9.9%	6/6.3%	5/7.7%	6/17.1%
\$7-799,999	1/11.1%	1/5.3%	8/7.2%	4/4.2%	4/6.2%	4/11.4%
\$8-899,999	1/11.1%	2/10.5%	7/6.3%	2/2.1%	0/0.0%	1/2.9%
\$9-999,999	1/11.1%	0/0.0%	3/2.7%	1/1.0%	2/3.1%	0/0.0%
\$1-1,999,999	1/11.1%	3/15.8%	17/15.3%	2/2.1%	2/3.1%	5/14.3%
\$2,000,000 +	2/22.2%	6/31.6%	10/9.0%	4/4.2%	4/6.2%	5/14.3%
Total	9/100.0%	19/100.0%	111/100.0%	96/100.0%	65/100.0%	35/100.0%
Median Price	\$808,000	\$1,250,000	\$600,000	\$378,000	\$430,000	\$665,000

Source: Banker & Tradesman/The Warren Group, October 23, 2012

Note: There were only five (5) condominium sales during this period, four (4) in Edgartown and one (1) in Oak Bluffs with prices ranging from a low of \$209,000 to a high of \$1.1 million.

Town Assessor data indicates that only six (6) of the 382 single-family homes were valued at less than \$300,000 and 60% of the homes were assessed for more than \$1 million.

Table 18: Assessed Values of Single-family Homes by Town with Number/Percentage, 2012

Value	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
< \$200,000	2/0.5%	5/0.5%	12/0.3%	25/0.8%	5/0.3%	4/0.3%
\$2-299,999	4/1.0%	7/0.7%	67/1.9%	239/7.2%	100/5.0%	34/2.3%
\$3-399,999	14/3.7%	3/0.3%	273/7.8%	1,021/30.7%	560/28.2%	26/1.8%
\$4-499,999	18/4.7%	1/0.1%	674/19.3%	756/22.7%	395/19.8%	115/7.9%
\$5-599,999	16/4.2%	29/2.7%	609/17.5%	430/12.9%	220/11.0%	316/21.8%
\$6-699,999	16/4.2%	69/6.5%	365/10.5%	268/8.1%	121/6.1%	269/18.6%
\$7-799,999	26/6.8%	90/8.5%	217/6.2%	143/4.3%	74/3.7%	172/11.9%
\$8-899,999	26/6.8%	95/8.9%	138/4.0%	105/3.2%	76/3.8%	95/6.6%
\$9-999,999	31/8.1%	78/7.3%	198/5.7%	67/2.0%	49/2.5%	81/5.6%
\$1-1,999,999	195/51.0%	378/35.6%	574/16.5%	224/6.7%	226/11.4%	230/15.9%
\$2,000,000 +	34/8.9%	307/28.9%	361/10.3%	48/1.4%	165/8.3%	107/7.4%
Total	382/100.0%	1,062/100.0%	3,488/100%	3,326/100.0%	1,991/100	1,449/100.0%

Source: Town Assessors, fiscal year 2012

Aquinnah has only six (6) condominiums, with two (2) assessed between \$300,000 and \$399,999 and another four (4) between \$400,000 and \$499,999. The town had 26 properties that involved multiple homes on one (1) lot, and more than three-quarters of these units were assessed for more than \$1 million.

Table 19: Assessed Values of Condominiums by Town with Numbers/Percentages, 2012

Value	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
< \$200,000	0/0.0%	0/0.0%	9/6.4%	0/0.0%	16/13.4%	3/75.0%
\$2-299,999	0/0.0%	0/0.0%	12/8.5%	17/21.8%	21/17.6%	0/0.0%
\$3-399,999	2/33.3%	0/0.0%	30/21.3%	36/46.2%	8/6.7%	1/25.0%
\$4-499,999	4/66.7%	0/0.0%	41/29.1%	8/10.3%	28/23.5%	0/0.0%
\$5-599,999	0/0.0%	0/0.0%	33/23.4%	6/7.7%	27/22.7%	0/0.0%
\$6-699,999	0/0.0%	0/0.0%	5/3.5%	5/6.4%	2/1.7%	0/0.0%
\$7-799,999	0/0.0%	0/0.0%	2/1.4%	5/6.4%	5/4.2%	0/0.0%
\$8-899,999	0/0.0%	0/0.0%	1/0.7%	1/1.3%	7/5.9%	0/0.0%
\$9-999,999	0/0.0%	0/0.0%	2/1.4%	0/0.0%	1/0.8%	0/0.0%
\$1-1,999,999	0/0.0%	0/0.0%	6/4.3%	0/0.0%	4/3.4%	0/0.0%
\$2,000,000 +	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%
Total	6/100.0%	0/0.0%	141/100.0%	78/100.0%	119/100.0%	4/100.0%

Source: Town Assessors, fiscal year 2012

Table 20: Assessed Values of Properties with Multiple Houses on One Lot by Town with Numbers/Percentages, 2012

Value	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
< \$200,000	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%
\$2-299,999	0/0.0%	0/0.0%	0/0.0%	3/1.4%	1/0.4%	0/0.0%
\$3-399,999	0/0.0%	0/0.0%	6/0.9%	18/8.3%	13/5.7%	1/0.4%
\$4-499,999	0/0.0%	0/0.0%	19/3.0%	49/22.6%	28/12.3%	1/0.4%
\$5-599,999	0/0.0%	0/0.0%	58/9.0%	47/21.7%	41/18.1%	8/2.9%
\$6-699,999	1/3.8%	6/2.8%	91/14.2%	25/11.5%	21/9.3%	29/10.5%
\$7-799,999	1/3.8%	10/4.7%	57/8.9%	12/5.5%	17/7.5%	61/22.2%
\$8-899,999	2/7.7%	16/7.5%	32/5.0%	11/5.1%	9/4.0%	33/12.0%
\$9-999,999	2/7.7%	11/5.2%	25/3.9%	5/2.3%	11/4.8%	27/9.8%
\$1-1,999,999	12/46.2%	74/34.9%	125/19.4%	36/16.6%	50/22.0%	73/26.5%
\$2,000,000 +	8/30.8%	95/44.8%	230/35.8%	11/5.1%	36/15.9%	42/15.3%
Total	26/100.0%	212/100.0	643/100.0%	217/100.0%	227/100.0%	275/100.0%

Source: Town Assessors, fiscal year 2012

Aquinnah has an *affordability gap* of \$352,500, the difference between what a median income household can afford (\$290,000) and the median priced unit (\$642,500). This analysis demonstrates how very challenging it is to afford housing in Aquinnah as even those earning below 150% of area median income are virtually shut-out of the private housing market with few exceptions. In fact, there were only four (4) single-family homes in Aquinnah that would have been affordable to a household earning below median income and these units were likely subsidized.

Table 21: Affordability Gaps for Homeownership as of September 2012

Town	Median Income *	Affordable Price **	Median House Price ***	Affordability Gap
Aquinnah	\$57,500	\$290,000	\$642,500	\$352,500
Chilmark	\$72,917	\$385,000	\$825,000	\$440,000
Edgartown	\$67,625	\$347,000	\$653,388	\$306,388
Oak Bluffs	\$59,156	\$280,000	\$374,000	\$94,000
Tisbury	\$58,551	\$275,000	\$430,000	\$155,000
West Tisbury	\$71,667	\$360,000	\$704,000	\$344,000
County	\$62,407	\$310,000	\$535,000	\$225,000

Source: Calculations provided by Karen Sunnarborg.

* Based on US Census Bureau estimates from its American Community Survey, 2008-2010, for Dukes County and 2006-2010 for the six towns.

** Figures based on interest of 5.0%, 30-year term, annual property tax rate of \$5.36 per thousand for Dukes County (this is based on an average of the tax rates for all six towns, weighted by the number of housing units) and the actual tax rates for each town (\$3.93 for Aquinnah, \$2.08 for Chilmark, \$3.43 for Edgartown, \$7.39 for Oak Bluffs, \$8.01 for Tisbury, and \$4.92 for West Tisbury), 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 80% financing.

*** Based on the Warren Group/Banker & Tradesman Town Stats figures of October 16, 2012.

Table 22: Relative Affordability of Single-family Units by Town, Numbers/Percentages, 2012

Income Range	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Less than 80% AMI**	4	7	23	8	20	16
80%** - 100% AMI*	0	5	64	211	117	23
100% - 150% AMI ****	40	4	1,792	1,693	212	265
More than 150% AMI****	309	1,046	2,083	1,080	1,563	1,072
Total	353	1,062	3,962	2,992	1,912	1,376

Source: Town Assessors' Databases for fiscal year 2012.

* Based on US Census Bureau estimates from its American Community Survey, 2008-2010, for Dukes County.

** HUD 2012 Income Limits for the Dukes County MSA for a household of two (2), which is the average household size for owner-occupied units on the Vineyard (2.29 persons).

*** 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, weighed 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).

**** Figures from Dukes County Regional Housing Authority.

Rental Housing

In regard to rentals, Census survey data counted 35 rental units with a median gross rental of \$1,080, not much higher or lower than the other communities. More than three-quarters of the units were renting between \$1,000 and \$1,499.

The median \$1,080 rental would require an income of approximately \$55,000 assuming \$300 per month in utility costs and paying no more than 30% of one's income on housing. This is not much less than Aquinnah's median household income level.

Table 23: Rental Costs with Numbers/Percentages, 2010

Value	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Under \$200	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%
\$200-299	0/0.0%	0/0.0%	0/0.0%	20/7.9%	0/0.0%	0/0.0%
\$300-499	0/0.0%	0/0.0%	0/0.0%	30/11.9%	19/5.8%	0/0.0%
\$500-749	0/0.0%	4/6.8%	7/2.6%	17/6.7%	10/3.0%	0/0.0%
\$750-999	6/17.1%	4/6.8%	37/13.8%	43/17.1%	90/27.4%	0/0.0%
\$1,000-1,499	27/77.1%	14/23.7%	150/56.0%	63/25.0%	37/11.3%	13/20.6%
\$1,500 +	2/5.7%	3/5.1%	31/11.6%	47/18.7%	115/35.1%	9/14.3%
No Cash Rent ⁵	0/0.0%	34/57.6%	43/16.0%	32/12.7%	57/17.4%	41/65.1%
Total*	35/100.0%	59/100.0%	268/100.0%	252/100.0%	328/100.0%	63/100.0%
Median Rent	\$1,180	\$1,141	\$1,302	\$1,000	\$1,111	\$1,212

Sources: US Census Bureau, American Community Survey 2006-2010.

Note: The estimates provided by the Census Bureau's American Community Survey substantially undercount the total number of occupied rental units in comparison to the actual 2010 census counts.

Subsidized Housing Inventory (SHI)

Out of the total 411 units included in the Island's Subsidized Housing Inventory (SHI), 41 or 26% of the town's year-round housing units were approved by the state as affordable.

Table 24: Aquinnah's Subsidized Housing Inventory (SHI)

Project Name	# SHI Units	Project Type/ Subsidizing Agency	Use of a Comp Permit	Affordability Expiration Date
Tribal Housing	18	Rental/HUD	Yes	2048
Tribal Housing	6	Rental/HUD	Yes	2049
Mutual Housing	7	Rental/HUD	Yes	2051
Tribal Housing	2	Rental/HUD	Yes	2054
Homeowner Rehab Program (LCCDC)	8	Ownership/DHCD	No	2017-2019
Total	41/25.95%	158 year-round units 33 or 80.5% SHI were rentals		

Source: Massachusetts Department of Housing and Community Development, August 28, 2012

⁵⁸ No cash rent involves units where there are no formal rent payments.

THE TOWN OF CHILMARK

INTRODUCTION

Chilmark is a small rural community that attracts those seeking privacy and untouched beaches. Menemsha, a tiny fishing village in the town, has been a prime vacation destination known for its magnificent sunsets.

(We should include a map of the Island that identifies the boundaries of each town.)

DEMOGRAPHIC AND ECONOMIC PROFILE

Population Growth

Chilmark had a population of only 866 according to the 2010 US Census, which grew to 1,183 residents according to Town records as of October 2012, representing a recent growth rate of 36.6%. The town includes about 6.5% of the Island's population.

Table 1: Population Growth – Total Population and Percentage Change, 1930 to 2012 and 2020 Projections

Year	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury	Dukes County
1930	161/--	252/--	1,276/--	1,333/--	1,541/--	270/--	4,953/--
1940	127/-21.1%	226/-10.3%	1,370/7.4%	1,584/18.8%	1,966/27.6%	260/-3.7%	5,669/14.5%
1950	88/-30.7%	183/-19.0%	1,508/10.1%	1,521/-4.0%	1,930/-1.8%	347/33.5%	5,633/-0.6%
1960	103/17.0%	238/30.1%	1,474/-2.3%	1,419/-6.7%	2,169/12.4%	360/3.7%	5,829/3.5%
1970	118/14.6%	340/42.9%	1,481/0.5%	1,385/-2.4%	2,257/4.1%	453/25.8%	6,117/4.9%
1980	220/86.4%	489/43.8%	2,204/48.8%	1,984/43.2%	2,972/31.7%	1,010/123%	8,942/46.2%
1990	201/-8.6%	650/32.9%	3,062/38.9%	2,804/41.3%	3,120/5.0%	1,704/68.7%	11,639/30.2%
2000	344/71.1%	843/29.7%	3,779/23.4%	3,713/32.4%	3,755/20.4%	2,467/44.8%	14,987/28.8%
3/2010	311/-9.6%	866/2.7%	4,067/7.6%	4,527/21.9%	3,949/5.2%	2,740/11.1%	16,535/10.3%
2020 est.	466/49.8%	1,164/34.4%	5,619/38.2%	6,061/33.9%	4,501/14.0%	3,883/41.7%	21,694/31.2%
% 2010 County pop.	1.9%	5.2%	24.6%	27.4%	23.9%	16.6%	100.0%
2012	468 (as of 10-18-12)	1,183 (as of 10-1-12)	4,531 (as of 8-1-12)	4,737 (as of 9-19-12)	4,194 (as of 10-18-12)	3,103 (as of 10-18-12)	18,216
% 10/12 County pop.	2.6%	6.5%	24.9%	26.0%	23.0%	17.0%	100.0%

Sources: US Census Bureau 2010, projections from the Massachusetts Institute of Social and Economic Research (MISER), and Town Clerks from all six towns.

Note: There were also 75 residents of the town of Gosnold in Dukes County in 2010.

Racial Composition

Chilmark has a very small minority population representing 3.6% of its residents. About half of these residents claimed Black or African American descent.

Table 2: Racial Composition by Town and Island-wide, 2010

Race	Aquinnah	Chilmark	Edgar-town	Oak Bluffs	Tisbury	West Tisbury	Dukes County
Minority Pop. *	132 (42.4%)	31 (3.6%)	476 (11.7%)	719 (15.9%)	541 (13.7%)	141 (5.1%)	2,043 (12.4%)
Black	5	15	102	220	144	25	511
Native Am.	83	2	20	44	17	17	183
Asian/Pac. Is.	1	2	26	57	18	20	138
Other	6	3	224	178	206	25	642
Latino **	15	7	99	110	118	35	384
Total Pop.	311	866	4,067	4,527	3,949	2,740	16,535

Source: US Census Bureau, 2010 * All non-White classifications ** Latino or Hispanic of any race.

Age Distribution

Chilmark had the highest median age on the Island of 50.7 years, among the highest in the state. This is due to its relatively high number of residents 55 years of age and older (43.2%), and almost one-quarter (23%) of Chilmark's residents were 65 or older.

Table 3: Age Distribution by Town – Number/Percentage, 2010

Age Range	Aquinnah	Chilmark	Edgar-town	Oak Bluffs	Tisbury	West Tisbury
Under 18 Years	61/19.6%	156/18.0%	803/19.7%	867/19.2%	728/18.4%	547/20.0%
18 – 24 Years	22/7.1%	33/3.8%	232/5.7%	269/5.9%	260/6.6%	165/6.0%
25 – 34 Years	30/9.6%	76/8.8%	470/11.6%	534/11.8%	495/12.5%	242/8.8%
35 – 44 Years	42/13.5%	90/10.4%	540/13.3%	630/13.9%	535/13.5%	330/12.0%
45 – 54 Years	57/18.3%	137/15.8%	690/17.0%	773/17.1%	635/16.1%	467/17.0%
55 – 64 Years	70/22.5%	175/20.2%	711/17.5%	662/14.6%	637/16.1%	603/22.0%
Over 65 Years	29/9.3%	199/23.0%	621/15.3%	792/17.5%	659/16.7%	386/14.1%
Total	311/100.0%	866/100.0%	4,067/100%	4,527/100%	3,949/100%	2,740/100%
Median Age	45.5 Years	50.7 Years	44.8 Years	44.4 Years	44.3 Years	46.9 Years

Source: US Census Bureau, 2010

Table 4: State Ranking Regarding the Age of the Population by Town, 2010

Town	Pop. Growth 2000-2010	Median Age	State Rank	% Below Age 5	State Rank	Age 65 or Older	State Rank
Aquinnah	-9.6%	45.5	255	6.4%	322	9.3%	17
Chilmark	2.7%	50.7	329	4.2%	73	23.0%	332
Edgartown	7.6%	44.8	234	5.6%	250	15.3%	217
Oak Bluffs	21.9%	44.4	219	5.8%	279	17.5%	274
Tisbury	5.2%	44.3	214	5.0%	175	16.7%	254
W. Tisbury	11.1%	46.9	289	4.7%	146	14.1%	175
County	10.3%	45.3	--	5.3%	--	16.3%	--
State	1.03%	39.1	--	5.6%	--	13.8%	--

Source: US Census Bureau, 2010

Note: Rank of the 351 municipalities in Massachusetts

Households

Almost 61% of Chilmark's households were families, higher than the other Island communities with the exception of West Tisbury. The average household size was 2.16 persons, relatively low in comparison to the other towns.

Table 5: Household (Hh) Characteristics – Number/Percentage, 2010

Type of Household	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Total Hhs	145/100.0%	398/100.0%	1,794/100.0%	1,989/100.0%	1,806/100%	1,197/100.0%
Family Hhs*	81/55.9%	242/60.8%	1,074/59.9%	1,095/55.1%	975/54.0%	733/61.2
Female Heads of Families *	9/6.2%	14/3.5%	98/5.5%	94/4.7%	103/5.7%	69/5.8
Non-family Households*	64/44.1%	156/39.2%	720/40.1%	894/44.9%	831/46.0%	464/38.8
Ave. Hh Size	2.14 persons	2.16 persons	2.25 persons	2.24 persons	2.19 persons	2.26 persons

Source: US Census Bureau, 2010

Income

The town had a median per capita income of \$49,133 and a median household income \$72,917, the highest income levels on the Island.

Table 6: Income Distribution by Town – Number/Percentage, 2010

Income	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	W. Tisbury
Under \$10,000	10/7.8	35/9.3	88/6.2	56/4.0	95/7.5	41/4.8%
10,000-24,999	19/14.8	17/4.5	127/8.9	239/17.0	154/12.2	98/11.4%
25,000-34,999	6/4.7	47/12.5	73/5.1	149/10.6	141/11.2	22/2.6%
35,000-49,999	25/19.5	38/10.1	262/18.4	191/13.6	98/7.8	103/12.0%
50,000-74,999	13/10.2	53/14.1	183/12.9	169/12.0	264/20.9	222/25.9%
75,000-99,999	12/9.4	52/13.9	340/23.9	277/19.7	137/10.9	123/14.4%
100,000-149,999	18/14.1	59/15.7	137/9.6	171/12.2	280/22.2	116/13.6%
150,000 +	25/19.5	74/19.7	213/15.0	151/10.8	92/7.3	136/15.9%
Total	128/100.0	375/100.0	1,423/100.0	1,403/100.0	1,261/100.0	856/100.0%
Per Capita Income	\$31,233	\$49,133	\$37,147	\$28,417	\$29,693	\$36,254

Source: US Census Bureau, American Community Survey, 2006-2010

Table 7: Median Income by Town, 1990 to 2010

Town	1990		2000		2010	
	Median Hh Income	Median Family Inc.	Median Hh Income	Median Family Inc.	Median Hh Income	Median Family Inc.
Aquinnah	\$18,250	\$27,500	\$45,208	\$45,458	\$57,500	\$83,750
Chilmark	34,375	40,625	41,917	63,750	72,917	88,958
Edgartown	36,285	43,803	59,407	55,153	67,625	79,219
Oak Bluffs	31,117	38,462	42,044	53,841	59,156	75,025
Tisbury	28,281	40,274	37,041	53,051	58,551	69,936
W. Tisbury	32,422	39,423	54,077	59,514	71,667	91,389
County	31,994	41,369	45,559	55,018	62,407	77,231

Source: US Census Bureau, 1990 and 2000 Summary File 3 and American Community Survey 2006-2010

Poverty

There were 70 individuals living below the poverty line in 2010, representing 8.1% of all residents, relatively low in comparison to the other communities.

Table 8: Poverty Levels by Town – Number/Percentage, 2010

	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Individuals*	31/10.1	70/8.1	476/11.7	426/9.4	170/4.3	260/9.8
Families**	5/6.7	9/3.6	93/8.7	66/6.0	27/2.8	32/4.4
Female-headed Families***	4/50.0	4/25.0	0/0.0	9/9.5	0/0.0	0/0.0
Related Children Under 18 Years****	5/9.0	3/1.7	20/2.5	95/11.0	0/0.0	0/0.0
Individuals 65 Years and Over	4/14.8	16/8.1	0/0.0	63/7.9	117/17.8	10/2.6

Source: US Census Bureau, American Community Survey, 2006-2010

* Percentage of total population ** Percentage of all families

*** Percentage of all female-headed families **** Percentage of related children less than 18 years

***** Percentage of all individuals age 65+

Employment

Chilmark has limited employment opportunities with 765 jobs as of August 2012, but employment has been increasing, with 261% growth in employment between 1990 and 2011.

Table 9: Average Annual Employment By Town, 1990 to 2011

Town	1990	2000	2011	August 2012	% Change 1990-2011
Aquinnah	59	225	201	281	241%
Chilmark	152	543	549	765	261%
Edgartown	1,451	2,484	2,642	3,682	82%
Oak Bluffs	1,210	2,336	2,811	3,919	132%
Tisbury	1,971	2,420	2,516	3,507	28%
West Tisbury	221	1,751	1,913	2,667	766%
Total	5,064	9,759	10,632	14,821	110%

Source: Massachusetts Executive Office of Labor and Workforce Development, October 2012

The average weekly wage was only \$727 in 2011 that translates into an average monthly income of \$3,126. This income is insufficient to afford the median gross rent of \$1,141 in 2010 based on a household spending no more than 30% of its income on housing. This is a problem for all communities on the Island, demonstrating substantial affordability gaps.

Table 10: Average Weekly Wages in Comparison to Rental Housing Costs by Town

Town	Average Weekly Wage, 2011	Average Monthly Wage*	Maximum Housing Cost/Month**	Median Gross Rent, 2010
Aquinnah	\$706	\$3,036	\$610.74	\$1,180
Chilmark	\$727	\$3,126	\$637.83	\$1,141
Edgartown	\$798	\$3,431	\$729.42	\$1,302
Oak Bluffs	\$731	\$3,143	\$642.99	\$1,000
Tisbury	\$891	\$3,831	\$849.39	\$1,111
West Tisbury	\$848	\$3,646	\$793.92	\$1,212

Source: Massachusetts Executive Office of Labor and Workforce Development, October 2012; and US Census Bureau, American Community Survey 2006-2010

* Monthly income based on 4.3 times the weekly wage.

** Assumes a monthly utility allowance of \$300 and the household spending no more than 30% of their income on housing.

Table 11: Employment and Wages by Industry (Number of Establishments/Average Employment/Average Weekly Wages), 2011

Industry	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Agric., forestry, fishing, hunting					3/12/\$372	
Construction	3/5/\$1,188	4/10/\$785	73/242/\$1,274	38/76/\$904	69/201/\$1,020	32/118/1,102
Manufacturing					7/31/\$642	
Wholesale Trade			8/13/\$808	3/13/\$1,156	8/57/\$880	
Retail Trade		8/28/\$526	67/389/\$505	39/207/\$649	83/603/\$720	11/65/\$836
Transportation/Warehousing			16/132/\$709	5/19/\$683	12/71/\$926	4/58/\$706
Information			8/77/\$729	5/23/\$828	9/69/\$930	5/24/\$940
Finance/Ins.			9/96/\$1,337	4/27/\$962	8/68/\$1,069	
Real estate/rental/leasing			21/40/\$684	9/18/\$1,090	13/39/\$684	4/9/\$996
Professional/tech. services		3/2/\$5,952	21/76/\$1,122	7/10/\$757	35/117/\$1,264	11/30/\$975
Administrative/waste services		7/32/\$897	18/143/\$1,013	11/30/\$571	28/115/\$907	9/88/\$725
Educ. services				4/344/\$1,025		3/131/\$955
Health care/social assist.			8/33/\$729	7/123/\$755	25/570/\$1,182	6/21/\$498
Arts/entertainment/rec.			11/172/\$763	8/76/\$611	14/98/\$724	
Accommodation/food services			46/571/\$611	47/396/\$480	31/283/\$571	7/64/\$525
Other services		7/7/\$872	39/139/\$673	20/159/\$360	54/134/\$634	14/28/\$798
Public Administration	4/78/\$666		15/131/\$1,226			9/71/\$787
Total	11/92/\$706	53/253/\$727	372/2,442/\$798	225/1,682/\$731	414/2,619/\$891	128/757/\$848

Source: Massachusetts Executive Office of Labor and Workforce Development, October 2012

HOUSING PROFILE

Housing Growth

Chilmark experienced its greatest housing growth between 1970 and 2000. From 2000 through early 2010, another 89 units were added to the housing stock with an additional ? units built as of October 2012 for a total of ? housing units.

Table 12: Housing Units by Year Structure Was Built by Town – Number/Percentage, 2010

Years	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
2000-2010	43/7.6%	89/5.4%	330/6.7%	206/4.8%	96/3.2%	107/5.0%
1990-1999	142/25.0%	367/22.2%	1,077/21.6%	614/14.4%	313/10.5%	506/23.7%
1980-1989	116/20.5%	263/15.9%	1,356/27.2%	1,101/25.9%	518/17.5%	701/32.9%
1970-1979	79/13.9%	294/17.8%	897/18.0%	598/14.0%	455/15.3%	210/9.8%
1960-1969	57/10.1%	193/11.7%	217/4.4%	145/3.4%	211/7.1%	123/5.8%
1950-1959	29/5.1%	118/7.1%	150/3.0%	93/2.2%	161/5.4%	94/4.4%
1940-1949	31/5.5%	70/4.2%	308/6.2%	104/2.4%	170/5.7%	0/0.0%
1939 or earlier	70/12.3%	257/15.6%	647/13.0%	1,396/32.8%	1,043/35.2%	391/18.3%
Total	567/100.0%	1,651/100%	4,962/100.0%	4,257/100.0%	2,967/100%	2,132/100%

Source: US Census Bureau, American Community Survey, 2006-2010

Because this is sample data, there are variations from the actual counts summarized in Table 14.

Types of Units and Structures

Of the 1,606 total housing units as of 2010, 1,188 or 74.0% were seasonal or second homes, the highest level on the Island. Of the year-round units, 73.9% were owner-occupied which was higher than any of the other towns. Correspondingly, Chilmark had the lowest level of rentals that included only 26.1% of the housing stock.

Table 13: Housing Characteristics by Town – Number/Percentage, 2010

Housing Characteristics	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Total # Units	503/100.0%	1,606/100%	5,220/100.0%	4,346/100%	3,094/100%	2,204/100%
Occupied Units *	145/28.8%	398/24.8%	1,794/34.4%	1,989/45.8%	1,806/58.4%	1,197/54.3%
Occ. Owner Units **	91/62.8%	294/73.9%	1,199/66.8%	1,319/66.3%	1,117/61.8%	864/72.2%
Occ. Rental Units **	54/37.2%	104/26.1%	595/33.2%	670/33.7%	689/38.2%	333/27.8%
Total Vacant Units- Seasonal & Occ. Units *	358-345/ 71.2%- 68.6%	1,208-1,188/ 75.2%- 74.0%	3,426-3,258/ 65.6%-62.4%	2,357-2,208/ 54.2%- 50.8%	1,288-1,129/ 41.6%- 36.5%	1,007-951/ 45.7%- 43.1%
Ave. Hh Size of Owner-Occ. Unit	2.09 persons	2.21 persons	2.25 persons	2.33 persons	2.26 persons	2.36 persons
Ave. Hh Size of Renter-Occ. Unit	2.24 persons	2.02 persons	2.25 persons	2.05 persons	2.06 persons	2.01 persons

Source: US Census Bureau, American Community Survey, 2006-2010

* Percentage of all housing units ** Percentage of occupied housing units

Almost all of Chilmark's housing units were single-family homes.

Table 14: Type of Structure by Town – Number/Percentage, 2010

Type of Structure	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
1-units/ detached and attached	553/97.5%	1,578/95.6%	4,716/94.7%	3,888/91.3%	2,600/87.6%	1,981/92.9%
2 to 9 units	8/1.4%	8/0.5%	107/2.1%	134/3.1%	339/11.4%	22/1.0%
10+ units	0/0.0%	0/0.0%	0/0.0%	98/2.3%	0/0.0%	0/0.0%
Mobile home	6/1.1%	65/3.9%	159/3.2%	137/3.2%	28/0.9%	129/6.1%
Other	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%
Total	567/100.0%	1,651/100.0%	4,982/100.0%	4,257/100.0%	2,967/100.0%	2,132/100.0%

Source: US Census Bureau, American Community Survey, 2006-2010

The community has experienced little foreclosure activity, with only one (1) auction in 2012 and three (3) petitions to foreclose, one (1) in 2011 and two (2) in 2012.

Table 15: Foreclosure Activity by Town – 2011/January 1 through November 1, 2012

Type of Structure	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Foreclosure Auction	0/1	0/1	5/5	7/12	8/10	0/1
Petition to Foreclose	0/3	1/2	4/10	2/13	3/10	2/2

Source: Banker & Tradesman, November 6, 2012

Housing Costs and Affordability

Homeownership

Chilmark had a median single-family house price of \$825,000 as of September 2012, from a high of \$2.8 million in 2007. On average, *Chilmark has had the highest housing values on the Island.*

Table 16: Median Single-family Home Prices by Town, September 2012

Median Sales Price	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
1990	\$252,500	\$250,000	\$117,500	NA	NA	\$135,459
2000	\$875,000	\$912,500	\$327,000	\$270,000	\$299,950	\$435,000
2005	\$1,797,500	\$1,700,000	\$717,500	\$595,000	\$580,000	\$705,000
2007	\$1,350,000	\$2,800,000	\$700,000	\$532,250	\$672,500	\$866,000
2010	\$862,500	\$1,385,000	\$675,000	\$475,000	\$468,750	\$615,000
Sept. 2012	\$642,500	\$825,000	\$653,388	\$374,000	\$430,000	\$704,000

Source: Banker & Tradesman/The Warren Group, October 18, 2012

In regard to actual sales, there were only 19 sales between August 2011 and October 2012, with a median of \$1,250,000. Only three (3) of the sales were below \$400,000 but there were nine (9) sales of more than \$1 million.

**Table 17: Distribution of Sales Prices by Town and Number/Percentage,
August 1, 2011 to October 5, 2012**

Sales Price Range	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
< \$199,999	0/0.0%	0/0.0%	3/2.7%	10/10.4%	3/4.6%	3/8.6%
\$2-299,999	0/0.0%	1/5.3%	9/8.1%	16/16.7%	13/20.0%	0/0.0%
\$3-399,999	0/0.0%	2/10.5%	11/9.9%	26/27.1%	14/21.5%	2/5.7%
\$4-499,999	2/22.2%	1/5.3%	21/18.9%	13/13.5%	9/13.8%	4/11.4%
\$5-599,999	1/11.1%	1/5.3%	11/9.9%	12/12.5%	9/13.8%	5/14.3%
\$6-699,999	0/0.0%	2/10.5%	11/9.9%	6/6.3%	5/7.7%	6/17.1%
\$7-799,999	1/11.1%	1/5.3%	8/7.2%	4/4.2%	4/6.2%	4/11.4%
\$8-899,999	1/11.1%	2/10.5%	7/6.3%	2/2.1%	0/0.0%	1/2.9%
\$9-999,999	1/11.1%	0/0.0%	3/2.7%	1/1.0%	2/3.1%	0/0.0%
\$1-1,999,999	1/11.1%	3/15.8%	17/15.3%	2/2.1%	2/3.1%	5/14.3%
\$2,000,000 +	2/22.2%	6/31.6%	10/9.0%	4/4.2%	4/6.2%	5/14.3%
Total	9/100.0%	19/100.0%	111/100.0%	96/100.0%	65/100.0%	35/100.0%
Median Price	\$808,000	\$1,250,000	\$600,000	\$378,000	\$430,000	\$665,000

Source: Banker & Tradesman/The Warren Group, October 23, 2012

Town Assessor data indicates that only 12 of the 1,062 single-family homes were valued at less than \$300,000 and that 64.5% of the homes were assessed at more than \$1 million.

Table 18: Assessed Values of Single-family Homes by Town with Number/Percentage, 2012

Value	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
< \$200,000	2/0.5%	5/0.5%	12/0.3%	25/0.8%	5/0.3%	4/0.3%
\$2-299,999	4/1.0%	7/0.7%	67/1.9%	239/7.2%	100/5.0%	34/2.3%
\$3-399,999	14/3.7%	3/0.3%	273/7.8%	1,021/30.7%	560/28.2%	26/1.8%
\$4-499,999	18/4.7%	1/0.1%	674/19.3%	756/22.7%	395/19.8%	115/7.9%
\$5-599,999	16/4.2%	29/2.7%	609/17.5%	430/12.9%	220/11.0%	316/21.8%
\$6-699,999	16/4.2%	69/6.5%	365/10.5%	268/8.1%	121/6.1%	269/18.6%
\$7-799,999	26/6.8%	90/8.5%	217/6.2%	143/4.3%	74/3.7%	172/11.9%
\$8-899,999	26/6.8%	95/8.9%	138/4.0%	105/3.2%	76/3.8%	95/6.6%
\$9-999,999	31/8.1%	78/7.3%	198/5.7%	67/2.0%	49/2.5%	81/5.6%
\$1-1,999,999	195/51.0%	378/35.6%	574/16.5%	224/6.7%	226/11.4%	230/15.9%
\$2,000,000 +	34/8.9%	307/28.9%	361/10.3%	48/1.4%	165/8.3%	107/7.4%
Total	382/100.0%	1,062/100.0%	3,488/100%	3,326/100.0%	1,991/100	1,449/100.0%

Source: Town Assessors, fiscal year 2012

Chilmark does not have any condominiums but it does have 212 properties that involved multiple houses on one (1) lot with 80% of them valued at more than \$1 million.

Table 19: Assessed Values of Condominiums by Town with Numbers/Percentages, 2012

Value	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
< \$200,000	0/0.0%	0/0.0%	9/6.4%	0/0.0%	16/13.4%	3/75.0%
\$2-299,999	0/0.0%	0/0.0%	12/8.5%	17/21.8%	21/17.6%	0/0.0%
\$3-399,999	2/33.3%	0/0.0%	30/21.3%	36/46.2%	8/6.7%	1/25.0%
\$4-499,999	4/66.7%	0/0.0%	41/29.1%	8/10.3%	28/23.5%	0/0.0%
\$5-599,999	0/0.0%	0/0.0%	33/23.4%	6/7.7%	27/22.7%	0/0.0%
\$6-699,999	0/0.0%	0/0.0%	5/3.5%	5/6.4%	2/1.7%	0/0.0%
\$7-799,999	0/0.0%	0/0.0%	2/1.4%	5/6.4%	5/4.2%	0/0.0%
\$8-899,999	0/0.0%	0/0.0%	1/0.7%	1/1.3%	7/5.9%	0/0.0%
\$9-999,999	0/0.0%	0/0.0%	2/1.4%	0/0.0%	1/0.8%	0/0.0%
\$1-1,999,999	0/0.0%	0/0.0%	6/4.3%	0/0.0%	4/3.4%	0/0.0%
\$2,000,000 +	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%
Total	6/100.0%	0/0.0%	141/100.0%	78/100.0%	119/100.0%	4/100.0%

Source: Town Assessors, fiscal year 2012

Table 20: Assessed Values of Properties with Multiple Houses on One Lot by Town with Numbers/Percentages, 2012

Value	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
< \$200,000	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%
\$2-299,999	0/0.0%	0/0.0%	0/0.0%	3/1.4%	1/0.4%	0/0.0%
\$3-399,999	0/0.0%	0/0.0%	6/0.9%	18/8.3%	13/5.7%	1/0.4%
\$4-499,999	0/0.0%	0/0.0%	19/3.0%	49/22.6%	28/12.3%	1/0.4%
\$5-599,999	0/0.0%	0/0.0%	58/9.0%	47/21.7%	41/18.1%	8/2.9%
\$6-699,999	1/3.8%	6/2.8%	91/14.2%	25/11.5%	21/9.3%	29/10.5%
\$7-799,999	1/3.8%	10/4.7%	57/8.9%	12/5.5%	17/7.5%	61/22.2%
\$8-899,999	2/7.7%	16/7.5%	32/5.0%	11/5.1%	9/4.0%	33/12.0%
\$9-999,999	2/7.7%	11/5.2%	25/3.9%	5/2.3%	11/4.8%	27/9.8%
\$1-1,999,999	12/46.2%	74/34.9%	125/19.4%	36/16.6%	50/22.0%	73/26.5%
\$2,000,000 +	8/30.8%	95/44.8%	230/35.8%	11/5.1%	36/15.9%	42/15.3%
Total	26/100.0%	212/100.0	643/100.0%	217/100.0%	227/100.0%	275/100.0%

Source: Town Assessors, fiscal year 2012

Chilmark has an affordability gap of \$440,000, the highest on the Island. This gap is the difference between what a median income household can afford (\$385,000) and the median priced unit (\$825,000). This analysis demonstrates how very challenging it is to afford to live in Chilmark. There were only twelve (12) single-family homes that would have been affordable to a household earning below median income and only four (4) for those earning between median and 150% AMI. Consequently, even those earning below 150% of area median income are virtually shutout of the private housing market with only a few exceptions.

Table 21: Affordability Gaps for Homeownership as of September 2012

Town	Median Income *	Affordable Price **	Median House Price ***	Affordability Gap
Aquinnah	\$57,500	\$290,000	\$642,500	\$352,500
Chilmark	\$72,917	\$385,000	\$825,000	\$440,000
Edgartown	\$67,625	\$347,000	\$653,388	\$306,388
Oak Bluffs	\$59,156	\$280,000	\$374,000	\$94,000
Tisbury	\$58,551	\$275,000	\$430,000	\$155,000
West Tisbury	\$71,667	\$360,000	\$704,000	\$344,000
County	\$62,407	\$310,000	\$535,000	\$225,000

Source: Calculations provided by Karen Sunnarborg.

* Based on US Census Bureau estimates from its American Community Survey, 2008-2010, for Dukes County and 2006-2010 for the six towns.

** Figures based on interest of 5.0%, 30-year term, annual property tax rate of \$5.36 per thousand for Dukes County (this is based on an average of the tax rates for all six towns, weighted by the number of housing units) and the actual tax rates for each town (\$3.93 for Aquinnah, \$2.08 for Chilmark, \$3.43 for Edgartown, \$7.39 for Oak Bluffs, \$8.01 for Tisbury, and \$4.92 for West Tisbury), 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 80% financing.

*** Based on the Warren Group/Banker & Tradesman Town Stats figures of October 16, 2012.

Table 23: Relative Affordability of Single-family Units by Town, Numbers/Percentages, 2012

Income Range	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Less than 80% AMI**	4	7	23	8	20	16
80%** - 100% AMI*	0	5	64	211	117	23
100% - 150% AMI ****	40	4	1,792	1,693	212	265
More than 150% AMI****	309	1,046	2,083	1,080	1,563	1,072
Total	353	1,062	3,962	2,992	1,912	1,376

Source: Town Assessors' Databases for fiscal year 2012.

* Based on US Census Bureau estimates from its American Community Survey, 2008-2010, for Dukes County.

** HUD 2012 Income Limits for the Dukes County MSA for a household of two (2), which is the average household size for owner-occupied units on the Vineyard (2.29 persons).

*** 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, weighed 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).

****Figures from Dukes County Regional Housing Authority.

Rental Housing

In regard to rentals, Census survey data counted 59 rental units with a median gross rental of \$1,141, not much higher or lower than the other communities. More than half of the units did not involve rental payments. This \$1,141 rental would require an income of approximately \$57,600 assuming \$300 per month in utility costs and paying no more than 30% of one's income on housing.

Table 22: Rental Costs with Numbers/Percentages, 2010

Value	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Under \$200	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%
\$200-299	0/0.0%	0/0.0%	0/0.0%	20/7.9%	0/0.0%	0/0.0%
\$300-499	0/0.0%	0/0.0%	0/0.0%	30/11.9%	19/5.8%	0/0.0%
\$500-749	0/0.0%	4/6.8%	7/2.6%	17/6.7%	10/3.0%	0/0.0%
\$750-999	6/17.1%	4/6.8%	37/13.8%	43/17.1%	90/27.4%	0/0.0%
\$1,000-1,499	27/77.1%	14/23.7%	150/56.0%	63/25.0%	37/11.3%	13/20.6%
\$1,500 +	2/5.7%	3/5.1%	31/11.6%	47/18.7%	115/35.1%	9/14.3%
No Cash Rent ⁵⁹	0/0.0%	34/57.6%	43/16.0%	32/12.7%	57/17.4%	41/65.1%
Total*	35/100.0%	59/100.0%	268/100.0%	252/100.0%	328/100.0%	63/100.0%
Median Rent	\$1,180	\$1,141	\$1,302	\$1,000	\$1,111	\$1,212

Sources: US Census Bureau, American Community Survey 2006-2010.

Note: The estimates provided by the Census Bureau's American Community Survey substantially undercount the total number of occupied rental units in comparison to the actual 2010 census counts.

Subsidized Housing Inventory (SHI)

Out of the total 411 units included in the Island's Subsidized Housing Inventory (SHI), three (3) or 0.72% of the town's year-round housing units were approved by the state as affordable with another six (6) units to be added to the SHI with the Middle Line Road project.

Table 24: Chilmark's Subsidized Housing Inventory (SHI) by Town

Project Name	# SHI Units	Project Type/ Subsidizing Agency	Use of a Comp Permit	Affordability Expiration Date
Homeowner Rehab Program (Oak Bluffs)	3	Ownership/DHCD	No	2017-2019
Middle Line Road Apt. (not on SHI)?*	6			
Total	3/0.72%	418 year-round units All ownership rehab		

Source: Massachusetts Department of Housing and Community Development, August 28, 2012

* Dukes County Regional Housing Authority units

⁵⁹ No cash rent involves units where there are no formal rent payments.

THE TOWN OF EDGARTOWN

INTRODUCTION

Edgartown was the first town settled on the Island and maintains the historic charm of its seafaring past. A once prosperous whaling port, the harbor remains busy with boats of all types and is rimmed by fine houses. The town's Greek Revival and Federal architecture has been preserved and reflects the financial successes of its whaling captains from centuries past.

DEMOGRAPHIC AND ECONOMIC PROFILE

Population Growth

Edgartown is among the largest communities on the Island with a population of 4,067 according to the 2010 US Census, which has grown to 4,531 residents according to Town records as of August 2012, representing a recent growth rate of 11.4%. The town includes about 25% of the Island's population.

Table 1: Population Growth – Total Population and Percentage Change, 1930 to 2012 and 2020 Projections

Year	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury	Dukes County
1930	161/--	252/--	1,276/--	1,333/--	1,541/--	270/--	4,953/--
1940	127/-21.1%	226/-10.3%	1,370/7.4%	1,584/18.8%	1,966/27.6%	260/-3.7%	5,669/14.5%
1950	88/-30.7%	183/-19.0%	1,508/10.1%	1,521/-4.0%	1,930/-1.8%	347/33.5%	5,633/-0.6%
1960	103/17.0%	238/30.1%	1,474/-2.3%	1,419/-6.7%	2,169/12.4%	360/3.7%	5,829/3.5%
1970	118/14.6%	340/42.9%	1,481/0.5%	1,385/-2.4%	2,257/4.1%	453/25.8%	6,117/4.9%
1980	220/86.4%	489/43.8%	2,204/48.8%	1,984/43.2%	2,972/31.7%	1,010/123%	8,942/46.2%
1990	201/-8.6%	650/32.9%	3,062/38.9%	2,804/41.3%	3,120/5.0%	1,704/68.7%	11,639/30.2%
2000	344/71.1%	843/29.7%	3,779/23.4%	3,713/32.4%	3,755/20.4%	2,467/44.8%	14,987/28.8%
3/2010	311/-9.6%	866/2.7%	4,067/7.6%	4,527/21.9%	3,949/5.2%	2,740/11.1%	16,535/10.3%
2020 est.	466/49.8%	1,164/34.4%	5,619/38.2%	6,061/33.9%	4,501/14.0%	3,883/41.7%	21,694/31.2%
% 2010 County pop.	1.9%	5.2%	24.6%	27.4%	23.9%	16.6%	100.0%
2012	468 (as of 10-18-12)	1,183 (as of 10-1-12)	4,531 (as of 8-1-12)	4,737 (as of 9-19-12)	4,194 (as of 10-18-12)	3,103 (as of 10-18-12)	18,216
% 10/12 County pop.	2.6%	6.5%	24.9%	26.0%	23.0%	17.0%	100.0%

Sources: US Census Bureau 2010, projections from the Massachusetts Institute of Social and Economic Research (MISER), and Town Clerks from all six towns.

Note: There were also 75 residents of the town of Gosnold in Dukes County in 2010.

Racial Composition

Edgartown had a minority population of 476 residents or 11.7% of all residents in 2010. The largest minority groups were Blacks or African Americans, those of Latino descent, and residents in the "other" category.

Table 2: Racial Composition by Town and Island-wide, 2010

Race	Aquinnah	Chilmark	Edgar-town	Oak Bluffs	Tisbury	West Tisbury	Dukes County
Minority Pop. *	132 (42.4%)	31 (3.6%)	476 (11.7%)	719 (15.9%)	541 (13.7%)	141 (5.1%)	2,043 (12.4%)
Black	5	15	102	220	144	25	511
Native Am.	83	2	20	44	17	17	183
Asian/Pac. Is.	1	2	26	57	18	20	138
Other	6	3	224	178	206	25	642
Latino **	15	7	99	110	118	35	384
Total Pop.	311	866	4,067	4,527	3,949	2,740	16,535

Source: US Census Bureau, 2010 * All non-White classifications ** Latino or Hispanic of any race.

Age Distribution

Edgartown had a median age of 44.8% years, ranking 234 among the 351 municipalities in the state. With the exception of young adults, the town's age distribution was relatively evenly spread among age ranges.

Table 3: Age Distribution by Town - Number/Percentage, 2010

Age Range	Aquinnah	Chilmark	Edgar-town	Oak Bluffs	Tisbury	West Tisbury
Under 18 Years	61/19.6%	156/18.0%	803/19.7%	867/19.2%	728/18.4%	547/20.0%
18 - 24 Years	22/7.1%	33/3.8%	232/5.7%	269/5.9%	260/6.6%	165/6.0%
25 - 34 Years	30/9.6%	76/8.8%	470/11.6%	534/11.8%	495/12.5%	242/8.8%
35 - 44 Years	42/13.5%	90/10.4%	540/13.3%	630/13.9%	535/13.5%	330/12.0%
45 - 54 Years	57/18.3%	137/15.8%	690/17.0%	773/17.1%	635/16.1%	467/17.0%
55 - 64 Years	70/22.5%	175/20.2%	711/17.5%	662/14.6%	637/16.1%	603/22.0%
Over 65 Years	29/9.3%	199/23.0%	621/15.3%	792/17.5%	659/16.7%	386/14.1%
Total	311/100.0%	866/100.0%	4,067/100%	4,527/100%	3,949/100%	2,740/100%
Median Age	45.5 Years	50.7 Years	44.8 Years	44.4 Years	44.3 Years	46.9 Years

Source: US Census Bureau, 2010

Table 4: State Ranking Regarding the Age of the Population by Town, 2010

Town	Pop. Growth 2000-2010	Median Age	State Rank	% Below Age 5	State Rank	Age 65 or Older	State Rank
Aquinnah	-9.6%	45.5	255	6.4%	322	9.3%	17
Chilmark	2.7%	50.7	329	4.2%	73	23.0%	332
Edgartown	7.6%	44.8	234	5.6%	250	15.3%	217
Oak Bluffs	21.9%	44.4	219	5.8%	279	17.5%	274
Tisbury	5.2%	44.3	214	5.0%	175	16.7%	254
W. Tisbury	11.1%	46.9	289	4.7%	146	14.1%	175
County	10.3%	45.3	--	5.3%	--	16.3%	--
State	1.03%	39.1	--	5.6%	--	13.8%	--

Source: US Census Bureau, 2010 Note: Rank of the 351 municipalities in Massachusetts

Households

Almost 60% of Edgartown's households were families, and 98 of these households were single female heads of households. The average household size was 2.25 persons, relatively high in comparison to the other towns.

Table 5: Household (Hh) Characteristics – Number/Percentage, 2010

Type of Household	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Total Hhs	145/100.0%	398/100.0%	1,794/100.0%	1,989/100.0%	1,806/100%	1,197/100.0%
Family Hhs*	81/55.9%	242/60.8%	1,074/59.9%	1,095/55.1%	975/54.0%	733/61.2
Female Heads of Families *	9/6.2%	14/3.5%	98/5.5%	94/4.7%	103/5.7%	69/5.8
Non-family Households*	64/44.1%	156/39.2%	720/40.1%	894/44.9%	831/46.0%	464/38.8
Ave. Hh Size	2.14 persons	2.16 persons	2.25 persons	2.24 persons	2.19 persons	2.26 persons

Source: US Census Bureau, 2010

Income

The town had a median per capita income of \$37,147 and a median household income \$67,625, relatively close to the Island-wide level.

Table 6: Income Distribution by Town – Number/Percentage, 2010

Income	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	W. Tisbury
Under \$10,000	10/7.8	35/9.3	88/6.2	56/4.0	95/7.5	41/4.8%
10,000-24,999	19/14.8	17/4.5	127/8.9	239/17.0	154/12.2	98/11.4%
25,000-34,999	6/4.7	47/12.5	73/5.1	149/10.6	141/11.2	22/2.6%
35,000-49,999	25/19.5	38/10.1	262/18.4	191/13.6	98/7.8	103/12.0%
50,000-74,999	13/10.2	53/14.1	183/12.9	169/12.0	264/20.9	222/25.9%
75,000-99,999	12/9.4	52/13.9	340/23.9	277/19.7	137/10.9	123/14.4%
100,000-149,999	18/14.1	59/15.7	137/9.6	171/12.2	280/22.2	116/13.6%
150,000 +	25/19.5	74/19.7	213/15.0	151/10.8	92/7.3	136/15.9%
Total	128/100.0	375/100.0	1,423/100.0	1,403/100.0	1,261/100.0	856/100.0%
Per Capita Income	\$31,233	\$49,133	\$37,147	\$28,417	\$29,693	\$36,254

Source: US Census Bureau, American Community Survey, 2006-2010

Table 7: Median Income by Town, 1990 to 2010

Town	1990		2000		2010	
	Median Hh Income	Median Family Inc.	Median Hh Income	Median Family Inc.	Median Hh Income	Median Family Inc.
Aquinnah	\$18,250	\$27,500	\$45,208	\$45,458	\$57,500	\$83,750
Chilmark	34,375	40,625	41,917	63,750	72,917	88,958
Edgartown	36,285	43,803	50,407	55,153	67,625	79,219
Oak Bluffs	31,117	38,462	42,044	53,841	59,156	75,025
Tisbury	28,281	40,274	37,041	53,051	58,551	69,936
W. Tisbury	32,422	39,423	54,077	59,514	71,667	91,389
County	31,994	41,369	45,559	55,018	62,407	77,231

Source: US Census Bureau, 1990 and 2000 Summary File 3 and American Community Survey 2006-2010

Poverty

There were 476 individuals and 93 families living below the poverty line in 2010, representing 11.7% and 8.7% of all residents and families, respectively. These are the highest levels on the Vineyard.

Table 8: Poverty Levels by Town – Number/Percentage, 2010

	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Individuals*	31/10.1	70/8.1	476/11.7	426/9.4	170/4.3	260/9.8
Families**	5/6.7	9/3.6	93/8.7	66/6.0	27/2.8	32/4.4
Female-headed Families***	4/50.0	4/25.0	0/0.0	9/9.5	0/0.0	0/0.0
Related Children Under 18 Years****	5/9.0	3/1.7	20/2.5	95/11.0	0/0.0	0/0.0
Individuals 65 Years and Over	4/14.8	16/8.1	0/0.0	63/7.9	117/17.8	10/2.6

Source: US Census Bureau, American Community Survey, 2006-2010

* Percentage of total population ** Percentage of all families

*** Percentage of all female-headed families **** Percentage of related children less than 18 years

***** Percentage of all individuals age 65+

Employment

Next to Tisbury, Edgartown has the greatest number of employment opportunities on the Island with 3,682 jobs as of August 2012, and employment increasing by 82% between 1990 and 2011. Many of these jobs were in the service industry that supports the town's tourist industry.

Table 9: Average Annual Employment By Town, 1990 to 2011

Town	1990	2000	2011	August 2012	% Change 1990-2011
Aquinnah	59	225	201	281	241%
Chilmark	152	543	549	765	261%
Edgartown	1,451	2,484	2,642	3,682	82%
Oak Bluffs	1,210	2,336	2,811	3,919	132%
Tisbury	1,971	2,420	2,516	3,507	28%
West Tisbury	221	1,751	1,913	2,667	766%
Total	5,064	9,759	10,632	14,821	110%

Source: Massachusetts Executive Office of Labor and Workforce Development, October 2012

The average weekly wage was only \$798 in 2011 that translates into an average monthly income of \$3,431. This income is insufficient to afford the median gross rent of \$1,302 in 2010 based on a household spending no more than 30% of its income on housing. This is a problem for all communities on the Island, demonstrating substantial affordability gaps.

Table 10: Average Weekly Wages in Comparison to Rental Housing Costs by Town

Town	Average Weekly Wage, 2011	Average Monthly Wage*	Maximum Housing Cost/Month**	Median Gross Rent, 2010
Aquinnah	\$706	\$3,036	\$610.74	\$1,180
Chilmark	\$727	\$3,126	\$637.83	\$1,141
Edgartown	\$798	\$3,431	\$729.42	\$1,302
Oak Bluffs	\$731	\$3,143	\$642.99	\$1,000
Tisbury	\$891	\$3,831	\$849.39	\$1,111
West Tisbury	\$848	\$3,646	\$793.92	\$1,212

Source: Massachusetts Executive Office of Labor and Workforce Development, October 2012; and US Census Bureau, American Community Survey 2006-2010

* Monthly income based on 4.3 times the weekly wage.

** Assumes a monthly utility allowance of \$300 and the household spending no more than 30% of their income on housing.

Table 11: Employment and Wages by Industry (Number of Establishments/Average Employment/Average Weekly Wages), 2011

Industry	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Agric., forestry, fishing, hunting					3/12/\$372	
Construction	3/5/\$1,188	4/10/\$785	73/242/\$1,274	38/76/\$904	69/201/\$1,020	32/118/1,102
Manufacturing					7/31/\$642	
Wholesale Trade			8/13/\$808	3/13/\$1,156	8/57/\$880	
Retail Trade		8/28/\$526	67/389/\$505	39/207/\$649	83/603/\$720	11/65/\$836
Transportation/Warehousing			16/132/\$709	5/19/\$683	12/71/\$926	4/58/\$706
Information			8/77/\$729	5/23/\$828	9/69/\$930	5/24/\$940
Finance/Ins.			9/96/\$1,337	4/27/\$962	8/68/\$1,069	
Real estate/rental/leasing			21/40/\$684	9/18/\$1,090	13/39/\$684	4/9/\$996
Professional/tech. services		3/2/\$5,952	21/76/\$1,122	7/10/\$757	35/117/\$1,264	11/30/\$975
Administrative/waste services		7/32/\$897	18/143/\$1,013	11/30/\$571	28/115/\$907	9/88/\$725
Educ. services				4/344/\$1,025		3/131/\$955
Health care/social assist.			8/33/\$729	7/123/\$755	25/570/\$1,182	6/21/\$498
Arts/entertainment/rec.			11/172/\$763	8/76/\$611	14/98/\$724	
Accommodation/food services			46/571/\$611	47/396/\$480	31/283/\$571	7/64/\$525
Other services		7/7/\$872	39/139/\$673	20/159/\$360	54/134/\$634	14/28/\$798
Public Administration	4/78/\$666		15/131/\$1,226			9/71/\$787
Total	11/92/\$706	53/253/\$727	372/2,442/\$798	225/1,682/\$731	414/2,619/\$891	128/757/\$848

Source: Massachusetts Executive Office of Labor and Workforce Development, October 2012

HOUSING PROFILE

Housing Growth

Edgartown experienced the greatest housing growth between 1970 and 2000. From 2000 through early 2010, another 330 units were added to the housing stock with an additional 71 units built as of October 2012 for a total of 5,291 housing units.

Table 12: Housing Units by Year Structure Was Built by Town – Number/Percentage, 2010

Years	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
2000-2010	43/7.6%	89/5.4%	330/6.7%	206/4.8%	96/3.2%	107/5.0%
1990-1999	142/25.0%	367/22.2%	1,077/21.6%	614/14.4%	313/10.5%	506/23.7%
1980-1989	116/20.5%	263/15.9%	1,356/27.2%	1,101/25.9%	518/17.5%	701/32.9%
1970-1979	79/13.9%	294/17.8%	897/18.0%	598/14.0%	455/15.3%	210/9.8%
1960-1969	57/10.1%	193/11.7%	217/4.4%	145/3.4%	211/7.1%	123/5.8%
1950-1959	29/5.1%	118/7.1%	150/3.0%	93/2.2%	161/5.4%	94/4.4%
1940-1949	31/5.5%	70/4.2%	308/6.2%	104/2.4%	170/5.7%	0/0.0%
1939 or earlier	70/12.3%	257/15.6%	647/13.0%	1,396/32.8%	1,043/35.2%	391/18.3%
Total	567/100.0%	1,651/100%	4,962/100.0%	4,257/100.0%	2,967/100%	2,132/100%

Source: US Census Bureau, American Community Survey, 2006-2010

Because this is sample data, there are variations from the actual counts summarized in Table 14.

Types of Units and Structures

Of the 5,220 total housing units as of 2010, 3,258 or 62.4% were seasonal or second homes. Of the year-round units, 66.8% were owner-occupied compared to rentals representing 33.2% of the housing stock.

Table 13: Housing Characteristics by Town – Number/Percentage, 2010

Housing Characteristics	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Total # Units	503/100.0%	1,606/100%	5,220/100.0%	4,346/100%	3,094/100%	2,204/100%
Occupied Units *	145/28.8%	398/24.8%	1,794/34.4%	1,989/45.8%	1,806/58.4%	1,197/54.3%
Occ. Owner Units **	91/62.8%	294/73.9%	1,199/66.8%	1,319/66.3%	1,117/61.8%	864/72.2%
Occ. Rental Units **	54/37.2%	104/26.1%	595/33.2%	670/33.7%	689/38.2%	333/27.8%
Total Vacant Units- Seasonal & Occ. Units *	358-345/ 71.2%- 68.6%	1,208-1,188/ 75.2%- 74.0%	3,426-3,258/ 65.6%-62.4%	2,357-2,208/ 54.2%- 50.8%	1,288-1,129/ 41.6%- 36.5%	1,007-951/ 45.7%- 43.1%
Ave. Hh Size of Owner-Occ. Unit	2.09 persons	2.21 persons	2.25 persons	2.33 persons	2.26 persons	2.36 persons
Ave. Hh Size of Renter-Occ. Unit	2.24 persons	2.02 persons	2.25 persons	2.05 persons	2.06 persons	2.01 persons

Source: US Census Bureau, American Community Survey, 2006-2010

* Percentage of all housing units ** Percentage of occupied housing units

Almost all of Edgartown's housing units were single-family homes.

Table 14: Type of Structure by Town – Number/Percentage, 2010

Type of Structure	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
1-units/ detached and attached	553/97.5%	1,578/95.6%	4,716/94.7%	3,888/91.3%	2,600/87.6%	1,981/92.9%
2 to 9 units	8/1.4%	8/0.5%	107/2.1%	134/3.1%	339/11.4%	22/1.0%
10+ units	0/0.0%	0/0.0%	0/0.0%	98/2.3%	0/0.0%	0/0.0%
Mobile home	6/1.1%	65/3.9%	159/3.2%	137/3.2%	28/0.9%	129/6.1%
Other	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%
Total	567/100.0%	1,651/100.0%	4,982/100.0%	4,257/100.0%	2,967/100.0%	2,132/100.0%

Source: US Census Bureau, American Community Survey, 2006-2010

The community has experienced some foreclosure activity, with five (5) auctions in 2011 and another five (5) in 2012. There were four (4) petitions to foreclose filed in 2011, increasing to ten (10) such petitions in 2012.

Table 15: Foreclosure Activity by Town – 2011/January 1 through November 1, 2012

Type of Structure	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Foreclosure Auction	0/1	0/1	5/5	7/12	8/10	0/1
Petition to Foreclose	0/3	1/2	4/10	2/13	3/10	2/2

Source: Banker & Tradesman, November 6, 2012

Housing Costs and Affordability **Homeownership**

Edgartown had a median single-family house price of \$653,388 as of September 2012, from a high of \$717,500 in 2005. Housing values while very high, were in the mid-range in comparison to the other communities on the Island.

Table 16: Median Single-family Home Prices by Town, September 2012

Median Sales Price	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
1990	\$252,500	\$250,000	\$117,500	NA	NA	\$135,459
2000	\$875,000	\$912,500	\$327,000	\$270,000	\$299,950	\$435,000
2005	\$1,797,500	\$1,700,000	\$717,500	\$595,000	\$580,000	\$705,000
2007	\$1,350,000	\$2,800,000	\$700,000	\$532,250	\$672,500	\$866,000
2010	\$862,500	\$1,385,000	\$675,000	\$475,000	\$468,750	\$615,000
Sept. 2012	\$642,500	\$825,000	\$653,388	\$374,000	\$430,000	\$704,000

Source: Banker & Tradesman/The Warren Group, October 18, 2012

In regard to actual sales, there were 111 sales between August 2011 and October 2012, with a median of \$600,000. Only 12 of the sales were below \$300,000, but there were 27 sales of more than \$1 million.

Table 17: Distribution of Sales Prices by Town and Number/Percentage, August 1, 2011 to October 5, 2012

Sales Price Range	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
< \$199,999	0/0.0%	0/0.0%	3/2.7%	10/10.4%	3/4.6%	3/8.6%
\$2-299,999	0/0.0%	1/5.3%	9/8.1%	16/16.7%	13/20.0%	0/0.0%
\$3-399,999	0/0.0%	2/10.5%	11/9.9%	26/27.1%	14/21.5%	2/5.7%
\$4-499,999	2/22.2%	1/5.3%	21/18.9%	13/13.5%	9/13.8%	4/11.4%
\$5-599,999	1/11.1%	1/5.3%	11/9.9%	12/12.5%	9/13.8%	5/14.3%
\$6-699,999	0/0.0%	2/10.5%	11/9.9%	6/6.3%	5/7.7%	6/17.1%
\$7-799,999	1/11.1%	1/5.3%	8/7.2%	4/4.2%	4/6.2%	4/11.4%
\$8-899,999	1/11.1%	2/10.5%	7/6.3%	2/2.1%	0/0.0%	1/2.9%
\$9-999,999	1/11.1%	0/0.0%	3/2.7%	1/1.0%	2/3.1%	0/0.0%
\$1-1,999,999	1/11.1%	3/15.8%	17/15.3%	2/2.1%	2/3.1%	5/14.3%
\$2,000,000 +	2/22.2%	6/31.6%	10/9.0%	4/4.2%	4/6.2%	5/14.3%
Total	9/100.0%	19/100.0%	111/100.0%	96/100.0%	65/100.0%	35/100.0%
Median Price	\$808,000	\$1,250,000	\$600,000	\$378,000	\$430,000	\$665,000

Source: Banker & Tradesman/The Warren Group, October 23, 2012

Note: There were only five (5) condominium sales during this period, four (4) in Edgartown and one (1) in Oak Bluffs with prices ranging from a low of \$209,000 to a high of \$1.1 million.

Town Assessor data indicates that only 79 of the 3,488 single-family homes were valued at less than \$300,000 and that 26.8% of the homes were assessed for more than \$1 million. Almost half (47.3%) of single-family homes were valued in the \$400,000 to \$700,000 range.

Table 18: Assessed Values of Single-family Homes by Town with Number/Percentage, 2012

Value	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
< \$200,000	2/0.5%	5/0.5%	12/0.3%	25/0.8%	5/0.3%	4/0.3%
\$2-299,999	4/1.0%	7/0.7%	67/1.9%	239/7.2%	100/5.0%	34/2.3%
\$3-399,999	14/3.7%	3/0.3%	273/7.8%	1,021/30.7%	560/28.2%	26/1.8%
\$4-499,999	18/4.7%	1/0.1%	674/19.3%	756/22.7%	395/19.8%	115/7.9%
\$5-599,999	16/4.2%	29/2.7%	609/17.5%	430/12.9%	220/11.0%	316/21.8%
\$6-699,999	16/4.2%	69/6.5%	365/10.5%	268/8.1%	121/6.1%	269/18.6%
\$7-799,999	26/6.8%	90/8.5%	217/6.2%	143/4.3%	74/3.7%	172/11.9%
\$8-899,999	26/6.8%	95/8.9%	138/4.0%	105/3.2%	76/3.8%	95/6.6%
\$9-999,999	31/8.1%	78/7.3%	198/5.7%	67/2.0%	49/2.5%	81/5.6%
\$1-1,999,999	195/51.0%	378/35.6%	574/16.5%	224/6.7%	226/11.4%	230/15.9%
\$2,000,000 +	34/8.9%	307/28.9%	361/10.3%	48/1.4%	165/8.3%	107/7.4%
Total	382/100.0%	1,062/100.0%	3,488/100%	3,326/100.0%	1,991/100	1,449/100.0%

Source: Town Assessors, Fiscal Year 2012

Edgartown had 141 condominiums with almost three-quarters (73.8%) assessed between \$300,000 and \$600,000. The town also had 643 properties that involved multiple houses on one (1) lot with more than half (55.2%) valued at more than \$1 million. The properties that rim Edgartown's harbor are a visible testament to the town's luxury housing market.

Table 19: Assessed Values of Condominiums by Town with Numbers/Percentages, 2012

Value	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
< \$200,000	0/0.0%	0/0.0%	9/6.4%	0/0.0%	16/13.4%	3/75.0%
\$2-299,999	0/0.0%	0/0.0%	12/8.5%	17/21.8%	21/17.6%	0/0.0%
\$3-399,999	2/33.3%	0/0.0%	30/21.3%	36/46.2%	8/6.7%	1/25.0%
\$4-499,999	4/66.7%	0/0.0%	41/29.1%	8/10.3%	28/23.5%	0/0.0%
\$5-599,999	0/0.0%	0/0.0%	33/23.4%	6/7.7%	27/22.7%	0/0.0%
\$6-699,999	0/0.0%	0/0.0%	5/3.5%	5/6.4%	2/1.7%	0/0.0%
\$7-799,999	0/0.0%	0/0.0%	2/1.4%	5/6.4%	5/4.2%	0/0.0%
\$8-899,999	0/0.0%	0/0.0%	1/0.7%	1/1.3%	7/5.9%	0/0.0%
\$9-999,999	0/0.0%	0/0.0%	2/1.4%	0/0.0%	1/0.8%	0/0.0%
\$1-1,999,999	0/0.0%	0/0.0%	6/4.3%	0/0.0%	4/3.4%	0/0.0%
\$2,000,000 +	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%
Total	6/100.0%	0/0.0%	141/100.0%	78/100.0%	119/100.0%	4/100.0%

Source: Town Assessors, Fiscal Year 2012

Table 20: Assessed Values of Properties with Multiple Houses on One Lot by Town with Numbers/Percentages, 2012

Value	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
< \$200,000	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%
\$2-299,999	0/0.0%	0/0.0%	0/0.0%	3/1.4%	1/0.4%	0/0.0%
\$3-399,999	0/0.0%	0/0.0%	6/0.9%	18/8.3%	13/5.7%	1/0.4%
\$4-499,999	0/0.0%	0/0.0%	19/3.0%	49/22.6%	28/12.3%	1/0.4%
\$5-599,999	0/0.0%	0/0.0%	58/9.0%	47/21.7%	41/18.1%	8/2.9%
\$6-699,999	1/3.8%	6/2.8%	91/14.2%	25/11.5%	21/9.3%	29/10.5%
\$7-799,999	1/3.8%	10/4.7%	57/8.9%	12/5.5%	17/7.5%	61/22.2%
\$8-899,999	2/7.7%	16/7.5%	32/5.0%	11/5.1%	9/4.0%	33/12.0%
\$9-999,999	2/7.7%	11/5.2%	25/3.9%	5/2.3%	11/4.8%	27/9.8%
\$1-1,999,999	12/46.2%	74/34.9%	125/19.4%	36/16.6%	50/22.0%	73/26.5%
\$2,000,000 +	8/30.8%	95/44.8%	230/35.8%	11/5.1%	36/15.9%	42/15.3%
Total	26/100.0%	212/100.0	643/100.0%	217/100.0%	227/100.0%	275/100.0%

Source: Town Assessors, Fiscal Year 2012

Edgartown had an affordability gap of \$306,388 for single-family homes. This gap is the difference between what a median income household can afford (\$347,000) and the median priced unit (\$653,388). This analysis demonstrates how very challenging it is to afford to live in Edgartown. There were only 87 single-family homes that would have been affordable to a household earning below median income, only 23 for those earning below 80% AMI.

Table 21: Affordability Gaps for Homeownership as of September 2012

Town	Median Income*	Affordable Price**	Median House Price***	Affordability Gap
Aquinnah	\$57,500	\$290,000	\$642,500	\$352,500
Chilmark	\$72,917	\$385,000	\$825,000	\$440,000
Edgartown	\$67,625	\$347,000	\$653,388	\$306,388
Oak Bluffs	\$59,156	\$280,000	\$374,000	\$94,000
Tisbury	\$58,551	\$275,000	\$430,000	\$155,000
West Tisbury	\$71,667	\$360,000	\$704,000	\$344,000
County	\$62,407	\$310,000	\$535,000	\$225,000

Source: Calculations provided by Karen Sunnarborg.

* Based on US Census Bureau estimates from its American Community Survey, 2008-2010, for Dukes County and 2006-2010 for the six towns.

** Figures based on interest of 5.0%, 30-year term, annual property tax rate of \$5.36 per thousand for Dukes County (this is based on an average of the tax rates for all six towns, weighted by the number of housing units) and the actual tax rates for each town (\$3.93 for Aquinnah, \$2.08 for Chilmark, \$3.43 for Edgartown, \$7.39 for Oak Bluffs, \$8.01 for Tisbury, and \$4.92 for West Tisbury), 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 80% financing.

*** Based on the Warren Group/Banker & Tradesman Town Stats figures of October 16, 2012.

Table 22: Relative Affordability of Single-family Units by Town, Numbers/Percentages, 2012

Income Range	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Less than 80% AMI**	4	7	23	8	20	16
80%** - 100% AMI*	0	5	64	211	117	23
100% - 150% AMI ****	40	4	1,792	1,693	212	265
More than 150% AMI****	309	1,046	2,083	1,080	1,563	1,072
Total	353	1,062	3,962	2,992	1,912	1,376

Source: Town Assessors' Databases for Fiscal Year 2012.

* Based on US Census Bureau estimates from its American Community Survey, 2008-2010, for Dukes County.

** HUD 2012 Income Limits for the Dukes County MSA for a household of two (2), which is the average household size for owner-occupied units on the Vineyard (2.29 persons).

*** 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, weighed 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).

****Figures from Dukes County Regional Housing Authority.

Rental Housing

In regard to rentals, Census survey data counted 268 rental units with a median gross rental of \$1,302, the highest on the Island. More than half of the units (56%) rented in the \$1,000 to \$1,500 range. This \$1,302 rental would require an income of approximately \$64,000 assuming \$300 per month in utility costs and paying no more than 30% of one's income on housing. This is close to the town's median household income level.

Table 23: Rental Costs with Numbers/Percentages, 2010

Value	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Under \$200	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%
\$200-299	0/0.0%	0/0.0%	0/0.0%	20/7.9%	0/0.0%	0/0.0%
\$300-499	0/0.0%	0/0.0%	0/0.0%	30/11.9%	19/5.8%	0/0.0%
\$500-749	0/0.0%	4/6.8%	7/2.6%	17/6.7%	10/3.0%	0/0.0%
\$750-999	6/17.1%	4/6.8%	37/13.8%	43/17.1%	90/27.4%	0/0.0%
\$1,000-1,499	27/77.1%	14/23.7%	150/56.0%	63/25.0%	37/11.3%	13/20.6%
\$1,500 +	2/5.7%	3/5.1%	31/11.6%	47/18.7%	115/35.1%	9/14.3%
No Cash Rent ⁶⁰	0/0.0%	34/57.6%	43/16.0%	32/12.7%	57/17.4%	41/65.1%
Total*	35/100.0%	59/100.0%	268/100.0%	252/100.0%	328/100.0%	63/100.0%
Median Rent	\$1,180	\$1,141	\$1,302	\$1,000	\$1,111	\$1,212

Sources: US Census Bureau, American Community Survey 2006-2010.

Note: The estimates provided by the Census Bureau's American Community Survey substantially undercount the total number of occupied rental units in comparison to the 2010 census counts.

Subsidized Housing Inventory (SHI)

Out of the total 411 units included in the Island's Subsidized Housing Inventory (SHI), 89 or 4.54% of the Town's year-round housing units were approved by the state as affordable with another five (5) that are now eligible for inclusion.

Table 24: Edgartown's Subsidized Housing Inventory (SHI)

Project Name	# SHI Units	Project Type/ Subsidizing Agency	Use of a Comp Permit	Affordability Expiration Date
Fisher Road Apartments*	8	Rental/DHCD & MHP	No	2027
Pennywise Path/Morgan Woods	60	Rental/DHCD & MassHousing	Yes	2057
High and Pease Point	2	Ownership/MassHousing	Yes	Perpetuity
Fair Way Village	3	Ownership/MassHousing	Yes	Perpetuity
Jenney Way (not on SHI)	(3)			
N. Summer St. (not on SHI)	(2)			
Homeowner Rehab Program (Oak Bluffs)	12	Ownership/DHCD	No	2017-2019
Rehab Program (Oak Bluffs)	4	Rental	No	2019
Total	89/4.54%	1,962 year-round units 72 or 80.9% were rentals		

Source: Massachusetts Department of Housing and Community Development, August 28, 2012

* Dukes County Regional Housing Authority units

⁶⁰ No cash rent involves units where there are no formal rent payments.

THE TOWN OF OAK BLUFFS

INTRODUCTION

Oak Bluffs is known for its old Methodist Summer Campground and its “gingerbread” Victorian cottages. The town was built following the Civil War as a summer meeting place for Methodists, the focal point being the Tabernacle that can accommodate 2,000 people. Oak Bluffs today is a vibrant resort community that is characterized by colorful architecture, funky shops, ethnic cafes, and a lively nightlife. While housing costs remain high, it is also the most affordable place to live on the Vineyard.

DEMOGRAPHIC AND ECONOMIC PROFILE

Population Growth

Oak Bluffs is the largest community on the Island with a population of 4,527 according to the 2010 US Census, which has grown to 4,737 residents according to Town records as of September 2012, representing a recent growth rate of 4.6%. The town includes about 26% of the Island’s population.

Table 1: Population Growth – Total Population and Percentage Change, 1930 to 2012 and 2020 Projections

Year	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury	Dukes County
1930	161/--	252/--	1,276/--	1,333/--	1,541/--	270/--	4,953/--
1940	127/-21.1%	226/-10.3%	1,370/7.4%	1,584/18.8%	1,966/27.6%	260/-3.7%	5,669/14.5%
1950	88/-30.7%	183/-19.0%	1,508/10.1%	1,521/-4.0%	1,930/-1.8%	347/33.5%	5,633/-0.6%
1960	103/17.0%	238/30.1%	1,474/-2.3%	1,419/-6.7%	2,169/12.4%	360/3.7%	5,829/3.5%
1970	118/14.6%	340/42.9%	1,481/0.5%	1,385/-2.4%	2,257/4.1%	453/25.8%	6,117/4.9%
1980	220/86.4%	489/43.8%	2,204/48.8%	1,984/43.2%	2,972/31.7%	1,010/123%	8,942/46.2%
1990	201/-8.6%	650/32.9%	3,062/38.9%	2,804/41.3%	3,120/5.0%	1,704/68.7%	11,639/30.2%
2000	344/71.1%	843/29.7%	3,779/23.4%	3,713/32.4%	3,755/20.4%	2,467/44.8%	14,987/28.8%
3/2010	311/-9.6%	866/2.7%	4,067/7.6%	4,527/21.9%	3,949/5.2%	2,740/11.1%	16,535/10.3%
2020/est.	466/49.8%	1,164/34.4%	5,619/38.2%	6,061/33.9%	4,501/14.0%	3,883/41.7%	21,694/31.2%
% 2010 County pop.	1.9%	5.2%	24.6%	27.4%	23.9%	16.6%	100.0%
2012	468 (as of 10-18-12)	1,183 (as of 10-1-12)	4,531 (as of 8-1-12)	4,737 (as of 9-19-12)	4,194 (as of 10-18-12)	3,103 (as of 10-18-12)	18,216
% 10/12 County pop.	2.6%	6.5%	24.9%	26.0%	23.0%	17.0%	100.0%

Sources: US Census Bureau 2010, projections from the Massachusetts Institute of Social and Economic Research (MISER), and Town Clerks from all six towns.

Note: There were also 75 residents of the town of Gosnold in Dukes County in 2010.

Racial Composition

Oak Bluffs had the largest minority population on the Island with 719 minority residents or 15.9% of all residents in 2010. The largest minority groups were Blacks or African Americans, those of Latino descent, and residents in the “other” category.

Table 2: Racial Composition by Town and Island-wide, 2010

Race	Aquinnah	Chilmark	Edgar-town	Oak Bluffs	Tisbury	West Tisbury	Dukes County
Minority Pop. *	132 (42.4%)	31 (3.6%)	476 (11.7%)	719 (15.9%)	541 (13.7%)	141 (5.1%)	2,043 (12.4%)
Black	5	15	102	220	144	25	511
Native Am.	83	2	20	44	17	17	183
Asian/Pac. Is.	1	2	26	57	18	20	138
Other	6	3	224	178	206	25	642
Latino **	15	7	99	110	118	35	384
Total Pop.	311	866	4,067	4,527	3,949	2,740	16,535

Sources: US Census Bureau, 2010 * All non-White classifications ** Latino or Hispanic of any race.

Age Distribution

Oak Bluffs had a median age of 44.4% years, ranking 219 among the 351 municipalities in the state. With the exception of young adults, the town’s age distribution was relatively evenly spread among age ranges.

Table 3: Age Distribution by Town – Number/Percentage, 2010

Age Range	Aquinnah	Chilmark	Edgar-town	Oak Bluffs	Tisbury	West Tisbury
Under 18 Years	61/19.6%	156/18.0%	803/19.7%	867/19.2%	728/18.4%	547/20.0%
18 – 24 Years	22/7.1%	33/3.8%	232/5.7%	269/5.9%	260/6.6%	165/6.0%
25 – 34 Years	30/9.6%	76/8.8%	470/11.6%	534/11.8%	495/12.5%	242/8.8%
35 – 44 Years	42/13.5%	90/10.4%	540/13.3%	630/13.9%	535/13.5%	330/12.0%
45 – 54 Years	57/18.3%	137/15.8%	690/17.0%	773/17.1%	635/16.1%	467/17.0%
55 – 64 Years	70/22.5%	175/20.2%	711/17.5%	662/14.6%	637/16.1%	603/22.0%
Over 65 Years	29/9.3%	199/23.0%	621/15.3%	792/17.5%	659/16.7%	386/14.1%
Total	311/100.0%	866/100.0%	4,067/100%	4,527/100%	3,949/100%	2,740/100%
Median Age	45.5 Years	50.7 Years	44.8 Years	44.4 Years	44.3 Years	46.9 Years

Source: US Census Bureau, 2010

Table 4: State Ranking Regarding the Age of the Population by Town, 2010

Town	Pop. Growth 2000-2010	Median Age	State Rank	% Below Age 5	State Rank	Age 65 or Older	State Rank
Aquinnah	-9.6%	45.5	255	6.4%	322	9.3%	17
Chilmark	2.7%	50.7	329	4.2%	73	23.0%	332
Edgartown	7.6%	44.8	234	5.6%	250	15.3%	217
Oak Bluffs	21.9%	44.4	219	5.8%	279	17.5%	274
Tisbury	5.2%	44.3	214	5.0%	175	16.7%	254
W. Tisbury	11.1%	46.9	289	4.7%	146	14.1%	175
County	10.3%	45.3	--	5.3%	--	16.3%	--
State	1.03%	39.1	--	5.6%	--	13.8%	--

Source: US Census Bureau, 2010 Note: Rank of the 351 municipalities in Massachusetts

Households

About 55% of Oak Bluff's households were families, the lowest level next to Tisbury. The average household size was 2.24 persons, relatively high in comparison to the other towns.

Table 5: Household (Hh) Characteristics – Number/Percentage, 2010

Type of Household	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Total Hhs	145/100.0%	398/100.0%	1,794/100.0%	1,989/100.0%	1,806/100%	1,197/100.0%
Family Hhs*	81/55.9%	242/60.8%	1,074/59.9%	1,095/55.1%	975/54.0%	733/61.2
Female Heads of Families *	9/6.2%	14/3.5%	98/5.5%	94/4.7%	103/5.7%	69/5.8
Non-family Households*	64/44.1%	156/39.2%	720/40.1%	894/44.9%	831/46.0%	464/38.8
Ave. Hh Size	2.14 persons	2.16 persons	2.25 persons	2.24 persons	2.19 persons	2.26 persons

Source: US Census Bureau, 2010

Income

The town had a median per capita income of \$28,417 and a median household income \$59,156, lower than Island-wide levels.

Table 6: Income Distribution by Town – Number/Percentage, 2010

Income	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	W. Tisbury
Under \$10,000	10/7.8	35/9.3	88/6.2	56/4.0	95/7.5	41/4.8%
10,000-24,999	19/14.8	17/4.5	127/8.9	239/17.0	154/12.2	98/11.4%
25,000-34,999	6/4.7	47/12.5	73/5.1	149/10.6	141/11.2	22/2.6%
35,000-49,999	25/19.5	38/10.1	262/18.4	191/13.6	98/7.8	103/12.0%
50,000-74,999	13/10.2	53/14.1	183/12.9	169/12.0	264/20.9	222/25.9%
75,000-99,999	12/9.4	52/13.9	340/23.9	277/19.7	137/10.9	123/14.4%
100,000-149,999	18/14.1	59/15.7	137/9.6	171/12.2	280/22.2	116/13.6%
150,000 +	25/19.5	74/19.7	213/15.0	151/10.8	92/7.3	136/15.9%
Total	128/100.0	375/100.0	1,423/100.0	1,403/100.0	1,261/100.0	856/100.0%
Per Capita Income	\$31,233	\$49,133	\$37,147	\$28,417	\$29,693	\$36,254

Source: US Census Bureau, American Community Survey, 2006-2010

Table 7: Median Income by Town, 1990 to 2010

Town	1990		2000		2010	
	Median Hh Income	Median Family Inc.	Median Hh Income	Median Family Inc.	Median Hh Income	Median Family Inc.
Aquinnah	\$18,250	\$27,500	\$45,208	\$45,458	\$57,500	\$83,750
Chilmark	34,375	40,625	41,917	63,750	72,917	88,958
Edgartown	36,285	43,803	50,407	55,153	67,625	79,219
Oak Bluffs	31,117	38,462	42,044	53,841	59,156	75,025
Tisbury	28,281	40,274	37,041	53,051	58,551	69,936
W. Tisbury	32,422	39,423	54,077	59,514	71,667	91,389
County	31,994	41,369	45,559	55,018	62,407	77,231

Source: US Census Bureau, 1990 and 2000 Summary File 3 and American Community Survey 2006-2010

Poverty

There were 426 individuals and 66 families living below the poverty line in 2010, representing 9.4% and 6.0% of all residents and families, respectively. *The highest level was for children in poverty at 11%.*

Table 8: Poverty Levels by Town – Number/Percentage, 2010

	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Individuals*	31/10.1	70/8.1	476/11.7	426/9.4	170/4.3	260/9.8
Families**	5/6.7	9/3.6	93/8.7	66/6.0	27/2.8	32/4.4
Female-headed Families***	4/50.0	4/25.0	0/0.0	9/9.5	0/0.0	0/0.0
Related Children Under 18 Years****	5/9.0	3/1.7	20/2.5	95/11.0	0/0.0	0/0.0
Individuals 65 Years and Over	4/14.8	16/8.1	0/0.0	63/7.9	117/17.8	10/2.6

Source: US Census Bureau, American Community Survey, 2006-2010

* Percentage of total population ** Percentage of all families

*** Percentage of all female-headed families **** Percentage of related children less than 18 years

***** Percentage of all individuals age 65+

Employment

Oak Bluffs has the greatest number of employment opportunities on the Island with 3,919 jobs as of August 2012, and employment increasing by 132% between 1990 and 2011. Many of these jobs were in the service industry that supports the town's lively tourist industry.

Table 9: Average Annual Employment By Town, 1990 to 2011

Town	1990	2000	2011	August 2012	% Change 1990-2011
Aquinnah	59	225	201	281	241%
Chilmark	152	543	549	765	261%
Edgartown	1,451	2,484	2,642	3,682	82%
Oak Bluffs	1,210	2,336	2,811	3,919	132%
Tisbury	1,971	2,420	2,516	3,507	28%
West Tisbury	221	1,751	1,913	2,667	766%
Total	5,064	9,759	10,632	14,821	110%

Source: Massachusetts Executive Office of Labor and Workforce Development, October 2012

The average weekly wage was only \$731 in 2011 that translates into an average monthly income of \$3,143. This income is insufficient to afford the median gross rent of \$1,000 in 2010 based on a household spending no more than 30% of its income on housing. This is a problem for all communities on the Island, demonstrating substantial affordability gaps.

Table 10: Average Weekly Wages in Comparison to Rental Housing Costs by Town

Town	Average Weekly Wage, 2011	Average Monthly Wage*	Maximum Housing Cost/Month**	Median Gross Rent, 2010
Aquinnah	\$706	\$3,036	\$610.74	\$1,180
Chilmark	\$727	\$3,126	\$637.83	\$1,141
Edgartown	\$798	\$3,431	\$729.42	\$1,302
Oak Bluffs	\$731	\$3,143	\$642.99	\$1,000
Tisbury	\$891	\$3,831	\$849.39	\$1,111
West Tisbury	\$848	\$3,646	\$793.92	\$1,212

Source: Massachusetts Executive Office of Labor and Workforce Development, October 2012; and US Census Bureau, American Community Survey 2006-2010

* Monthly income based on 4.3 times the weekly wage.

** Assumes a monthly utility allowance of \$300 and the household spending no more than 30% of their income on housing.

Table 11: Employment and Wages by Industry (Number of Establishments/Average Employment/Average Weekly Wages), 2011

Industry	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Agric., forestry, fishing, hunting					3/12/\$372	
Construction	3/5/\$1,188	4/10/\$785	73/242/\$1,274	38/76/\$904	69/201/\$1,020	32/118/1,102
Manufacturing					7/31/\$642	
Wholesale Trade			8/13/\$808	3/13/\$1,156	8/57/\$880	
Retail Trade		8/28/\$526	67/389/\$505	39/207/\$649	83/603/\$720	11/65/\$836
Transportation/Warehousing			16/132/\$709	5/19/\$683	12/71/\$926	4/58/\$706
Information			8/77/\$729	5/23/\$828	9/69/\$930	5/24/\$940
Finance/Ins.			9/96/\$1,337	4/27/\$962	8/68/\$1,069	
Real estate/rental/leasing			21/40/\$684	9/18/\$1,090	13/39/\$684	4/9/\$996
Professional/tech. services		3/2/\$5,952	21/76/\$1,122	7/10/\$757	35/117/\$1,264	11/30/\$975
Administrative/waste services		7/32/\$897	18/143/\$1,013	11/30/\$571	28/115/\$907	9/88/\$725
Educ. services				4/344/\$1,025		3/131/\$955
Health care/social assist.			8/33/\$729	7/123/\$755	25/570/\$1,182	6/21/\$498
Arts/entertainment/rec.			11/172/\$763	8/76/\$611	14/98/\$724	
Accommodation/food services			46/571/\$611	47/396/\$480	31/283/\$571	7/64/\$525
Other services		7/7/\$872	39/139/\$673	20/159/\$360	54/134/\$634	14/28/\$798
Public Administration	4/78/\$666		15/131/\$1,226			9/71/\$787
Total	11/92/\$706	53/253/\$727	372/2,442/\$798	225/1,682/\$731	414/2,619/\$891	128/757/\$848

Source: Massachusetts Executive Office of Labor and Workforce Development, October 2012

HOUSING PROFILE

Housing Growth

Oak Bluffs experienced the greatest housing growth between 1970 and 2000. From 2000 through early 2010, another 206 units were added to the housing stock with an additional ? units built as of October 2012 for a total of ? housing units.

Table 12: Housing Units by Year Structure Was Built by Town – Number/Percentage, 2010

Years	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
2000-2010	43/7.6%	89/5.4%	330/6.7%	206/4.8%	96/3.2%	107/5.0%
1990-1999	142/25.0%	367/22.2%	1,077/21.6%	614/14.4%	313/10.5%	506/23.7%
1980-1989	116/20.5%	263/15.9%	1,356/27.2%	1,101/25.9%	518/17.5%	701/32.9%
1970-1979	79/13.9%	294/17.8%	897/18.0%	598/14.0%	455/15.3%	210/9.8%
1960-1969	57/10.1%	193/11.7%	217/4.4%	145/3.4%	211/7.1%	123/5.8%
1950-1959	29/5.1%	118/7.1%	150/3.0%	93/2.2%	161/5.4%	94/4.4%
1940-1949	31/5.5%	70/4.2%	308/6.2%	104/2.4%	170/5.7%	0/0.0%
1939 or earlier	70/12.3%	257/15.6%	647/13.0%	1,396/32.8%	1,043/35.2%	391/18.3%
Total	567/100.0%	1,651/100%	4,962/100.0%	4,257/100.0%	2,967/100%	2,132/100%

Source: US Census Bureau, American Community Survey, 2006-2010

Because this is sample data, there are variations from the actual counts summarized in Table 14.

Types of Units and Structures

Of the 4,346 total housing units as of 2010, 2,208 or about half (50.8%) were seasonal or second homes. Of the year-round units, 66.3% were owner-occupied compared to rentals representing 33.7% of the housing stock.

Table 13: Housing Characteristics by Town – Number/Percentage, 2010

Housing Characteristics	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Total # Units	503/100.0%	1,606/100%	5,220/100.0%	4,346/100%	3,094/100%	2,204/100%
Occupied Units *	145/28.8%	398/24.8%	1,794/34.4%	1,989/45.8%	1,806/58.4%	1,197/54.3%
Occ. Owner Units **	91/62.8%	294/73.9%	1,199/66.8%	1,319/66.3%	1,117/61.8%	864/72.2%
Occ. Rental Units **	54/37.2%	104/26.1%	595/33.2%	670/33.7%	689/38.2%	333/27.8%
Total Vacant Units- Seasonal & Occ. Units *	358-345/ 71.2%- 68.6%	1,208-1,188/ 75.2%- 74.0%	3,426-3,258/ 65.6%-62.4%	2,357-2,208/ 54.2%- 50.8%	1,288-1,129/ 41.6%- 36.5%	1,007-951/ 45.7%- 43.1%
Ave. Hh Size of Owner-Occ. Unit	2.09 persons	2.21 persons	2.25 persons	2.33 persons	2.26 persons	2.36 persons
Ave. Hh Size of Renter-Occ. Unit	2.24 persons	2.02 persons	2.25 persons	2.05 persons	2.06 persons	2.01 persons

Source: US Census Bureau, American Community Survey, 2006-2010

* Percentage of all housing units ** Percentage of occupied housing units

Almost all of Oak Bluff's housing units were single-family homes.

Table 14: Type of Structure by Town – Number/Percentage, 2010

Type of Structure	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
1-units/ detached and attached	553/97.5%	1,578/95.6%	4,716/94.7%	3,888/91.3%	2,600/87.6%	1,981/92.9%
2 to 9 units	8/1.4%	8/0.5%	107/2.1%	134/3.1%	339/11.4%	22/1.0%
10+ units	0/0.0%	0/0.0%	0/0.0%	98/2.3%	0/0.0%	0/0.0%
Mobile home	6/1.1%	65/3.9%	159/3.2%	137/3.2%	28/0.9%	129/6.1%
Other	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%
Total	567/100.0%	1,651/100.0%	4,982/100.0%	4,257/100.0%	2,967/100.0%	2,132/100.0%

Source: US Census Bureau, American Community Survey, 2006-2010

The community has experienced some foreclosure activity, with seven (7) auctions in 2011, increasing to a dozen in 2012. There were two (2) petitions to foreclose filed in 2011, increasing again to 13 such petitions in 2012.

Table 15: Foreclosure Activity by Town – 2011/January 1 through November 1, 2012

Type of Structure	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Foreclosure Auction	0/1	0/1	5/5	7/12	8/10	0/1
Petition to Foreclose	0/3	1/2	4/10	2/13	3/10	2/2

Source: Banker & Tradesman, November 6, 2012

Housing Costs and Affordability

Homeownership

While housing costs are still high, *Oak Bluffs has the most affordable housing on the Island with a median single-family house price of \$374,000 as of September 2012, from a high of \$595,000 in 2005.*

Table 16: Median Single-family Home Prices by Town, September 2012

Median Sales Price	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
1990	\$252,500	\$250,000	\$117,500	NA	NA	\$135,459
2000	\$875,000	\$912,500	\$327,000	\$270,000	\$299,950	\$435,000
2005	\$1,797,500	\$1,700,000	\$717,500	\$595,000	\$580,000	\$705,000
2007	\$1,350,000	\$2,800,000	\$700,000	\$532,250	\$672,500	\$866,000
2010	\$862,500	\$1,385,000	\$675,000	\$475,000	\$468,750	\$615,000
Sept. 2012	\$642,500	\$825,000	\$653,388	\$374,000	\$430,000	\$704,000

Source: Banker & Tradesman/The Warren Group, October 18, 2012

In regard to actual sales, there were 96 sales between August 2011 and October 2012, with a median of \$378,000. More than half of these sales (54.2%) were for less than \$400,000.

**Table 17: Distribution of Sales Prices by Town and Number/Percentage,
August 1, 2011 to October 5, 2012**

Sales Price Range	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
< \$199,999	0/0.0%	0/0.0%	3/2.7%	10/10.4%	3/4.6%	3/8.6%
\$2-299,999	0/0.0%	1/5.3%	9/8.1%	16/16.7%	13/20.0%	0/0.0%
\$3-399,999	0/0.0%	2/10.5%	11/9.9%	26/27.1%	14/21.5%	2/5.7%
\$4-499,999	2/22.2%	1/5.3%	21/18.9%	13/13.5%	9/13.8%	4/11.4%
\$5-599,999	1/11.1%	1/5.3%	11/9.9%	12/12.5%	9/13.8%	5/14.3%
\$6-699,999	0/0.0%	2/10.5%	11/9.9%	6/6.3%	5/7.7%	6/17.1%
\$7-799,999	1/11.1%	1/5.3%	8/7.2%	4/4.2%	4/6.2%	4/11.4%
\$8-899,999	1/11.1%	2/10.5%	7/6.3%	2/2.1%	0/0.0%	1/2.9%
\$9-999,999	1/11.1%	0/0.0%	3/2.7%	1/1.0%	2/3.1%	0/0.0%
\$1-1,999,999	1/11.1%	3/15.8%	17/15.3%	2/2.1%	2/3.1%	5/14.3%
\$2,000,000 +	2/22.2%	6/31.6%	10/9.0%	4/4.2%	4/6.2%	5/14.3%
Total	9/100.0%	19/100.0%	111/100.0%	96/100.0%	65/100.0%	35/100.0%
Median Price	\$808,000	\$1,250,000	\$600,000	\$378,000	\$430,000	\$665,000

Source: Banker & Tradesman/The Warren Group, October 23, 2012

Note: There were only five (5) condominium sales during this period, four (4) in Edgartown and one (1) in Oak Bluffs with prices ranging from a low of \$209,000 to a high of \$1.1 million.

Town Assessor data indicates that 264 of the 3,326 single-family homes were valued at less than \$300,000 and that more than half (53.4%) were assessed in the \$300,000 to \$500,000 range.

Table 18: Assessed Values of Single-family Homes by Town with Number/Percentage, 2012

Value	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
< \$200,000	2/0.5%	5/0.5%	12/0.3%	25/0.8%	5/0.3%	4/0.3%
\$2-299,999	4/1.0%	7/0.7%	67/1.9%	239/7.2%	100/5.0%	34/2.3%
\$3-399,999	14/3.7%	3/0.3%	273/7.8%	1,021/30.7%	560/28.2%	26/1.8%
\$4-499,999	18/4.7%	1/0.1%	674/19.3%	756/22.7%	395/19.8%	115/7.9%
\$5-599,999	16/4.2%	29/2.7%	609/17.5%	430/12.9%	220/11.0%	316/21.8%
\$6-699,999	16/4.2%	69/6.5%	365/10.5%	268/8.1%	121/6.1%	269/18.6%
\$7-799,999	26/6.8%	90/8.5%	217/6.2%	143/4.3%	74/3.7%	172/11.9%
\$8-899,999	26/6.8%	95/8.9%	138/4.0%	105/3.2%	76/3.8%	95/6.6%
\$9-999,999	31/8.1%	78/7.3%	198/5.7%	67/2.0%	49/2.5%	81/5.6%
\$1-1,999,999	195/51.0%	378/35.6%	574/16.5%	224/6.7%	226/11.4%	230/15.9%
\$2,000,000 +	34/8.9%	307/28.9%	361/10.3%	48/1.4%	165/8.3%	107/7.4%
Total	382/100.0%	1,062/100.0%	3,488/100%	3,326/100.0%	1,991/100	1,449/100.0%

Source: Town Assessors, Fiscal Year 2012

Oak Bluffs had 78 condominiums with two-thirds assessed between \$200,000 and \$400,000. The town also had 217 properties that involved multiple houses on one (1) lot with 55.8% valued in the \$400,000 to \$700,000 range, however 21.7% were assessed for more than \$1 million.

Table 19: Assessed Values of Condominiums by Town with Numbers/Percentages, 2012

Value	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
< \$200,000	0/0.0%	0/0.0%	9/6.4%	0/0.0%	16/13.4%	3/75.0%
\$2-299,999	0/0.0%	0/0.0%	12/8.5%	17/21.8%	21/17.6%	0/0.0%
\$3-399,999	2/33.3%	0/0.0%	30/21.3%	36/46.2%	8/6.7%	1/25.0%
\$4-499,999	4/66.7%	0/0.0%	41/29.1%	8/10.3%	28/23.5%	0/0.0%
\$5-599,999	0/0.0%	0/0.0%	33/23.4%	6/7.7%	27/22.7%	0/0.0%
\$6-699,999	0/0.0%	0/0.0%	5/3.5%	5/6.4%	2/1.7%	0/0.0%
\$7-799,999	0/0.0%	0/0.0%	2/1.4%	5/6.4%	5/4.2%	0/0.0%
\$8-899,999	0/0.0%	0/0.0%	1/0.7%	1/1.3%	7/5.9%	0/0.0%
\$9-999,999	0/0.0%	0/0.0%	2/1.4%	0/0.0%	1/0.8%	0/0.0%
\$1-1,999,999	0/0.0%	0/0.0%	6/4.3%	0/0.0%	4/3.4%	0/0.0%
\$2,000,000 +	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%
Total	6/100.0%	0/0.0%	141/100.0%	78/100.0%	119/100.0%	4/100.0%

Source: Town Assessors, Fiscal Year 2012

Table 20: Assessed Values of Properties with Multiple Houses on One Lot by Town with Numbers/Percentages, 2012

Value	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
< \$200,000	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%
\$2-299,999	0/0.0%	0/0.0%	0/0.0%	3/1.4%	1/0.4%	0/0.0%
\$3-399,999	0/0.0%	0/0.0%	6/0.9%	18/8.3%	13/5.7%	1/0.4%
\$4-499,999	0/0.0%	0/0.0%	19/3.0%	49/22.6%	28/12.3%	1/0.4%
\$5-599,999	0/0.0%	0/0.0%	58/9.0%	47/21.7%	41/18.1%	8/2.9%
\$6-699,999	1/3.8%	6/2.8%	91/14.2%	25/11.5%	21/9.3%	29/10.5%
\$7-799,999	1/3.8%	10/4.7%	57/8.9%	12/5.5%	17/7.5%	61/22.2%
\$8-899,999	2/7.7%	16/7.5%	32/5.0%	11/5.1%	9/4.0%	33/12.0%
\$9-999,999	2/7.7%	11/5.2%	25/3.9%	5/2.3%	11/4.8%	27/9.8%
\$1-1,999,999	12/46.2%	74/34.9%	125/19.4%	36/16.6%	50/22.0%	73/26.5%
\$2,000,000 +	8/30.8%	95/44.8%	230/35.8%	11/5.1%	36/15.9%	42/15.3%
Total	26/100.0%	212/100.0	643/100.0%	217/100.0%	227/100.0%	275/100.0%

Source: Town Assessors, Fiscal Year 2012

Oak Bluffs had an affordability gap of \$94,000 for single-family homes. This gap is the difference between what a median income household can afford (\$280,000) and the median priced unit (\$374,000). While this gap is the lowest on the Island, it still suggests that it is very challenging to afford housing in town. There were 219 single-family homes in Oak Bluffs that would have been affordable to a household earning below median income, only eight (8) for those earning below 80% AMI.

Table 21: Affordability Gaps for Homeownership as of September 2012

Town	Median Income *	Affordable Price **	Median House Price ***	Affordability Gap
Aquinnah	\$57,500	\$290,000	\$642,500	\$352,500
Chilmark	\$72,917	\$385,000	\$825,000	\$440,000
Edgartown	\$67,625	\$347,000	\$653,388	\$306,388
Oak Bluffs	\$59,156	\$280,000	\$374,000	\$94,000
Tisbury	\$58,551	\$275,000	\$430,000	\$155,000
West Tisbury	\$71,667	\$360,000	\$704,000	\$344,000
County	\$62,407	\$310,000	\$535,000	\$225,000

Source: Calculations provided by Karen Sunnarborg.

* Based on US Census Bureau estimates from its American Community Survey, 2008-2010, for Dukes County and 2006-2010 for the six towns.

** Figures based on interest of 5.0%, 30-year term, annual property tax rate of \$5.36 per thousand for Dukes County (this is based on an average of the tax rates for all six towns, weighted by the number of housing units) and the actual tax rates for each town (\$3.93 for Aquinnah, \$2.08 for Chilmark, \$3.43 for Edgartown, \$7.39 for Oak Bluffs, \$8.01 for Tisbury, and \$4.92 for West Tisbury), 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 8.0% financing.

*** Based on the Warren Group/Banker & Tradesman Town Stats figures of October 16, 2012.

Table 23: Relative Affordability of Single-family Units by Town, Numbers/Percentages, 2012

Income Range	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Less than 80% AMI**	4	7	23	8	20	16
80%** - 100% AMI*	0	5	64	211	117	23
100% - 150% AMI ****	40	4	1,792	1,693	212	265
More than 150% AMI****	309	1,046	2,083	1,080	1,563	1,072
Total	353	1,062	3,962	2,992	1,912	1,376

Source: Town Assessors' Databases for Fiscal Year 2012.

* Based on US Census Bureau estimates from its American Community Survey, 2008-2010, for Dukes County.

** HUD 2012 Income Limits for the Dukes County MSA for a household of two (2), which is the average household size for owner-occupied units on the Vineyard (2.29 persons).

*** 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, weighed 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).

****Figures from Dukes County Regional Housing Authority.

Rental Housing

In regard to rentals, Census survey data counted 252 rental units with a median gross rental of \$1,000, the lowest on the Island. This \$1,000 rental would require an income of approximately \$52,000 assuming \$300 per month in utility costs and paying no more than 30% of one's income on housing.

Table 23: Rental Costs with Numbers/Percentages, 2010

Value	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Under \$200	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%
\$200-299	0/0.0%	0/0.0%	0/0.0%	20/7.9%	0/0.0%	0/0.0%
\$300-499	0/0.0%	0/0.0%	0/0.0%	30/11.9%	19/5.8%	0/0.0%
\$500-749	0/0.0%	4/6.8%	7/2.6%	17/6.7%	10/3.0%	0/0.0%
\$750-999	6/17.1%	4/6.8%	37/13.8%	43/17.1%	90/27.4%	0/0.0%
\$1,000-1,499	27/77.1%	14/23.7%	150/56.0%	63/25.0%	37/11.3%	13/20.6%
\$1,500 +	2/5.7%	3/5.1%	31/11.6%	47/18.7%	115/35.1%	9/14.3%
No Cash Rent ⁶¹	0/0.0%	34/57.6%	43/16.0%	32/12.7%	57/17.4%	41/65.1%
Total*	35/100.0%	59/100.0%	268/100.0%	252/100.0%	328/100.0%	63/100.0%
Median Rent	\$1,180	\$1,141	\$1,302	\$1,000	\$1,111	\$1,212

Sources: US Census Bureau, American Community Survey 2006-2010.

Note: The estimates provided by the Census Bureau's American Community Survey substantially undercount the total number of occupied rental units in comparison to the actual 2010 census counts.

Subsidized Housing Inventory (SHI)

Out of the total 411 units included in the Island's Subsidized Housing Inventory (SHI), 146 or 6.83% of the Town's year-round housing units were approved by the state as affordable.

Table 24: Oak Bluff's Subsidized Housing Inventory (SHI) by Town

Project Name	# SHI Units	Project Type/ Subsidizing Agency	Use of 40B	Affordability Expiration Date
Lagoon Heights*	8	Rental -SRO's/DHCD	No	Perpetuity
Woodside Village I**	45	Rental/HUD	No	2034
Woodside Village II**	18	Rental/HUD	Yes	2041
Woodside Village III**	9	Rental/HUD	Yes	2042
Aidyberg I**	5	Rental/HUD	Yes	Perpetuity
Aidyberg II**	5	Rental/HUD & DHCD	Yes	Perpetuity
Woodside Village IV**	9	Rental/HUD	Yes	Perpetuity
Woodside Village V**	5	Rental/HUD	Yes	Perpetuity
Woodside Village VI**	9	Rental/HUD & DHCD	Yes	Perpetuity
DMH Group Homes	8	Rental-special needs/DMH	No	NA
Twin Oaks	1	Ownership/DHCD	Yes	Perpetuity
Noyes Building*	3	Rental/DHCD	No	Perpetuity
Homeowner Rehab Program	21	Ownership/DHCD	No	2017-2019
Total	146/6.83%	2,138 year-round units 116 or 79.5% were rentals		

Source: Massachusetts Department of Housing and Community Development, August 28, 2012

* Dukes County Regional Housing Authority units

** Island Elderly Housing units for seniors and individuals with disabilities

⁶¹ No cash rent involves units where there are no formal rent payments.

THE TOWN OF TISBURY

INTRODUCTION

Tisbury, which includes the village of Vineyard Haven, is the transportation and commercial hub of the Island. Visitors arriving by ferry from Woods Hole are greeted by a wide assortment of shops and restaurants as well as transportation connections to other Island destinations.

(We should include a map of the Island that identifies the boundaries of each town.)

DEMOGRAPHIC AND ECONOMIC PROFILE

Population Growth

Tisbury is among the largest communities on the Island with a population of 3,949 according to the 2010 US Census, which has grown to 4,194 residents according to Town records as of October 2012, representing a recent growth rate of 6.2%. The town includes about 23% of the Island's population.

Table 1: Population Growth – Total Population and Percentage Change, 1930 to 2012 and 2020 Projections

Year	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury	Dukes County
1930	161/--	252/--	1,276/--	1,333/--	1,541/--	270/--	4,953/--
1940	127/-21.1%	226/-10.3%	1,370/7.4%	1,584/18.8%	1,966/27.6%	260/-3.7%	5,669/14.5%
1950	88/-30.7%	183/-19.0%	1,508/10.1%	1,521/-4.0%	1,930/-1.8%	347/33.5%	5,633/-0.6%
1960	103/17.0%	238/30.1%	1,474/-2.3%	1,419/-6.7%	2,169/12.4%	360/3.7%	5,829/3.5%
1970	118/14.6%	340/42.9%	1,481/0.5%	1,385/-2.4%	2,257/4.1%	453/25.8%	6,117/4.9%
1980	220/86.4%	489/43.8%	2,204/48.8%	1,984/43.2%	2,972/31.7%	1,010/123%	8,942/46.2%
1990	201/-8.6%	650/32.9%	3,062/38.9%	2,804/41.3%	3,120/5.0%	1,704/68.7%	11,639/30.2%
2000	344/71.1%	843/29.7%	3,779/23.4%	3,713/32.4%	3,755/20.4%	2,467/44.8%	14,987/28.8%
3/2010	311/-9.6%	866/2.7%	4,067/7.6%	4,527/21.9%	3,949/5.2%	2,740/11.1%	16,535/10.3%
2020/est.	466/49.8%	1,164/34.4%	5,619/38.2%	6,061/33.9%	4,501/14.0%	3,883/41.7%	21,694/31.2%
% 2010 County pop.	1.9%	5.2%	24.6%	27.4%	23.9%	16.6%	100.0%
2012	468 (as of 10-18-12)	1,183 (as of 10-1-12)	4,531 (as of 8-1-12)	4,737 (as of 9-19-12)	4,194 (as of 10-18-12)	3,103 (as of 10-18-12)	18,216
% 10/12 County pop.	2.6%	6.5%	24.9%	26.0%	23.0%	17.0%	100.0%

Sources: US Census Bureau 2010, projections from the Massachusetts Institute of Social and Economic Research (MISER), and Town Clerks from all six towns.

Note: There were also 75 residents of the town of Gosnold in Dukes County in 2010.

Racial Composition

Tisbury had the second largest minority population on the Island with 541 minority residents or 13.7% of all residents in 2010. The largest minority groups were Blacks or African Americans, those of Latino descent, and residents in the “other” category.

Table 2: Racial Composition by Town and Island-wide, 2010

Race	Aquinnah	Chilmark	Edgar-town	Oak Bluffs	Tisbury	West Tisbury	Dukes County
Minority Pop. *	132 (42.4%)	31 (3.6%)	476 (11.7%)	719 (15.9%)	541 (13.7%)	141 (5.1%)	2,043 (12.4%)
Black	5	15	102	220	144	25	511
Native Am.	83	2	20	44	17	17	183
Asian/Pac. Is.	1	2	26	57	18	20	138
Other	6	3	224	178	206	25	642
Latino **	15	7	99	110	118	35	384
Total Pop.	311	866	4,067	4,527	3,949	2,740	16,535

Source: US Census Bureau, 2010 * All non-White classifications ** Latino or Hispanic of any race.

Age Distribution

Tisbury had a median age of 44.3% years, ranking 214 among the 351 municipalities in the state. With the exception of young adults, the town’s age distribution was relatively evenly spread among age ranges.

Table 3: Age Distribution by Town – Number/Percentage, 2010

Age Range	Aquinnah	Chilmark	Edgar-town	Oak Bluffs	Tisbury	West Tisbury
Under 18 Years	61/19.6%	156/18.0%	803/19.7%	867/19.2%	728/18.4%	547/20.0%
18 – 24 Years	22/7.1%	33/3.8%	232/5.7%	269/5.9%	260/6.6%	165/6.0%
25 – 34 Years	30/9.6%	76/8.8%	470/11.6%	534/11.8%	495/12.5%	242/8.8%
35 – 44 Years	42/13.5%	90/10.4%	540/13.3%	630/13.9%	535/13.5%	330/12.0%
45 – 54 Years	57/18.3%	137/15.8%	690/17.0%	773/17.1%	635/16.1%	467/17.0%
55 – 64 Years	70/22.5%	175/20.2%	711/17.5%	662/14.6%	637/16.1%	603/22.0%
Over 65 Years	29/9.3%	199/23.0%	621/15.3%	792/17.5%	659/16.7%	386/14.1%
Total	311/100.0%	866/100.0%	4,067/100%	4,527/100%	3,949/100%	2,740/100%
Median Age	45.5 Years	50.7 Years	44.8 Years	44.4 Years	44.3 Years	46.9 Years

Source: US Census Bureau, 2010

Table 4: State Ranking Regarding the Age of the Population by Town, 2010

Town	Pop. Growth 2000-2010	Median Age	State Rank	% Below Age 5	State Rank	Age 65 or Older	State Rank
Aquinnah	-9.6%	45.5	255	6.4%	322	9.3%	17
Chilmark	2.7%	50.7	329	4.2%	73	23.0%	332
Edgartown	7.6%	44.8	234	5.6%	250	15.3%	217
Oak Bluffs	21.9%	44.4	219	5.8%	279	17.5%	274
Tisbury	5.2%	44.3	214	5.0%	175	16.7%	254
W. Tisbury	11.1%	46.9	289	4.7%	146	14.1%	175
County	10.3%	45.3	--	5.3%	--	16.3%	--
State	1.03%	39.1	--	5.6%	--	13.8%	--

Source: US Census Bureau, 2010 Note: Rank of the 351 municipalities in Massachusetts

Households

About 54% of Tisbury’s households were families, the lowest level on the Island. The average household size was 2.19 persons, relatively low in comparison to the other towns.

Table 5: Household (Hh) Characteristics – Number/Percentage, 2010

Type of Household	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Total Hhs	145/100.0%	398/100.0%	1,794/100.0%	1,989/100.0%	1,806/100%	1,197/100.0%
Family Hhs*	81/55.9%	242/60.8%	1,074/59.9%	1,095/55.1%	975/54.0%	733/61.2
Female Heads of Families *	9/6.2%	14/3.5%	98/5.5%	94/4.7%	103/5.7%	69/5.8
Non-family Households*	64/44.1%	156/39.2%	720/40.1%	894/44.9%	831/46.0%	464/38.8
Ave. Hh Size	2.14 persons	2.16 persons	2.25 persons	2.24 persons	2.19 persons	2.26 persons

Source: US Census Bureau, 2010

Income

The town had a median per capita income of \$29,693 and a median household income \$58,551, lowest in comparison to the other towns.

Table 6: Income Distribution by Town – Number/Percentage, 2010

Income	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	W. Tisbury
Under \$10,000	10/7.8	35/9.3	88/6.2	56/4.0	95/7.5	41/4.8%
10,000-24,999	19/14.8	17/4.5	127/8.9	239/17.0	154/12.2	98/11.4%
25,000-34,999	6/4.7	47/12.5	73/5.1	149/10.6	141/11.2	22/2.6%
35,000-49,999	25/19.5	38/10.1	262/18.4	191/13.6	98/7.8	103/12.0%
50,000-74,999	13/10.2	53/14.1	183/12.9	169/12.0	264/20.9	222/25.9%
75,000-99,999	12/9.4	52/13.9	340/23.9	277/19.7	137/10.9	123/14.4%
100,000-149,999	18/14.1	59/15.7	137/9.6	171/12.2	280/22.2	116/13.6%
150,000 +	25/19.5	74/19.7	213/15.0	151/10.8	92/7.3	136/15.9%
Total	128/100.0	375/100.0	1,423/100.0	1,403/100.0	1,261/100.0	856/100.0%
Per Capita Income	\$31,233	\$49,133	\$37,147	\$28,417	\$29,693	\$36,254

Source: US Census Bureau, American Community Survey, 2006-2010

Table 7: Median Income by Town, 1990 to 2010

Town	1990		2000		2010	
	Median Hh Income	Median Family Inc.	Median Hh Income	Median Family Inc.	Median Hh Income	Median Family Inc.
Aquinnah	\$18,250	\$27,500	\$45,208	\$45,458	\$57,500	\$83,750
Chilmark	34,375	40,625	41,917	63,750	72,917	88,958
Edgartown	36,285	43,803	50,407	55,153	67,625	79,219
Oak Bluffs	31,117	38,462	42,044	53,841	59,156	75,025
Tisbury	28,281	40,274	37,041	53,051	58,551	69,936
W. Tisbury	32,422	39,423	54,077	59,514	71,667	91,389
County	31,994	41,369	45,559	55,018	62,407	77,231

US Census Bureau, 1990 and 2000 Summary File 3 and American Community Survey 2006-2010

Poverty

There were 170 individuals and 27 families living below the poverty line in 2010, representing 4.3% and 2.8% of all residents and families, respectively. *The highest level*

was for those 65 years of age or older, with 117 persons living in poverty or 17.8% of all those in this age group.

Table 8: Poverty Levels by Town – Number/Percentage, 2010

	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Individuals*	31/10.1	70/8.1	476/11.7	426/9.4	170/4.3	260/9.8
Families**	5/6.7	9/3.6	93/8.7	66/6.0	27/2.8	32/4.4
Female-headed Families***	4/50.0	4/25.0	0/0.0	9/9.5	0/0.0	0/0.0
Related Children Under 18 Years****	5/9.0	3/1.7	20/2.5	95/11.0	0/0.0	0/0.0
Individuals 65 Years and Over	4/14.8	16/8.1	0/0.0	63/7.9	117/17.8	10/2.6

Source: US Census Bureau, American Community Survey, 2006-2010

* Percentage of total population ** Percentage of all families

*** Percentage of all female-headed families **** Percentage of related children less than 18 years

***** Percentage of all individuals age 65+

Employment

Tisbury has substantial employment opportunities with 3,507 jobs as of August 2012, increasing by 28% between 1990 and 2011. Many of these jobs were in the service industry that supports the Island's tourist industry.

Table 9: Average Annual Employment By Town, 1990 to 2011

Town	1990	2000	2011	August 2012	% Change 1990-2011
Aquinnah	59	225	201	281	241%
Chilmark	152	543	549	765	261%
Edgartown	1,451	2,484	2,642	3,682	82%
Oak Bluffs	1,210	2,336	2,811	3,919	132%
Tisbury	1,971	2,420	2,516	3,507	28%
West Tisbury	221	1,751	1,913	2,667	766%
Total	5,064	9,759	10,632	14,821	110%

Source: Massachusetts Executive Office of Labor and Workforce Development, October 2012

The average weekly wage was \$891 in 2011, the highest on the Island. This wage translates into an average monthly income of \$3,831. This income is still insufficient to afford the median gross rent of \$1,111 in 2010 based on a household spending no more than 30% of its income on housing. This is a problem for all communities on the Island, demonstrating substantial affordability gaps.

Table 10: Average Weekly Wages in Comparison to Rental Housing Costs by Town

Town	Average Weekly Wage, 2011	Average Monthly Wage*	Maximum Housing Cost/Month**	Median Gross Rent, 2010
Aquinnah	\$706	\$3,036	\$610.74	\$1,180
Chilmark	\$727	\$3,126	\$637.83	\$1,141
Edgartown	\$798	\$3,431	\$729.42	\$1,302
Oak Bluffs	\$731	\$3,143	\$642.99	\$1,000
Tisbury	\$891	\$3,831	\$849.39	\$1,111
West Tisbury	\$848	\$3,646	\$793.92	\$1,212

Source: Massachusetts Executive Office of Labor and Workforce Development, October 2012; and US Census Bureau, American Community Survey 2006-2010

* Monthly income based on 4.3 times the weekly wage.

** Assumes a monthly utility allowance of \$300 and the household spending no more than 30% of their income on housing.

Table 11: Employment and Wages by Industry (Number of Establishments/Average Employment/Average Weekly Wages), 2011

Industry	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Agric., forestry, fishing, hunting					3/12/\$372	
Construction	3/5/\$1,188	4/10/\$785	73/242/\$1,274	38/76/\$904	69/201/\$1,020	32/118/1,102
Manufacturing					7/31/\$642	
Wholesale Trade			8/13/\$808	3/13/\$1,156	8/57/\$880	
Retail Trade		8/28/\$526	67/389/\$505	39/207/\$649	83/603/\$720	11/65/\$836
Transportation/Warehousing			16/132/\$709	5/19/\$683	12/71/\$926	4/58/\$706
Information			8/77/\$729	5/23/\$828	9/69/\$930	5/24/\$940
Finance/Ins.			9/96/\$1,337	4/27/\$962	8/68/\$1,069	
Real estate/rental/leasing			21/40/\$684	9/18/\$1,090	13/39/\$684	4/9/\$996
Professional/tech. services		3/2/\$5,952	21/76/\$1,122	7/10/\$757	35/117/\$1,264	11/30/\$975
Administrative/waste services		7/32/\$897	18/143/\$1,013	11/30/\$571	28/115/\$907	9/88/\$725
Educ. services				4/344/\$1,025		3/131/\$955
Health care/social assist.			8/33/\$729	7/123/\$755	25/570/\$1,182	6/21/\$498
Arts/entertainment/rec.			11/172/\$763	8/76/\$611	14/98/\$724	
Accommodation/food services			46/571/\$611	47/396/\$480	31/283/\$571	7/64/\$525
Other services		7/7/\$872	39/139/\$673	20/159/\$360	54/134/\$634	14/28/\$798
Public Administration	4/78/\$666		15/131/\$1,226			9/71/\$787
Total	11/92/\$706	53/253/\$727	372/2,442/\$798	225/1,682/\$731	414/2,619/\$891	128/757/\$848

Source: Massachusetts Executive Office of Labor and Workforce Development, October 2012

HOUSING PROFILE

Housing Growth

Tisbury experienced the greatest housing growth between 1970 and 2000. From 2000 through early 2010, another 96 units were added to the housing stock with an additional 30 units built as of October 2012 for a total of 3,124 housing units.

Table 12: Housing Units by Year Structure Was Built by Town – Number/Percentage, 2010

Years	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
2000-2010	43/7.6%	89/5.4%	330/6.7%	206/4.8%	96/3.2%	107/5.0%
1990-1999	142/25.0%	367/22.2%	1,077/21.6%	614/14.4%	313/10.5%	506/23.7%
1980-1989	116/20.5%	263/15.9%	1,356/27.2%	1,101/25.9%	518/17.5%	701/32.9%
1970-1979	79/13.9%	294/17.8%	897/18.0%	598/14.0%	455/15.3%	210/9.8%
1960-1969	57/10.1%	193/11.7%	217/4.4%	145/3.4%	211/7.1%	123/5.8%
1950-1959	29/5.1%	118/7.1%	150/3.0%	93/2.2%	161/5.4%	94/4.4%
1940-1949	31/5.5%	70/4.2%	308/6.2%	104/2.4%	170/5.7%	0/0.0%
1939 or earlier	70/12.3%	257/15.6%	647/13.0%	1,396/32.8%	1,043/35.2%	391/18.3%
Total	567/100.0%	1,651/100%	4,962/100.0%	4,257/100.0%	2,967/100%	2,132/100%

Source: US Census Bureau, American Community Survey, 2006-2010

Because this is sample data, there are variations from the actual counts summarized in Table 14.

Types of Units and Structures

Of the 3,094 total housing units as of 2010, 1,129 or 36.5% were seasonal or second homes, the lowest level of such units on the Island. Of the year-round units, 61.8% were owner-occupied compared to rentals representing 38.2% of the housing stock. Tisbury had the highest level of rental-occupancy in comparison to the other towns.

Table 13: Housing Characteristics by Town – Number/Percentage, 2010

Housing Characteristics	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Total # Units	503/100.0%	1,606/100%	5,220/100.0%	4,346/100%	3,094/100%	2,204/100%
Occupied Units *	145/28.8%	398/24.8%	1,794/34.4%	1,989/45.8%	1,806/58.4%	1,197/54.3%
Occ. Owner Units **	91/62.8%	294/73.9%	1,199/66.8%	1,319/66.3%	1,117/61.8%	864/72.2%
Occ. Rental Units **	54/37.2%	104/26.1%	595/33.2%	670/33.7%	689/38.2%	333/27.8%
Total Vacant Units- Seasonal & Occ. Units *	358-345/ 71.2%- 68.6%	1,208-1,188/ 75.2%- 74.0%	3,426-3,258/ 65.6%-62.4%	2,357-2,208/ 54.2%- 50.8%	1,288-1,129/ 41.6%- 36.5%	1,007-951/ 45.7%- 43.1%
Ave. Hh Size of Owner-Occ. Unit	2.09 persons	2.21 persons	2.25 persons	2.33 persons	2.26 persons	2.36 persons
Ave. Hh Size of Renter-Occ. Unit	2.24 persons	2.02 persons	2.25 persons	2.05 persons	2.06 persons	2.01 persons

Source: US Census Bureau, American Community Survey, 2006-2010

* Percentage of all housing units ** Percentage of occupied housing units

Tisbury also had the greatest amount of housing diversity with 87.6% of its units in single-family dwellings and 11.4% in small multi-family dwellings.

Table 14: Type of Structure by Town – Number/Percentage, 2010

Type of Structure	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
1-units/ detached and attached	553/97.5%	1,578/95.6%	4,716/94.7%	3,888/91.3%	2,600/87.6%	1,981/92.9%
2 to 9 units	8/1.4%	8/0.5%	107/2.1%	134/3.1%	339/11.4%	22/1.0%
10+ units	0/0.0%	0/0.0%	0/0.0%	98/2.3%	0/0.0%	0/0.0%
Mobile home	6/1.1%	65/3.9%	159/3.2%	137/3.2%	28/0.9%	129/6.1%
Other	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%
Total	567/100.0%	1,651/100.0%	4,982/100.0%	4,257/100.0%	2,967/100.0%	2,132/100.0%

Source: US Census Bureau, American Community Survey, 2006-2010

The community has experienced some foreclosure activity, with eight (8) auctions in 2011, increasing to ten (10) in 2012. There were three (3) petitions to foreclose filed in 2011, increasing again to ten (10) such petitions in 2012.

Table 15: Foreclosure Activity by Town – 2011/January 1 through November 1, 2012

Type of Structure	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Foreclosure Auction	0/1	0/1	5/5	7/12	8/10	0/1
Petition to Foreclose	0/3	1/2	4/10	2/13	3/10	2/2

Source: Banker & Tradesman, November 6, 2012

Housing Costs and Affordability

Homeownership

While housing costs are still high, *Tisbury, next to Oak Bluffs, has the most affordable housing on the Island* with a median single-family house price of \$430,000 as of September 2012, from a high of \$672,500 in 2007.

Table 16: Median Single-family Home Prices by Town, September 2012

Median Sales Price	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
1990	\$252,500	\$250,000	\$117,500	NA	NA	\$135,459
2000	\$875,000	\$912,500	\$327,000	\$270,000	\$299,950	\$435,000
2005	\$1,797,500	\$1,700,000	\$717,500	\$595,000	\$580,000	\$705,000
2007	\$1,350,000	\$2,800,000	\$700,000	\$532,250	\$672,500	\$866,000
2010	\$862,500	\$1,385,000	\$675,000	\$475,000	\$468,750	\$615,000
Sept. 2012	\$642,500	\$825,000	\$653,388	\$374,000	\$430,000	\$704,000

Source: Banker & Tradesman/The Warren Group, October 18, 2012

In regard to actual sales, there were 65 sales between August 2011 and October 2012, with a median of \$430,000. Almost half of these sales (46.1%) were for less than \$400,000.

**Table 17: Distribution of Sales Prices by Town and Number/Percentage,
August 1, 2011 to October 5, 2012**

Sales Price Range	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
< \$199,999	0/0.0%	0/0.0%	3/2.7%	10/10.4%	3/4.6%	3/8.6%
\$2-299,999	0/0.0%	1/5.3%	9/8.1%	16/16.7%	13/20.0%	0/0.0%
\$3-399,999	0/0.0%	2/10.5%	11/9.9%	26/27.1%	14/21.5%	2/5.7%
\$4-499,999	2/22.2%	1/5.3%	21/18.9%	13/13.5%	9/13.8%	4/11.4%
\$5-599,999	1/11.1%	1/5.3%	11/9.9%	12/12.5%	9/13.8%	5/14.3%
\$6-699,999	0/0.0%	2/10.5%	11/9.9%	6/6.3%	5/7.7%	6/17.1%
\$7-799,999	1/11.1%	1/5.3%	8/7.2%	4/4.2%	4/6.2%	4/11.4%
\$8-899,999	1/11.1%	2/10.5%	7/6.3%	2/2.1%	0/0.0%	1/2.9%
\$9-999,999	1/11.1%	0/0.0%	3/2.7%	1/1.0%	2/3.1%	0/0.0%
\$1-1,999,999	1/11.1%	3/15.8%	17/15.3%	2/2.1%	2/3.1%	5/14.3%
\$2,000,000 +	2/22.2%	6/31.6%	10/9.0%	4/4.2%	4/6.2%	5/14.3%
Total	9/100.0%	19/100.0%	111/100.0%	96/100.0%	65/100.0%	35/100.0%
Median Price	\$808,000	\$1,250,000	\$600,000	\$378,000	\$430,000	\$665,000

Source: Banker & Tradesman/The Warren Group, October 23, 2012

Note: There were only five (5) condominium sales during this period, four (4) in Edgartown and one (1) in Oak Bluffs with prices ranging from a low of \$209,000 to a high of \$1.1 million.

Town Assessor data indicates that 105 of the 1,991 single-family homes were valued at less than \$300,000 with another 560 units assessed in the \$300,000 to \$400,000 range. Another 30.8% were valued between \$400,000 and \$600,000. Tisbury still has a luxury market with 19.7% of the single-family homes assessed for more than \$1 million.

Table 18: Assessed Values of Single-family Homes by Town with Number/Percentage, 2012

Value	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
< \$200,000	2/0.5%	5/0.5%	12/0.3%	25/0.8%	5/0.3%	4/0.3%
\$2-299,999	4/1.0%	7/0.7%	67/1.9%	239/7.2%	100/5.0%	34/2.3%
\$3-399,999	14/3.7%	3/0.3%	273/7.8%	1,021/30.7%	560/28.2%	26/1.8%
\$4-499,999	18/4.7%	1/0.1%	674/19.3%	756/22.7%	395/19.8%	115/7.9%
\$5-599,999	16/4.2%	29/2.7%	609/17.5%	430/12.9%	220/11.0%	316/21.8%
\$6-699,999	16/4.2%	69/6.5%	365/10.5%	268/8.1%	121/6.1%	269/18.6%
\$7-799,999	26/6.8%	90/8.5%	217/6.2%	143/4.3%	74/3.7%	172/11.9%
\$8-899,999	26/6.8%	95/8.9%	138/4.0%	105/3.2%	76/3.8%	95/6.6%
\$9-999,999	31/8.1%	78/7.3%	198/5.7%	67/2.0%	49/2.5%	81/5.6%
\$1-1,999,999	195/51.0%	378/35.6%	574/16.5%	224/6.7%	226/11.4%	230/15.9%
\$2,000,000 +	34/8.9%	307/28.9%	361/10.3%	48/1.4%	165/8.3%	107/7.4%
Total	382/100.0%	1,062/100.0%	3,488/100%	3,326/100.0%	1,991/100	1,449/100.0%

Source: Town Assessors, Fiscal Year 2012

Tisbury has 119 condominiums with more than half (52.9%) assessed between \$300,000 and \$600,000. The town also had 227 properties that involved multiple houses on one (1) lot with 30.4% valued in the \$400,000 to \$600,000 range and 37.9% for more than \$1 million.

Table 19: Assessed Values of Condominiums by Town with Numbers/Percentages, 2012

Value	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
< \$200,000	0/0.0%	0/0.0%	9/6.4%	0/0.0%	16/13.4%	3/75.0%
\$2-299,999	0/0.0%	0/0.0%	12/8.5%	17/21.8%	21/17.6%	0/0.0%
\$3-399,999	2/33.3%	0/0.0%	30/21.3%	36/46.2%	8/6.7%	1/25.0%
\$4-499,999	4/66.7%	0/0.0%	41/29.1%	8/10.3%	28/23.5%	0/0.0%
\$5-599,999	0/0.0%	0/0.0%	33/23.4%	6/7.7%	27/22.7%	0/0.0%
\$6-699,999	0/0.0%	0/0.0%	5/3.5%	5/6.4%	2/1.7%	0/0.0%
\$7-799,999	0/0.0%	0/0.0%	2/1.4%	5/6.4%	5/4.2%	0/0.0%
\$8-899,999	0/0.0%	0/0.0%	1/0.7%	1/1.3%	7/5.9%	0/0.0%
\$9-999,999	0/0.0%	0/0.0%	2/1.4%	0/0.0%	1/0.8%	0/0.0%
\$1-1,999,999	0/0.0%	0/0.0%	6/4.3%	0/0.0%	4/3.4%	0/0.0%
\$2,000,000 +	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%
Total	6/100.0%	0/0.0%	141/100.0%	78/100.0%	119/100.0%	4/100.0%

Source: Town Assessors, Fiscal Year 2012

Table 20: Assessed Values of Properties with Multiple Houses on One Lot by Town with Numbers/Percentages, 2012

Value	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
< \$200,000	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%
\$2-299,999	0/0.0%	0/0.0%	0/0.0%	3/1.4%	1/0.4%	0/0.0%
\$3-399,999	0/0.0%	0/0.0%	6/0.9%	18/8.3%	13/5.7%	1/0.4%
\$4-499,999	0/0.0%	0/0.0%	19/3.0%	49/22.6%	28/12.3%	1/0.4%
\$5-599,999	0/0.0%	0/0.0%	58/9.0%	47/21.7%	41/18.1%	8/2.9%
\$6-699,999	1/3.8%	6/2.8%	91/14.2%	25/11.5%	21/9.3%	29/10.5%
\$7-799,999	1/3.8%	10/4.7%	57/8.9%	12/5.5%	17/7.5%	61/22.2%
\$8-899,999	2/7.7%	16/7.5%	32/5.0%	11/5.1%	9/4.0%	33/12.0%
\$9-999,999	2/7.7%	11/5.2%	25/3.9%	5/2.3%	11/4.8%	27/9.8%
\$1-1,999,999	12/46.2%	74/34.9%	125/19.4%	36/16.6%	50/22.0%	73/26.5%
\$2,000,000 +	8/30.8%	95/44.8%	230/35.8%	11/5.1%	36/15.9%	42/15.3%
Total	26/100.0%	212/100.0	643/100.0%	217/100.0%	227/100.0%	275/100.0%

Source: Town Assessors, Fiscal Year 2012

Tisbury had an affordability gap of \$155,000 for single-family homes. This gap is the difference between what a median income household can afford (\$275,000) and the median priced unit (\$430,000). While this gap is the lower than the other communities on the Island with the exception of Oak Bluffs, it still suggests that it is very challenging to afford housing in town. There were only 137 single-family homes in Tisbury that would have been affordable to a household earning below median income, only 20 for those earning below 80% AMI.

Table 21: Affordability Gaps for Homeownership as of September 2012

Town	Median Income*	Affordable Price**	Median House Price***	Affordability Gap
Aquinnah	\$57,500	\$290,000	\$642,500	\$352,500
Chilmark	\$72,917	\$385,000	\$825,000	\$440,000
Edgartown	\$67,625	\$347,000	\$653,388	\$306,388
Oak Bluffs	\$59,156	\$280,000	\$374,000	\$94,000
Tisbury	\$58,551	\$275,000	\$430,000	\$155,000
West Tisbury	\$71,667	\$360,000	\$704,000	\$344,000
County	\$62,407	\$310,000	\$535,000	\$225,000

Source: Calculations provided by Karen Sunnarborg.

* Based on US Census Bureau estimates from its American Community Survey, 2008-2010, for Dukes County and 2006-2010 for the six towns.

** Figures based on interest of 5.0%, 30-year term, annual property tax rate of \$5.36 per thousand for Dukes County (this is based on an average of the tax rates for all six towns, weighted by the number of housing units) and the actual tax rates for each town (\$3.93 for Aquinnah, \$2.08 for Chilmark, \$3.43 for Edgartown, \$7.39 for Oak Bluffs, \$8.01 for Tisbury, and \$4.92 for West Tisbury), 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 80% financing.

*** Based on the Warren Group/Banker & Tradesman Town Stats figures of October 16, 2012.

Table 23: Relative Affordability of Single-family Units by Town, Numbers/Percentages, 2012

Income Range	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Less than 80% AMI**	4	7	23	8	20	16
80%** - 100% AMI*	0	5	64	211	117	23
100% - 150% AMI****	40	4	1,792	1,693	212	265
More than 150% AMI****	309	1,046	2,083	1,080	1,563	1,072
Total	353	1,062	3,962	2,992	1,912	1,376

Source: Town Assessors' Databases for Fiscal Year 2012.

* Based on US Census Bureau estimates from its American Community Survey, 2008-2010, for Dukes County.

** HUD 2012 Income Limits for the Dukes County MSA for a household of two (2), which is the average household size for owner-occupied units on the Vineyard (2.29 persons).

*** 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, weighed 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).

****Figures from Dukes County Regional Housing Authority.

Rental Housing

In regard to rentals, Census survey data counted 328 rental units, the most for any community on the Vineyard, with a median gross rental of \$1,111. This rental would require an income of approximately \$56,500 assuming \$300 per month in utility costs and paying no more than 30% of one's income on housing.

Table 22: Rental Costs with Numbers/Percentages, 2010

Value	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Under \$200	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%
\$200-299	0/0.0%	0/0.0%	0/0.0%	20/7.9%	0/0.0%	0/0.0%
\$300-499	0/0.0%	0/0.0%	0/0.0%	30/11.9%	19/5.8%	0/0.0%
\$500-749	0/0.0%	4/6.8%	7/2.6%	17/6.7%	10/3.0%	0/0.0%
\$750-999	6/17.1%	4/6.8%	37/13.8%	43/17.1%	90/27.4%	0/0.0%
\$1,000-1,499	27/77.1%	14/23.7%	150/56.0%	63/25.0%	37/11.3%	13/20.6%
\$1,500 +	2/5.7%	3/5.1%	31/11.6%	47/18.7%	115/35.1%	9/14.3%
No Cash Rent ⁶	0/0.0%	34/57.6%	43/16.0%	32/12.7%	57/17.4%	41/65.1%
Total*	35/100.0%	59/100.0%	268/100.0%	252/100.0%	328/100.0%	63/100.0%
Median Rent	\$1,180	\$1,141	\$1,302	\$1,000	\$1,111	\$1,212

Sources: US Census Bureau, American Community Survey 2006-2010.

Note: The estimates provided by the Census Bureau's American Community Survey substantially undercount the total number of occupied rental units in comparison to the actual 2010 census counts.

Subsidized Housing Inventory (SHI)

Out of the total 411 units included in the Island's Subsidized Housing Inventory (SHI), 109 or 5.55% of the town's year-round housing units were approved by the state as affordable.

Table 24: Tisbury's Subsidized Housing Inventory (SHI) by Town

Project Name	# SHI Units	Project Type/ Subsidizing Agency	Use of a Comp Permit	Affordability Expiration Date
Greenough House*	6	Rental/DHCD	No	Perpetuity
Hillside Village**	40	Rental/RHS	No	2025
Rectory*	3	Rental/DHCD	No	2017
Vineyard Village*	12	Rental/DHCD	No	2029
Hillside Village II**	10	Rental/HUD	Yes	2030
Hillside Village III**	5	Rental/DHCD & HUD	Yes	2035
Love Housing Apartments**	5	Rental/HUD	Yes	2042
Homeowner Rehab Program (Oak Bluffs)	9	Ownership/DHCD	No	2018
Homeowner Rehab Program (Tisbury)	13	Ownership/DHCD	No	2018
Fairwinds	3	Ownership/FHLBB & MassHousing	Yes	Perpetuity
Kelsey Project	1	Ownership/DHCD	Yes	2104
Habitat for Humanity/ Andrews Road	1	Ownership/DHCD	Yes	2106

⁶² No cash rent involves units where there are no formal rent payments.

Lamberts Cove Road	1	Ownership/DHCD	Yes	Perpetuity
Lake Street*(not on SHI)	4	Rental?/Town of Tisbury	?	
118 Franklin Street* (not on SHI)	9	Rental/		
Lagoon Pond* (not on SHI)	4	Rental/		
Total	109/5.55%	1,965 year-round units 81 or 74.3% were rentals		

Source: Massachusetts Department of Housing and Community Development, August 28, 2012

* Dukes County Regional Housing Authority units

** Island Elderly Housing units for seniors and individuals with disabilities

THE TOWN OF WEST TISBURY

INTRODUCTION

West Tisbury is the geographic center of the Island, and is dominated by more than 30 farms. As the agricultural hub, it hosts a farmers market every Saturday during the summer and an old-fashioned fair in August.

(We should include a map of the Island that identifies the boundaries of each town.)

DEMOGRAPHIC AND ECONOMIC PROFILE

Population Growth

West Tisbury had a population of 2,740 according to the 2010 US Census, which grew to 3,103 residents according to Town records as of October 2012, representing a recent growth rate of 13.2%. The town includes about 17% of the Island's population.

Table 1: Population Growth – Total Population and Percentage Change, 1930 to 2012 and 2020 Projections

Year	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury	Dukes County
1930	161/--	252/--	1,276/--	1,333/--	1,541/--	270/--	4,953/--
1940	127/-21.1%	226/-10.3%	1,370/7.4%	1,584/18.8%	1,966/27.6%	260/-3.7%	5,669/14.5%
1950	88/-30.7%	183/-19.0%	1,508/10.1%	1,521/-4.0%	1,930/-1.8%	347/33.5%	5,633/-0.6%
1960	103/17.0%	238/30.1%	1,474/-2.3%	1,419/-6.7%	2,169/12.4%	360/3.7%	5,829/3.5%
1970	118/14.6%	340/42.9%	1,481/0.5%	1,385/-2.4%	2,257/4.1%	453/25.8%	6,117/4.9%
1980	220/86.4%	489/43.8%	2,204/48.8%	1,984/43.2%	2,972/31.7%	1,010/123%	8,942/46.2%
1990	201/-8.6%	650/32.9%	3,062/38.9%	2,804/41.3%	3,120/5.0%	1,704/68.7%	11,639/30.2%
2000	344/71.1%	843/29.7%	3,779/23.4%	3,713/32.4%	3,755/20.4%	2,467/44.8%	14,987/28.8%
3/2010	311/-9.6%	866/2.7%	4,067/7.6%	4,527/21.9%	3,949/5.2%	2,740/11.1%	16,535/10.3%
2020/est.	466/49.8%	1,164/34.4%	5,619/38.2%	6,061/33.9%	4,501/14.0%	3,883/41.7%	21,694/31.2%
% 2010 County pop.	1.9%	5.2%	24.6%	27.4%	23.9%	16.6%	100.0%
2012	468 (as of 10-18-12)	1,183 (as of 10-1-12)	4,531 (as of 8-1-12)	4,737 (as of 9-19-12)	4,194 (as of 10-18-12)	3,103 (as of 10-18-12)	18,216
% 10/12 County pop.	2.6%	6.5%	24.9%	26.0%	23.0%	17.0%	100.0%

Sources: US Census Bureau 2010, projections from the Massachusetts Institute of Social and Economic Research (MISER), and Town Clerks from all six towns.

Note: There were also 75 residents of the town of Gosnold in Dukes County in 2010.

Racial Composition

West Tisbury had a relatively small minority population with 141 minority residents or 5.1% of all residents in 2010. These residents were spread among a number of minority groups, the highest being of Latino descent.

Table 2: Racial Composition by Town and Island-wide, 2010

Race	Aquinnah	Chilmark	Edgar-town	Oak Bluffs	Tisbury	West Tisbury	Dukes County
Minority Pop. *	132 (42.4%)	31 (3.6%)	476 (11.7%)	719 (15.9%)	541 (13.7%)	141 (5.1%)	2,043 (12.4%)
Black	5	15	102	220	144	25	511
Native Am.	83	2	20	44	17	17	183
Asian/Pac. Is.	1	2	26	57	18	20	138
Other	6	3	224	178	206	25	642
Latino **	15	7	99	110	118	35	384
Total Pop.	311	866	4,067	4,527	3,949	2,740	16,535

Source: US Census Bureau, 2010 * All non-White classifications ** Latino or Hispanic of any race.

Age Distribution

West Tisbury had a median age of 46.9% years, ranking 289 among the 351 municipalities in the state. The town had a significant population of baby boomers with 22% of residents in the 55 to 64 age range. It also had the *highest number of children* with 20% of the population under 18.

Table 3: Age Distribution by Town – Number/Percentage, 2010

Age Range	Aquinnah	Chilmark	Edgar-town	Oak Bluffs	Tisbury	West Tisbury
Under 18 Years	61/19.6%	156/18.0%	803/19.7%	867/19.2%	728/18.4%	547/20.0%
18 – 24 Years	22/7.1%	33/3.8%	232/5.7%	269/5.9%	260/6.6%	165/6.0%
25 – 34 Years	30/9.6%	76/8.8%	470/11.6%	534/11.8%	495/12.5%	242/8.8%
35 – 44 Years	42/13.5%	90/10.4%	540/13.3%	630/13.9%	535/13.5%	330/12.0%
45 – 54 Years	57/18.3%	137/15.8%	690/17.0%	773/17.1%	635/16.1%	467/17.0%
55 – 64 Years	70/22.5%	175/20.2%	711/17.5%	662/14.6%	637/16.1%	603/22.0%
Over 65 Years	29/9.3%	199/23.0%	621/15.3%	792/17.5%	659/16.7%	386/14.1%
Total	311/100.0%	866/100.0%	4,067/100%	4,527/100%	3,949/100%	2,740/100%
Median Age	45.5 Years	50.7 Years	44.8 Years	44.4 Years	44.3 Years	46.9 Years

Source: US Census Bureau, 2010

Table 4: State Ranking Regarding the Age of the Population by Town, 2010

Town	Pop. Growth 2000-2010	Median Age	State Rank	% Below Age 5	State Rank	Age 65 or Older	State Rank
Aquinnah	-9.6%	45.5	255	6.4%	322	9.3%	17
Chilmark	2.7%	50.7	329	4.2%	73	23.0%	332
Edgartown	7.6%	44.8	234	5.6%	250	15.3%	217
Oak Bluffs	21.9%	44.4	219	5.8%	279	17.5%	274
Tisbury	5.2%	44.3	214	5.0%	175	16.7%	254
W. Tisbury	11.1%	46.9	289	4.7%	146	14.1%	175
County	10.3%	45.3	--	5.3%	--	16.3%	--
State	1.03%	39.1	--	5.6%	--	13.8%	--

Source: US Census Bureau, 2010 Note: Rank of the 351 municipalities in Massachusetts

Households

About 61% of West Tisbury’s households were families, the highest level on the Island and likely correlated with the relatively high number of children. The average household size

was 2.26 persons, also the highest among Vineyard communities and related to the number of children.

Table 5: Household (Hh) Characteristics – Number/Percentage, 2010

Type of Household	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Total Hhs	145/100.0%	398/100.0%	1,794/100.0%	1,989/100.0%	1,806/100%	1,197/100.0%
Family Hhs*	81/55.9%	242/60.8%	1,074/59.9%	1,095/55.1%	975/54.0%	733/61.2
Female Heads of Families *	9/6.2%	14/3.5%	98/5.5%	94/4.7%	103/5.7%	69/5.8
Non-family Households*	64/44.1%	156/39.2%	720/40.1%	894/44.9%	831/46.0%	464/38.8
Ave. Hh Size	2.14 persons	2.16 persons	2.25 persons	2.24 persons	2.19 persons	2.26 persons

Source: US Census Bureau, 2010

Income

The town had a median per capita income of \$36,254 and a median household income \$71,667. It also had the highest median family income at \$91,389.

Table 6: Income Distribution by Town – Number/Percentage, 2010

Income	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	W. Tisbury
Under \$10,000	10/7.8	35/9.3	88/6.2	56/4.0	95/7.5	41/4.8%
10,000-24,999	19/14.8	17/4.5	127/8.9	239/17.0	154/12.2	98/11.4%
25,000-34,999	6/4.7	47/12.5	73/5.1	149/10.6	141/11.2	22/2.6%
35,000-49,999	25/19.5	38/10.1	262/18.4	191/13.6	98/7.8	103/12.0%
50,000-74,999	13/10.2	53/14.1	183/12.9	169/12.0	264/20.9	222/25.9%
75,000-99,999	12/9.4	52/13.9	340/23.9	277/19.7	137/10.9	123/14.4%
100,000-149,999	18/14.1	59/15.7	137/9.6	171/12.2	280/22.2	116/13.6%
150,000 +	25/19.5	74/19.7	213/15.0	151/10.8	92/7.3	136/15.9%
Total	128/100.0	375/100.0	1,423/100.0	1,403/100.0	1,261/100.0	856/100.0%
Per Capita Income	\$31,233	\$49,133	\$37,147	\$28,417	\$29,693	\$36,254

Source: US Census Bureau, American Community Survey, 2006-2010

Table 7: Median Income by Town, 1990 to 2010

Town	1990		2000		2010	
	Median Hh Income	Median Family Inc.	Median Hh Income	Median Family Inc.	Median Hh Income	Median Family Inc.
Aquinnah	\$18,250	\$27,500	\$45,208	\$45,458	\$57,500	\$83,750
Chilmark	34,375	40,625	41,917	63,750	72,917	88,958
Edgartown	36,285	43,803	50,407	55,153	67,625	79,219
Oak Bluffs	31,117	38,462	42,044	53,841	59,156	75,025
Tisbury	28,281	40,274	37,041	53,051	58,551	69,936
W. Tisbury	32,422	39,423	54,077	59,514	71,667	91,389
County	31,994	41,369	45,559	55,018	62,407	77,231

Source: US Census Bureau, 1990 and 2000 Summary File 3 and American Community Survey 2006-2010

Poverty

There were 260 individuals and 32 families living below the poverty line in 2010, representing 9.8% and 4.4% of all residents and families, respectively.

Table 8: Poverty Levels by Town – Number/Percentage, 2010

	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Individuals*	31/10.1	70/8.1	476/11.7	426/9.4	170/4.3	260/9.8
Families**	5/6.7	9/3.6	93/8.7	66/6.0	27/2.8	32/4.4
Female-headed Families***	4/50.0	4/25.0	0/0.0	9/9.5	0/0.0	0/0.0
Related Children Under 18 Years****	5/9.0	3/1.7	20/2.5	95/11.0	0/0.0	0/0.0
Individuals 65 Years and Over	4/14.8	16/8.1	0/0.0	63/7.9	117/17.8	10/2.6

Source: US Census Bureau, American Community Survey, 2006-2010

* Percentage of total population ** Percentage of all families

*** Percentage of all female-headed families **** Percentage of related children less than 18 years

***** Percentage of all individuals age 65+

Employment

West Tisbury has a growing employment base with 2,667 jobs as of August 2012, increasing by 766% between 1990 and 2011 from only 221 jobs.

Table 9: Average Annual Employment By Town, 1990 to 2011

Town	1990	2000	2011	August 2012	% Change 1990-2011
Aquinnah	59	225	201	281	241%
Chilmark	152	543	549	765	261%
Edgartown	1,451	2,484	2,642	3,682	82%
Oak Bluffs	1,210	2,336	2,811	3,919	132%
Tisbury	1,971	2,420	2,516	3,507	28%
West Tisbury	221	1,751	1,913	2,667	766%
Total	5,064	9,759	10,632	14,821	110%

Source: Massachusetts Executive Office of Labor and Workforce Development, October 2012

The average weekly wage was \$848 in 2011, the second highest on the Island next to Tisbury. This wage translates into an average monthly income of \$3,646. This income is insufficient to afford the median gross rent of \$1,212 in 2010 based on a household spending no more than 30% of its income on housing. This is a problem for all communities on the Island, demonstrating substantial affordability gaps.

Table 10: Average Weekly Wages in Comparison to Rental Housing Costs by Town

Town	Average Weekly Wage, 2011	Average Monthly Wage*	Maximum Housing Cost/Month**	Median Gross Rent, 2010
Aquinnah	\$706	\$3,036	\$610.74	\$1,180
Chilmark	\$727	\$3,126	\$637.83	\$1,141
Edgartown	\$798	\$3,431	\$729.42	\$1,302
Oak Bluffs	\$731	\$3,143	\$642.99	\$1,000
Tisbury	\$891	\$3,831	\$849.39	\$1,111
West Tisbury	\$848	\$3,646	\$793.92	\$1,212

Source: Massachusetts Executive Office of Labor and Workforce Development, October 2012; and US Census Bureau, American Community Survey 2006-2010

* Monthly income based on 4.3 times the weekly wage.

** Assumes a monthly utility allowance of \$300 and the household spending no more than 30% of their income on housing.

Table 11: Employment and Wages by Industry (Number of Establishments/Average Employment/Average Weekly Wages), 2011

Industry	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Agric., forestry, fishing, hunting					3/12/\$372	
Construction	3/5/\$1,188	4/10/\$785	73/242/\$1,274	38/76/\$904	69/201/\$1,020	32/118/1,102
Manufacturing					7/31/\$642	
Wholesale Trade			8/13/\$808	3/13/\$1,156	8/57/\$880	
Retail Trade		8/28/\$526	67/389/\$505	39/207/\$649	83/603/\$720	11/65/\$836
Transportation/Warehousing			16/132/\$709	5/19/\$683	12/71/\$926	4/58/\$706
Information			8/77/\$729	5/23/\$828	9/69/\$930	5/24/\$940
Finance/Ins.			9/96/\$1,337	4/27/\$962	8/68/\$1,069	
Real estate/rental/leasing			21/40/\$684	9/18/\$1,090	13/39/\$684	4/9/\$996
Professional/tech. services		3/2/\$5,952	21/76/\$1,122	7/10/\$757	35/117/\$1,264	11/30/\$975
Administrative/waste services		7/32/\$897	18/143/\$1,013	11/30/\$571	28/115/\$907	9/88/\$725
Educ. services				4/344/\$1,025		3/131/\$955
Health care/social assist.			8/33/\$729	7/123/\$755	25/570/\$1,182	6/21/\$498
Arts/entertainment/rec.			11/172/\$763	8/76/\$611	14/98/\$724	
Accommodation/food services			46/571/\$611	47/396/\$480	31/283/\$571	7/64/\$525
Other services		7/7/\$872	39/139/\$673	20/159/\$360	54/134/\$634	14/28/\$798
Public Administration	4/78/\$666		15/131/\$1,226			9/71/\$787
Total	11/92/\$706	53/253/\$727	372/2,442/\$798	225/1,682/\$731	414/2,619/\$891	128/757/\$848

Source: Massachusetts Executive Office of Labor and Workforce Development, October 2012

HOUSING PROFILE

Housing Growth

West Tisbury experienced the greatest housing growth between 1980 and 2000. From 2000 through early 2010, another 107 units were added to the housing stock with an additional 33 units built as of October 2012 for a total of 2,237 housing units.

Table 12: Housing Units by Year Structure Was Built by Town – Number/Percentage, 2010

Years	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
2000-2010	43/7.6%	89/5.4%	330/6.7%	206/4.8%	96/3.2%	107/5.0%
1990-1999	142/25.0%	367/22.2%	1,077/21.6%	614/14.4%	313/10.5%	506/23.7%
1980-1989	116/20.5%	263/15.9%	1,356/27.2%	1,101/25.9%	518/17.5%	701/32.9%
1970-1979	79/13.9%	294/17.8%	897/18.0%	598/14.0%	455/15.3%	210/9.8%
1960-1969	57/10.1%	193/11.7%	217/4.4%	145/3.4%	211/7.1%	123/5.8%
1950-1959	29/5.1%	118/7.1%	150/3.0%	93/2.2%	161/5.4%	94/4.4%
1940-1949	31/5.5%	70/4.2%	308/6.2%	104/2.4%	170/5.7%	0/0.0%
1939 or earlier	70/12.3%	257/15.6%	647/13.0%	1,396/32.8%	1,043/35.2%	391/18.3%
Total	567/100.0%	1,651/100%	4,962/100.0%	4,257/100.0%	2,967/100%	2,132/100%

Source: US Census Bureau, American Community Survey, 2006-2010

Because this is sample data, there are variations from the actual counts summarized in Table 14.

Types of Units and Structures

Of the 2,204 total housing units as of 2010, 951 or 43.1% were seasonal or second homes, the second lowest level of such units on the Island next to Tisbury. Of the year-round units, 72.2% were owner-occupied compared to rentals representing 27.8% of the housing stock. West Tisbury had the second highest level of owner-occupancy in comparison to the other towns exceeded only by Chilmark.

Table 13: Housing Characteristics by Town – Number/Percentage, 2010

Housing Characteristics	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Total # Units	503/100.0%	1,606/100%	5,220/100.0%	4,346/100%	3,094/100%	2,204/100%
Occupied Units *	145/28.8%	398/24.8%	1,794/34.4%	1,989/45.8%	1,806/58.4%	1,197/54.3%
Occ. Owner Units **	91/62.8%	294/73.9%	1,199/66.8%	1,319/66.3%	1,117/61.8%	864/72.2%
Occ. Rental Units **	54/37.2%	104/26.1%	595/33.2%	670/33.7%	689/38.2%	333/27.8%
Total Vacant Units- Seasonal & Occ. Units *	358-345/ 71.2%- 68.6%	1,208-1,188/ 75.2%- 74.0%	3,426-3,258/ 65.6%-62.4%	2,357-2,208/ 54.2%- 50.8%	1,288-1,129/ 41.6%- 36.5%	1,007-951/ 45.7%- 43.1%
Ave. Hh Size of Owner-Occ. Unit	2.09 persons	2.21 persons	2.25 persons	2.33 persons	2.26 persons	2.36 persons
Ave. Hh Size of Renter-Occ. Unit	2.24 persons	2.02 persons	2.25 persons	2.05 persons	2.06 persons	2.01 persons

Source: US Census Bureau, American Community Survey, 2006-2010

* Percentage of all housing units ** Percentage of occupied housing units

West Tisbury also had very little housing diversity with 92.9% of its units in single-family dwellings. Census data indicates that the town had 129 mobile homes as well, representing 6.1% of all units.

Table 14: Type of Structure by Town – Number/Percentage, 2010

Type of Structure	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
1-units/ detached and attached	553/97.5%	1,578/95.6%	4,716/94.7%	3,888/91.3%	2,600/87.6%	1,981/92.9%
2 to 9 units	8/1.4%	8/0.5%	107/2.1%	134/3.1%	339/11.4%	22/1.0%
10+ units	0/0.0%	0/0.0%	0/0.0%	98/2.3%	0/0.0%	0/0.0%
Mobile home	6/1.1%	65/3.9%	159/3.2%	137/3.2%	28/0.9%	129/6.1%
Other	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%
Total	567/100.0%	1,651/100.0%	4,982/100.0%	4,257/100.0%	2,967/100.0%	2,132/100.0%

Source: US Census Bureau, American Community Survey, 2006-2010

The community has experienced very little foreclosure activity with one (1) auction in 2012, and two (2) petitions to foreclose filed in 2011 and another two (2) such petitions in 2012.

Table 15: Foreclosure Activity by Town – 2011/January 1 through November 1, 2012

Type of Structure	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Foreclosure Auction	0/1	0/1	5/5	7/12	8/10	0/1
Petition to Foreclose	0/3	1/2	4/10	2/13	3/10	2/2

Source: Banker & Tradesman, November 6, 2012

Housing Costs and Affordability

Homeownership

Housing costs are high in West Tisbury with a median single-family house price of \$704,000 as of September 2012, from a high of \$866,000 in 2007. This median is the second highest on the Island, second only to Chilmark.

Table 16: Median Single-family Home Prices by Town, September 2012

Median Sales Price	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
1990	\$252,500	\$250,000	\$117,500	NA	NA	\$135,459
2000	\$875,000	\$912,500	\$327,000	\$270,000	\$299,950	\$435,000
2005	\$1,797,500	\$1,700,000	\$717,500	\$595,000	\$580,000	\$705,000
2007	\$1,350,000	\$2,800,000	\$700,000	\$532,250	\$672,500	\$866,000
2010	\$862,500	\$1,385,000	\$675,000	\$475,000	\$468,750	\$615,000
Sept. 2012	\$642,500	\$825,000	\$653,388	\$374,000	\$430,000	\$704,000

Source: Banker & Tradesman/The Warren Group, October 18, 2012

In regard to actual sales, there were 35 sales between August 2011 and October 2012, with a median of \$665,000. Only five (5) of these sales were for less than \$400,000 while 19 were in the \$400,000 to \$800,000 range with another ten (10) sales for over \$1 million.

Table 17: Distribution of Sales Prices by Town and Number/Percentage, August 1, 2011 to October 5, 2012

Sales Price Range	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
< \$199,999	0/0.0%	0/0.0%	3/2.7%	10/10.4%	3/4.6%	3/8.6%
\$2-299,999	0/0.0%	1/5.3%	9/8.1%	16/16.7%	13/20.0%	0/0.0%
\$3-399,999	0/0.0%	2/10.5%	11/9.9%	26/27.1%	14/21.5%	2/5.7%
\$4-499,999	2/22.2%	1/5.3%	21/18.9%	13/13.5%	9/13.8%	4/11.4%
\$5-599,999	1/11.1%	1/5.3%	11/9.9%	12/12.5%	9/13.8%	5/14.3%
\$6-699,999	0/0.0%	2/10.5%	11/9.9%	6/6.3%	5/7.7%	6/17.1%
\$7-799,999	1/11.1%	1/5.3%	8/7.2%	4/4.2%	4/6.2%	4/11.4%
\$8-899,999	1/11.1%	2/10.5%	7/6.3%	2/2.1%	0/0.0%	1/2.9%
\$9-999,999	1/11.1%	0/0.0%	3/2.7%	1/1.0%	2/3.1%	0/0.0%
\$1-1,999,999	1/11.1%	3/15.8%	17/15.3%	2/2.1%	2/3.1%	5/14.3%
\$2,000,000 +	2/22.2%	6/31.6%	10/9.0%	4/4.2%	4/6.2%	5/14.3%
Total	9/100.0%	19/100.0%	111/100.0%	96/100.0%	65/100.0%	35/100.0%
Median Price	\$808,000	\$1,250,000	\$600,000	\$378,000	\$430,000	\$665,000

Source: Banker & Tradesman/The Warren Group, October 23, 2012

Note: There were only five (5) condominium sales during this period, four (4) in Edgartown and one (1) in Oak Bluffs with prices ranging from a low of \$209,000 to a high of \$1.1 million.

Town Assessor data indicates that 38 of the 1,449 single-family homes were valued at less than \$300,000 and only 26 homes were assessed in the \$300,000 to \$400,000 range. More than half (52.3%) were valued between \$500,000 and \$800,000. *Almost one-quarter (23.3%) of West Tisbury's single-family homes were assessed for more than \$1 million.*

Table 18: Assessed Values of Single-family Homes by Town with Number/Percentage, 2012

Value	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
< \$200,000	2/0.5%	5/0.5%	12/0.3%	25/0.8%	5/0.3%	4/0.3%
\$2-299,999	4/1.0%	7/0.7%	67/1.9%	239/7.2%	100/5.0%	34/2.3%
\$3-399,999	14/3.7%	3/0.3%	273/7.8%	1,021/30.7%	560/28.2%	26/1.8%
\$4-499,999	18/4.7%	1/0.1%	674/19.3%	756/22.7%	395/19.8%	115/7.9%
\$5-599,999	16/4.2%	29/2.7%	609/17.5%	430/12.9%	220/11.0%	316/21.8%
\$6-699,999	16/4.2%	69/6.5%	365/10.5%	268/8.1%	121/6.1%	269/18.6%
\$7-799,999	26/6.8%	90/8.5%	217/6.2%	143/4.3%	74/3.7%	172/11.9%
\$8-899,999	26/6.8%	95/8.9%	138/4.0%	105/3.2%	76/3.8%	95/6.6%
\$9-999,999	31/8.1%	78/7.3%	198/5.7%	67/2.0%	49/2.5%	81/5.6%
\$1-1,999,999	195/51.0%	378/35.6%	574/16.5%	224/6.7%	226/11.4%	230/15.9%
\$2,000,000 +	34/8.9%	307/28.9%	361/10.3%	48/1.4%	165/8.3%	107/7.4%
Total	382/100.0%	1,062/100.0%	3,488/100%	3,326/100.0%	1,991/100	1,449/100.0%

Source: Town Assessors, Fiscal Year 2012

West Tisbury has only four (4) condominiums, three (3) of which were valued at less than \$200,000, which were likely subsidized. The town also had 275 properties that involved multiple houses on one (1) lot with 54.5% valued in the \$600,000 to \$1 million range and 41.8% at more than \$1 million.

Table 19: Assessed Values of Condominiums by Town with Numbers/Percentages, 2012

Value	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
< \$200,000	0/0.0%	0/0.0%	9/6.4%	0/0.0%	16/13.4%	3/75.0%
\$2-299,999	0/0.0%	0/0.0%	12/8.5%	17/21.8%	21/17.6%	0/0.0%
\$3-399,999	2/33.3%	0/0.0%	30/21.3%	36/46.2%	8/6.7%	1/25.0%
\$4-499,999	4/66.7%	0/0.0%	41/29.1%	8/10.3%	28/23.5%	0/0.0%
\$5-599,999	0/0.0%	0/0.0%	33/23.4%	6/7.7%	27/22.7%	0/0.0%
\$6-699,999	0/0.0%	0/0.0%	5/3.5%	5/6.4%	2/1.7%	0/0.0%
\$7-799,999	0/0.0%	0/0.0%	2/1.4%	5/6.4%	5/4.2%	0/0.0%
\$8-899,999	0/0.0%	0/0.0%	1/0.7%	1/1.3%	7/5.9%	0/0.0%
\$9-999,999	0/0.0%	0/0.0%	2/1.4%	0/0.0%	1/0.8%	0/0.0%
\$1-1,999,999	0/0.0%	0/0.0%	6/4.3%	0/0.0%	4/3.4%	0/0.0%
\$2,000,000 +	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%
Total	6/100.0%	0/0.0%	141/100.0%	78/100.0%	119/100.0%	4/100.0%

Source: Town Assessors, Fiscal Year 2012

Table 20: Assessed Values of Properties with Multiple Houses on One Lot by Town with Numbers/Percentages, 2012

Value	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
< \$200,000	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%
\$2-299,999	0/0.0%	0/0.0%	0/0.0%	3/1.4%	1/0.4%	0/0.0%
\$3-399,999	0/0.0%	0/0.0%	6/0.9%	18/8.3%	13/5.7%	1/0.4%
\$4-499,999	0/0.0%	0/0.0%	19/3.0%	49/22.6%	28/12.3%	1/0.4%
\$5-599,999	0/0.0%	0/0.0%	58/9.0%	47/21.7%	41/18.1%	8/2.9%
\$6-699,999	1/3.8%	6/2.8%	91/14.2%	25/11.5%	21/9.3%	29/10.5%
\$7-799,999	1/3.8%	10/4.7%	57/8.9%	12/5.5%	17/7.5%	61/22.2%
\$8-899,999	2/7.7%	16/7.5%	32/5.0%	11/5.1%	9/4.0%	33/12.0%
\$9-999,999	2/7.7%	11/5.2%	25/3.9%	5/2.3%	11/4.8%	27/9.8%
\$1-1,999,999	12/46.2%	74/34.9%	125/19.4%	36/16.6%	50/22.0%	73/26.5%
\$2,000,000 +	8/30.8%	95/44.8%	230/35.8%	11/5.1%	36/15.9%	42/15.3%
Total	26/100.0%	212/100.0	643/100.0%	217/100.0%	227/100.0%	275/100.0%

Source: Town Assessors, Fiscal Year 2012

West Tisbury had an affordability gap of \$344,000 for single-family homes, among the highest on the Island. This gap is the difference between what a median income household can afford (\$360,000) and the median priced unit (\$704,000). This gap suggests that it is extremely challenging to afford housing in town. There were only 39 single-family homes in West Tisbury that would have been affordable to a household earning below median income, only three (3) for those earning below 80% AMI.

Table 21: Affordability Gaps for Homeownership as of September 2012

Town	Median Income *	Affordable Price **	Median House Price ***	Affordability Gap
Aquinnah	\$57,500	\$290,000	\$642,500	\$352,500
Chilmark	\$72,917	\$385,000	\$825,000	\$440,000
Edgartown	\$67,625	\$347,000	\$653,388	\$306,388
Oak Bluffs	\$59,156	\$280,000	\$374,000	\$94,000
Tisbury	\$58,551	\$275,000	\$430,000	\$155,000
West Tisbury	\$71,667	\$360,000	\$704,000	\$344,000
County	\$62,407	\$310,000	\$535,000	\$225,000

Source: Calculations provided by Karen Sunnarborg.

* Based on US Census Bureau estimates from its American Community Survey, 2008-2010, for Dukes County and 2006-2010 for the six towns.

** Figures based on interest of 5.0%, 30-year term, annual property tax rate of \$5.36 per thousand for Dukes County (this is based on an average of the tax rates for all six towns, weighted by the number of housing units) and the actual tax rates for each town (\$3.93 for Aquinnah, \$2.08 for Chilmark, \$3.43 for Edgartown, \$7.39 for Oak Bluffs, \$8.01 for Tisbury, and \$4.92 for West Tisbury), 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 80% financing.

*** Based on the Warren Group/Banker & Tradesman Town Stats figures of October 16, 2012.

Table 23: Relative Affordability of Single-family Units by Town, Numbers/Percentages, 2012

Income Range	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Less than 80% AMI**	4	7	23	8	20	16
80%** - 100% AMI*	0	5	64	211	117	23
100% - 150% AMI ****	40	4	1,792	1,693	212	265
More than 150% AMI****	309	1,046	2,083	1,080	1,563	1,072
Total	353	1,062	3,962	2,992	1,912	1,376

Source: Town Assessors' Databases for Fiscal Year 2012.

* Based on US Census Bureau estimates from its American Community Survey, 2008-2010, for Dukes County.

** HUD 2012 Income Limits for the Dukes County MSA for a household of two (2), which is the average household size for owner-occupied units on the Vineyard (2.29 persons).

*** 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, weighed 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).

**** Figures from Dukes County Regional Housing Authority.

Rental Housing

In regard to rentals, Census survey data counted 63 rental units with a median gross rental of \$1,212. This rental would require an income of approximately \$60,500 assuming \$300 per month in utility costs and paying no more than 30% of one's income on housing. *Almost two-thirds of the rental units (65.1%) involved no formal cash payment.*

Table 22: Rental Costs with Numbers/Percentages, 2010

Value	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury
Under \$200	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%	0/0.0%
\$200-299	0/0.0%	0/0.0%	0/0.0%	20/7.9%	0/0.0%	0/0.0%
\$300-499	0/0.0%	0/0.0%	0/0.0%	30/11.9%	19/5.8%	0/0.0%
\$500-749	0/0.0%	4/6.8%	7/2.6%	17/6.7%	10/3.0%	0/0.0%
\$750-999	6/17.1%	4/6.8%	37/13.8%	43/17.1%	90/27.4%	0/0.0%
\$1,000-1,499	27/77.1%	14/23.7%	150/56.0%	63/25.0%	37/11.3%	13/20.6%
\$1,500 +	2/5.7%	3/5.1%	31/11.6%	47/18.7%	115/35.1%	9/14.3%
No Cash Rent ⁶³	0/0.0%	34/57.6%	43/16.0%	32/12.7%	57/17.4%	41/65.1%
Total*	35/100.0%	59/100.0%	268/100.0%	252/100.0%	328/100.0%	63/100.0%
Median Rent	\$1,180	\$1,141	\$1,302	\$1,000	\$1,111	\$1,212

Source: US Census Bureau, American Community Survey 2006-2010.

Note: The estimates provided by the Census Bureau's American Community Survey substantially undercount the total number of occupied rental units in comparison to the actual 2010 census counts.

Subsidized Housing Inventory (SHI)

Out of the total 411 units included in the Island's Subsidized Housing Inventory (SHI), 23 or 1.84% of the town's year-round housing units were approved by the state as affordable.

Table 24: West Tisbury's Subsidized Housing Inventory (SHI) by Town

Project Name	# SHI Units	Project Type/ Subsidizing Agency	Use of a Comp Permit	Affordability Expiration Date
West Tisbury				
Sepiessa Rental Housing*	4	Ownership/DHCD	Yes	Perpetuity
Island Cohousing	4	Ownership/FHLBB	Yes	Perpetuity
Halcyon Way Apartments*	2	Rental/MassHousing	Yes	2101
Shovelhead Realty Trust	1	Ownership/FHLBB	Yes	Perpetuity
Homeowners Rehab Program (Oak Bluffs)	12	Ownership/DHCD	No	2017-2019
Total	23/1.84%	1,253 year-round units 2 or 8.7% were rentals		

Source: Massachusetts Department of Housing and Community Development, August 28, 2012

* Dukes County Regional Housing Authority units

⁶³ No cash rent involves units where there are no formal rent payments.

APPENDIX 3

Glossary of Housing Terms

Affordable Housing

A subjective term, but as used in this Plan, refers to housing available to a household earning no more than 80% of area median income at a cost that is no more than 30% of total household income.

Area Median Income (AMI)

The estimated median income, adjusted for family size, by metropolitan area (or county in nonmetropolitan areas) that is adjusted by HUD annually and used as the basis of eligibility for most housing assistance programs. Sometimes referred to as “MFI” or median family income.

Chapter 40B

The state’s comprehensive permit law, enacted in 1969, established an affordable housing goal of 10% for every community. In communities below the 10% goal, developers of low- and moderate-income housing can seek an expedited local review under the comprehensive permit process and can request a limited waiver of local zoning and other restrictions, which hamper construction of affordable housing. Developers can appeal to the state if their application is denied or approved with conditions that render it uneconomic, and the state can overturn the local decision if it finds it unreasonable in light of the need for affordable housing.

Chapter 44B

The Community Preservation Act Enabling Legislation that allows communities, at local option, to establish a Community Preservation Fund to preserve open space, historic resources and community housing, by imposing a surcharge of up to 3% on local property taxes. The state provides matching funds from its own Community Preservation Trust Fund, generated from an increase in certain Registry of Deeds’ fees.

Comprehensive Permit

Expedited permitting process for developers building affordable housing under Chapter 40B “anti-snob zoning” law. A comprehensive permit, rather than multiple individual permits from various local boards, is issued by the local zoning boards of appeals to qualifying developers.

Department of Housing and Community Development (DHCD)

DHCD is the state’s lead agency for housing and community development programs and policy. It oversees state-funded public housing, administers rental assistance programs, provides funds for municipal assistance, and funds a variety of programs to stimulate the development of affordable housing.

Fair Housing Act

Federal legislation, first enacted in 1968, that provides the Secretary of HUD with investigation and enforcement responsibilities for fair housing practices. It prohibits discrimination in housing and lending based on race, color, religion, sex, national origin, handicap, or familial status. There is also a Massachusetts Fair Housing Act, which extends the prohibition against discrimination to sexual orientation, marital status, ancestry, veteran status, children, and age. The state law also

prohibits discrimination against families receiving public assistance or rental subsidies, or because of any requirement of these programs.

Inclusionary Zoning

A zoning ordinance or bylaw that requires a developer to include affordable housing as part of a development or contribute to a fund for such housing.

Infill Development

The practice of building on vacant or undeveloped parcels in dense areas, especially urban and inner suburban neighborhoods. Promotes compact development, which in turn allows undeveloped land to remain open and green.

Local Initiative Program (LIP)

A state program under which communities may use local resources and DHCD technical assistance to develop affordable housing that is eligible for inclusion on the state Subsidized Housing Inventory (SHI). LIP is not a financing program, but the DHCD technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. At least 25% of the units must be set-aside as affordable to households earning less than 80% of area median income.

MassHousing (formerly the Massachusetts Housing Finance Agency, MHFA)

A quasi-public agency created in 1966 to help finance affordable housing programs. MassHousing sells both tax-exempt and taxable bonds to finance its many single-family and multi-family programs.

Metropolitan Statistical Area (MSA)

The term is also used for CMSAs (consolidated metropolitan statistical areas) and PMSAs (primary metropolitan statistical areas) that are geographic units used for defining urban areas that are based largely on commuting patterns. The federal Office of Management and Budget defines these areas for statistical purposes only, but many federal agencies use them for programmatic purposes, including allocating federal funds and determining program eligibility. HUD uses MSAs as its basis for setting income guidelines and fair market rents.

Mixed-Income Housing Development

Development that includes housing for various income levels.

Mixed-Use Development

Projects that combine different types of development such as residential, commercial, office, industrial and institutional into one project.

Overlay Zoning

A zoning district, applied over one or more other districts that contains additional provisions for special features or conditions, such as historic buildings, affordable housing, or wetlands.

Public Housing Agency (PHA)

A public entity that operates housing programs: includes state housing agencies (including DHCD), housing finance agencies and local housing authorities. This is a HUD definition that is used to describe the entities that are permitted to receive funds or administer a wide range of

HUD programs including public housing and Section 8 rental assistance. The Dukes County Regional Housing Authority serves as the Island's public housing agency.

Regional Non-Profit Housing Organizations

Regional non-profit organizations include nine private, non-profit housing agencies, which administer the Section 8 Program on a statewide basis, under contract with DHCD. Each agency serves a wide geographic region. Collectively, they cover the entire state and administer over 15,000 Section 8 vouchers. In addition to administering Section 8 subsidies, they administer state-funded rental assistance (MRVP) in communities without participating local housing authorities. They also develop affordable housing and run housing rehabilitation and weatherization programs, operate homeless shelters, run homeless prevention and first-time homebuyer programs, and offer technical assistance and training programs for communities. The Housing Assistance Corporation (HAC) serves as the Island's regional non-profit organization.

Regional Planning Agencies (RPAs)

These are public agencies that coordinate planning in each of thirteen regions of the state. They are empowered to undertake studies of resources, problems, and needs of their districts. They provide professional expertise to communities in areas such as master planning, affordable housing and open space planning, and traffic impact studies. In the case of the Cape Cod and Dukes County, the RPA's are land use regulatory agencies as well as planning agencies. The Martha's Vineyard Commission (MVC) serves as the Island's regional planning agency.

Request for Proposals (RFP)

A process for soliciting applications for funding when funds are awarded competitively or soliciting proposals from developers as an alternative to lowest-bidder competitive bidding.

Section 8

Refers to the major federal (HUD) program – actually a collection of programs – providing rental assistance to low-income households to help them pay for housing. Participating tenants pay 30% of their income (some pay more) for housing (rent and basic utilities) and the federal subsidy pays the balance of the rent. The Program is now officially called the Housing Choice Voucher Program.

Smart Growth

The term used to refer to a rapidly growing and widespread movement that calls for a more coordinated, environmentally sensitive approach to planning and development. A response to the problems associated with unplanned, unlimited suburban development – or sprawl – smart growth principles call for more efficient land use, compact development patterns, less dependence on the automobile, a range of housing opportunities and choices, and improved jobs/housing balance.

Subsidy

Typically refers to financial assistance that fills the gap between the costs of any affordable housing development and what the occupants can afford based on program eligibility requirements. Many times multiple subsidies from various funding sources are required, often referred to as the “layering” of subsidies, in order to make a project feasible. In the state's Local Initiative Program (LIP), DHCD's technical assistance qualifies as a subsidy and enables locally

supported developments that do not require other financial subsidies to use the comprehensive permit process. Also, “internal subsidies” refers to those developments that do not have an external source(s) of funding for affordable housing, but use the value of the market units to “cross subsidize” the affordable ones.

Subsidized Housing Inventory (SHI)

This is the official list of units, by municipality, that count toward a community’s 10% goal as prescribed by Chapter 40B comprehensive permit law.

US Department of Housing and Urban Development (HUD)

The primary federal agency for regulating housing, including fair housing and housing finance. It is also the major federal funding source for affordable housing programs.

APPENDIX 4

Summary of Housing Regulations and Resources

I. SUMMARY OF HOUSING REGULATIONS

A. Chapter 40B Comprehensive Permit Law

The Massachusetts Comprehensive Permit Law, Chapter 40B Sections 20-23 of the General Laws, was enacted as Chapter 774 of the Acts of 1969 to encourage the construction of affordable housing throughout the state, particularly outside of cities. Often referred to as the Anti-Snob Zoning Act, it requires all communities to use a streamlined review process through the local Zoning Board of Appeals for “comprehensive permits” submitted by developers for projects proposing zoning and other regulatory waivers and incorporating affordable housing for at least 25% of the units. Only one application is submitted to the ZBA instead of separate permit applications that are typically required by a number of local departments as part of the normal development process. Here the ZBA takes the lead and consults with the other relevant departments (e.g., building department, planning department, highway department, fire department, sanitation department, etc.) on a single application. The Conservation Commission retains jurisdiction under the Wetlands Protection Act and Department of Environmental Protection, the Building Inspector applies the state building code, and the Board of Health enforces Title V.

For a development to qualify under Chapter 40B, it must meet all of the following requirements:

- Must be part of a “subsidized” development built by a public agency, non-profit organization, or limited dividend corporation.
- At least 25% of the units in the development must be income restricted to households with incomes at or below 80% of area median income and have rents or sales prices restricted to affordable levels income levels defined each year by the US Department of Housing and Urban Development.
- Affordability restrictions must be in effect in perpetuity unless there is a justification for a shorter term that must be approved by DHCD.
- Development must be subject to a regulatory agreement and monitored by a public agency or non-profit organization.
- Project sponsors must meet affirmative marketing requirements.

According to Chapter 40B regulations, the ZBA decision to deny or place conditions on a comprehensive permit project cannot be appealed by the developer if any of the following conditions are met⁶⁴:

- The community has met the “statutory minima” by having at least 10% of its year-round housing stock affordable as defined by Chapter 40B, at least 1.5% of the community’s land area includes affordable housing as defined again by 40B, or annual affordable housing construction is on at least 0.3% of the community’s land area.

⁶⁴ Section 56.03 of the new Chapter 40B regulations.

- The community has made “recent progress” adding SHI eligible housing units during the prior 12 months equal at least to 2% of its year-round housing.
- The community has a one- or two-year exemption under Planned Production.
- The application is for a “large project” that equals at least 6% of all housing units in a community with less than 2,500 housing units.
- A “related application” for the site was filed, pending or withdrawn within 12 months of the application.

If a municipality does not meet any of the above thresholds, it is susceptible to appeals by comprehensive permit applicants of the ZBA’s decision to the state’s Housing Appeals Committee (HAC). This makes the Town susceptible to a state override of local zoning if a developer chooses to create affordable housing through the Chapter 40B comprehensive permit process.⁶⁵ Recently approved regulations add a new requirement that ZBA’s provide early written notice (within 15 days of the opening of the local hearing) to the applicant and to DHCD if they intend to deny or condition the permit based on the grounds listed above that make the application appeal proof, providing documentation for its position. Under these circumstances, municipalities can count projects with approved comprehensive permits that are under legal approval, but not by the ZBA, at the time.

If the applicant appeals the use of these “appeals proof” grounds, DHCD will review materials from the ZBA and applicant and issue a decision within 30 days of receipt of the appeal (failure to issue a decision is a construction approval of the ZBA’s position). Either the ZBA or applicant can appeal DHCD’s decision by filing an interlocutory appeal with the Housing Appeals Committee (HAC) within 20 days of receiving DHCD’s decision. If a ZBA fails to follow this procedure, it waives its right to deny a permit on these “appeal-proof” grounds.

Recent changes to Chapter 40B also address when a community can count a unit as eligible for inclusion in the SHI including:

- *40R*
Units receiving zoning approval under 40R count when the permit or approval is filed with the municipal clerk provided that no appeals are filed by the board or when the last appeal is fully resolved, similar to a comprehensive permit project.
- *Certificate of Occupancy*
Units added to the SHI on the basis of receiving building permits become temporarily ineligible if the C of O is not issued within 18 months.
- *Large Phased Projects*

⁶⁵ Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

If the comprehensive permit approval or zoning approval allows a project to be built in phases and each phase includes at least 150 units and average time between the start of each phase is 15 months or less, then the entire project remains eligible for the SHI as long as the phasing schedule set forth in the permit approval continues to be met.

- *Projects with Expired Use Restrictions*
Units become ineligible for inclusion in the SHI upon expiration or termination of the initial use restriction unless a subsequent use restriction is imposed.
- *Biennial Municipal Reporting*
Municipalities are responsible for providing the information on units that should be included in the SHI through a statement certified by the chief executive officer.

Towns are allowed to set-aside up to 70% of the affordable units available in a 40B development for those who have a connection to the community as defined under state guidelines including current residents, municipal employees, or employees of businesses located in town. It is also worth noting that the Town, through its Affirmative Fair Housing Marketing Plan, must demonstrate the associated local need for the community preference and insure that there will be no discriminatory impacts with the use of community preference.

While there are ongoing discussions regarding how the state should count the affordable units for the purpose of determining whether a community has met the 10% goal, in a rental project if the subsidy applies to the entire project, all units are counted towards the state standard. For homeownership projects, only the units made affordable to those households earning within 80% of median income can be attributed to the affordable housing inventory.

There are up to three stages in the 40B process – the project eligibility stage, the application stage, and at times the appeals stage. First, the applicant must apply for eligibility of a proposed 40B project/site from a subsidizing agency. Under Chapter 40B, subsidized housing is not limited exclusively to housing receiving direct public subsidies but also applies to privately-financed projects receiving technical assistance from the State through its Local Initiative Program (LIP) or through MassHousing (Housing Starts Program), Federal Home Loan Bank Board (New England Fund), MassDevelopment, and Massachusetts Housing Partnership Fund. The subsidizing agency then forwards the application to the local Board of Selectmen for a 30-day comment period. The Board of Selectmen solicits comments from Town officials and other boards and based on their review the subsidizing agency typically issues a project eligibility letter. Alternatively, a developer may approach the Board of Selectmen for their endorsement of the project, and the Selectmen can submit an application to DHCD for certification under the Local Initiative Program (for more information see description in Section I.E below).

Recent changes to 40B regulations expands the items a subsidizing agency must consider when determining site eligibility including:

- Information provided by the municipality or other parties regarding municipal actions previously taken to meet affordable housing needs, including inclusionary zoning, multi-family districts and 40R overlay zones.
- Whether the conceptual design is appropriate for the site including building massing, topography, environmental resources, and integration into existing development patterns.

- That the land valuation, as included in the pro forma, is consistent with DHCD guidelines regarding cost examination and limitations on profits and distribution.
- Requires that LIP site approval applications be submitted by the municipality's chief executive officer.
- Specifies that members of local boards can attend the site visit conducted during DHCD's 30-day review period.
- Requires that the subsidizing agency provide a copy of its determination of eligibility to DHCD, the chief executive officer of the municipality, the ZBA and the applicant.

If there are substantial changes to a project before the ZBA issues its decision, the subsidizing agency can defer the re-determination of site/project eligibility until the ZBA issues its decision unless the chief executive officer of the municipality or applicant requests otherwise. New 40B regulations provide greater detail on this re-determination process. Additionally, challenges to project eligibility determinations can only be made on the grounds that there has been a substantial change to the project that affects project eligibility requirements and leaves resolution of the challenge to the subsidizing agency.

The next stage in the comprehensive permit process is the application phase including pre-hearing activities such as adopting rules before the application is submitted, setting a reasonable filing fee, providing for technical "peer review" fees, establishing a process for selecting technical consultants, and setting forth minimum application submission requirements. Failure to open a public hearing within 30 days of filing an application can result in constructive approval. The public hearing is the most critical part of the whole application process. Here is the chance for the Zoning Board of Appeals' consultants to analyze existing site conditions, advise the ZBA on the capacity of the site to handle the proposed type of development, and to recommend alternative development designs. Here is where the ZBA gets the advice of experts on unfamiliar matters – called peer review. Consistency of the project with local needs is the central principal in the review process.

Another important component of the public hearing process is the project economic analysis that determines whether conditions imposed and waivers denied would render the project "uneconomic". The burden of proof is on the applicant, who must prove that it is impossible to proceed and still realize a reasonable return, which cannot be more than 20%. Another part of the public hearing process is the engineering review. The ZBA directs its consultants to analyze the consistency of the project with local bylaws and regulations and to examine the feasibility of alternative designs.

More recent Chapter 40B regulations now add a number of requirements related to the hearing process that include:

- The hearing must be terminated within 180 days of the filing of a complete application unless the applicant consents to extend.
- Allows communities already considering three (3) or more comprehensive permit applications to stay a hearing on additional applications if the total units under consideration meet the definition of a large project (larger of 300 units or 2% of housing in communities with 7,500 housing units as of the latest Census, 250 units in communities with 5,001 to 7,499 total units, 200 units in communities with 2,500 to 5,000 units, and 150 units or 10% of housing in communities with less than 2,500 units).

- Local boards can adopt local rules for the conduct of their hearings, but they must obtain an opinion from DHCD that these rules are consistent with Chapter 40B.
- Local boards cannot impose “unreasonable or unnecessary” time or cost burdens on an applicant and cannot require an applicant to pay legal fees for general representation of the ZBA or other boards. The new requirements go into the basis of the fees in more detail, but as a general rule the ZBA may not assess any fee greater than the amount that might be appropriated from town or city funds to review a project of a similar type and scale.
- An applicant can appeal the selection of a consultant within 20 days of the selection on the grounds that the consultant has a conflict of interest or lacks minimum required qualifications.
- Specifies and limits the circumstances under which ZBA’s can review pro formas.
- Zoning waivers are only required under “as of right” requirements, not from special permit requirements.
- Forbids ZBA’s from imposing conditions that deviate from the project eligibility requirements or that would require the project to provide more affordable units than the minimum threshold required by DHCD guidelines.
- States that ZBA’s cannot delay or deny an application because a state or federal approval has not been obtained.
- Adds new language regarding what constitutes an uneconomic condition including requiring applicants to pay for off-site public infrastructure or improvements if they involve pre-existing conditions, are not usually imposed on unsubsidized housing or are disproportionate to the impacts of the proposed development or require a reduction in the number of units other than on a basis of legitimate local concerns (health, safety, environment, design, etc.). Also states that a condition shall not be considered uneconomic if it would remove or modify a proposed nonresidential element of a project that is not allowed by right.

After the public hearing is closed, the ZBA must set-aside at least two sessions for deliberations within 40 days of the close of the hearing. These deliberations can result in either approval, approval with conditions, or denial.

Subsidizing agencies are required to issue final project eligibility approvals following approval of the comprehensive permit reconfirming project eligibility, including financial feasibility, and approving the proposed use restriction and finding that the applicant has committed to complying with cost examination requirements. New Chapter 40B regulations set forth the basic parameters for insuring that profit limitations are enforced, while leaving the definition of “reasonable return” to the subsidizing agency in accordance with DHCD guidelines. The applicant or subsequent developer must submit a detailed financial statement, prepared by a certified public accountant, to the subsidizing agency in a form and upon a schedule determined by the DHCD guidelines.

If the process heads into the third stage – the appeals process – the burden is on the ZBA to demonstrate that the denial is consistent with local needs, meaning the public health and safety and environmental concerns outweigh the regional need for housing. If a local ZBA denies the permit, a state Housing Appeals Committee (HAC) can overrule the local decision if less than 10% of the locality’s year round housing stock has been subsidized for households earning less than 80% of median income, if the locality cannot demonstrate health and safety reasons for the denial.

that cannot be mitigated, or if the community has not met housing production goals based on an approved plan or other statutory minima listed above. The HAC has upheld the developer in the vast majority of the cases, but in most instances promotes negotiation and compromise between the developer and locality. In its 30-year history, only a handful of denials have been upheld on appeal. The HAC cannot issue a permit, but may only order the ZBA to issue one. Also, any aggrieved person, except the applicant, may appeal to the Superior Court or Land Court, but even for abutters, establishing “standing” in court is an uphill battle. Appeals from approvals are often filed to force a delay in commencing a project, but the appeal must demonstrate “legal error” in the decision of the ZBA or HAC.

B. Housing Production Regulations

As part of the Chapter 40B comprehensive permit regulations, the Massachusetts Department of Housing and Community Development (DHCD) is administering the Housing Production Program in accordance with regulations that enable cities and towns to do the following:

- Prepare and adopt an Housing Production Plan that demonstrates production of an increase of .05% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory (39 units and 79 units, respectively, for Martha’s Vineyard) for *approval* by DHCD.⁶⁶
- Request *certification* of compliance with the plan by demonstrating production of at least the number of units indicated above.
- Through local ZBA action, deny a comprehensive permit application during the period of certified compliance, which is 12 months following submission of the production documentation to DHCD, or 24 months if the 1.0% threshold is met.

For the plan to be acceptable to DHCD it must meet the following requirements:

- Include a comprehensive housing needs assessment to establish the context for municipal action based on the most recent census data. The assessment must include a discussion of municipal infrastructure based on future planned improvements.
- Address a mix of housing consistent with identified needs and market conditions.
- Address the following strategies including -
 - Identification of geographic areas in which land use regulations will be modified to accomplish affordable housing production goals.
 - Identification of specific sites on which comprehensive permit applications will be encouraged.
 - Preferable characteristics of residential development such as infill housing, clustered areas, and compact development.
 - Municipally owned parcels for which development proposals will be sought.
 - Participation in regional collaborations addressing housing development.

Plans must be adopted by the Board of Selectmen and Planning Board, and the term of an approved plan is five (5) years.

⁶⁶ Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

C. Chapter 40R/40S

In 2004, the State Legislature approved a new zoning tool for communities in recognition that escalating housing prices, now beyond the reach of increasing numbers of state residents, are causing graduates from area institutions of higher learning to relocate to other areas of the country in search of greater affordability. The Commonwealth Housing Task Force, in concert with other organizations and institutions, developed a series of recommendations, most of which were enacted by the State Legislature as Chapter 40R of the Massachusetts General Laws. The key components of these regulations are that “the state provide financial and other incentives to local communities that pass Smart Growth Overlay Zoning Districts that allow the building of single-family homes on smaller lots and the construction of apartments for families at all income levels, and the state increase its commitment to fund affordable housing for families of low and moderate income”.⁶⁷

The statute defines 40R as “a principle of land development that emphasizes mixing land uses, increases the availability of affordable housing by creating a range of housing opportunities in neighborhoods, takes advantage of compact design, fosters distinctive and attractive communities, preserves opens space, farmland, natural beauty and critical environmental areas, strengthens existing communities, provides a variety of transportation choices, makes development decisions predictable, fair and cost effective and encourages community and stakeholder collaboration in development decisions.”⁶⁸ The key components of 40R include:

- Allows local option to adopt Overlay Districts near transit, areas of concentrated development, commercial districts, rural village districts, and other suitable locations;
- Allows “as-of-right” residential development of minimum allowable densities;
- Provides that 20% of the units be affordable;
- Promotes mixed-use and infill development;
- Provides two types of payments to municipalities; and
- Encourages open space and protects historic districts.

The incentives prescribed by the Task Force and passed by the Legislature include an incentive payment upon the passage of the Overlay District based on the number of projected housing units as follows:

Incentive Units	Payments
Up to 20	\$10,000
21-100	\$75,000
101-200	\$200,000
210-500	\$350,000
501 or more	\$600,000

There are also density bonus payments of \$3,000 for each residential unit issued a building permit. To be eligible for these incentives the Overlay Districts need to allow mixed-use

⁶⁷ Edward Carman, Barry Bluestone, and Eleanor White for The Commonwealth Housing Task Force, “A Housing Strategy for Smart Growth and Economic Development: Executive Summary”, October 30, 2003, p. 3.

⁶⁸ Massachusetts General Law, Chapter 40R, Section 11.

development and densities of 20 units per acre for apartment buildings, 12 units per acre for two and three-family homes, and at least eight units per acre for single-family homes. Communities with populations of less than 10,000 residents are eligible for a waiver of these density requirements, however significant hardship must be demonstrated. The Zoning Districts would also encourage housing development on vacant infill lots and in underutilized nonresidential buildings. The Task Force emphasizes that Planning Boards, which would enact the Zoning Districts, would be “able to ensure that what is built in the District is compatible with and reflects the character of the immediate neighborhood.”⁶⁹

The principal benefits of 40R include:

- Expands a community’s planning efforts;
- Allows communities to address housing needs;
- Allows communities to direct growth;
- Can help communities meet planned production goals and 10% threshold under Chapter 40B;
- Can help identify preferred locations for 40B developments; and
- State incentive payments.

The formal steps involved in creating Overlay Districts are as follows:

- The Town holds a public hearing as to whether to adopt an Overlay District per the requirements of 40R;
- The Town applies to DHCD prior to adopting the new zoning;
- DHCD reviews the application and issues a Letter of Eligibility if the new zoning satisfies the requirements of 40R;
- The Town adopts the new zoning through a two-thirds vote of Town Meeting subject to any modifications required by DHCD;
- The Town submits evidence of approval to DHCD upon the adoption of the new zoning; and
- DHCD issues a letter of approval, which indicates the number of incentive units and the amount of payment.

The state recently enacted Chapter 40S under the Massachusetts General Law that provides additional benefits through insurance to towns that build affordable housing under 40R that they would not be saddled with the extra school costs caused by school-aged children who might move into this new housing. This funding was initially included as part of 40R but was eliminated during the final stages of approval. In effect, 40S is a complimentary insurance plan for communities concerned about the impacts of a possible net increase in school costs due to new housing development.

Another tool that complements the 40R Program is the state’s new Compact Neighborhoods Program described below in Section II.B.15.

D. Local Initiative Program (LIP) Guidelines

The Local Initiative Program (LIP) is a technical assistance subsidy program to facilitate Chapter 40B developments and locally produced affordable units. The general

⁶⁹ “A Housing Strategy for Smart Growth and Economic Development: Executive Summary,” p. 4.

requirements of LIP include insuring that projects are consistent with sustainable or smart growth development principles as well as local housing needs. LIP recognizes that there is a critical need for all types of housing but encourages family and special needs housing in particular. Age-restricted housing (over 55) is allowed but the locality must demonstrate actual need and marketability. DHCD has the discretion to withhold approval of age-restricted housing if other such housing units within the community remain unbuilt or unsold or if the age-restricted units are unresponsive to the need for family housing within the context of other recent local housing efforts.

There are two types of LIP projects, those using the comprehensive permit process, the so-called “friendly” 40B’s, and Local Action Units, units where affordability is a result of some local action such as inclusionary zoning, Community Preservation funding, other regulatory requirements, etc.

Specific LIP requirements include the following by category:

Income and Assets

- Must be affordable to those earning at or below 80% of area median income adjusted by family size and annually by HUD. Applicants for affordable units must meet the program income limits in effect at the time they apply for the unit and must continue to meet income limits in effect when they actually purchase a unit.
- For homeownership units, the household may not have owned a home within the past three years except for age-restricted “over 55” housing.
- For homeownership projects, assets may not be greater than \$75,000 except for age-restricted housing where the net equity from the ownership of a previous house cannot be more than \$200,000.
- Income and asset limits determine eligibility for lottery participation.

Allowable Sales Prices and Rents⁷⁰

- Rents are calculated at what is affordable to a household earning 80% of area median income adjusted for family size, assuming they pay no more than 30% of their income on housing. Housing costs include rent and payments for heat, hot water, cooking fuel, and electric. If there is no municipal trash collection a trash removal allowance should be included. If utilities are separately metered and payed by the tenant, the LIP rent is reduced based on the area’s utility allowance. Indicate on the DHCD application whether the proposed rent has been determined with the use of utility allowances for some or all utilities.
- Sales prices of LIP units are set so a household earning 70% of area median income would have to pay no more than 30% of their income for housing. Housing costs include mortgage principal and interest on a 30-year fixed term mortgage at 95% of purchase price, property taxes, condo fees⁷¹, private mortgage insurance (if putting less than 20% of purchase price down), and hazard insurance.

⁷⁰ DHCD has an electronic mechanism for calculating maximum sales prices on its website at www.mass.gov/dhcd.

⁷¹ DHCD will review condo fee estimates and approve a maximum condo fee as part of the calculation of maximum sales price. The percentage interests assigned to the condo must conform to the approved condo fees and require a lower percentage interest assigned to the affordable units as opposed to the market rate ones. DHCD must review the Schedule of Beneficial Interests in the Master Deed to confirm that LIP units have been assigned percentage interests that correspond to the condo fees.

- The initial maximum sales price or rent is calculated as affordable to a household with a number of household members equal to the number of bedrooms plus one (for example a two-bedroom unit would be priced based on what a three-person household could afford).

Allowable Financing and Costs

- Allowable development costs include the “as is” value of the property based on existing zoning at the time of application for a project eligibility letter (initial application to DHCD). Carrying costs (i.e., property taxes, property insurance, interest payments on acquisitions financing, etc.) can be no more than 20% of the “as is” market value unless the carrying period exceeds 24 months. Reasonable carrying costs must be verified by the submission of documentation not within the exclusive control of the applicant.
- Appraisals are required except for small projects of 20 units or less at the request of the Board of Selectmen where the applicant for the LIP comprehensive permit submits satisfactory evidence of value.
- Profits are limited to no more than 20% of total allowable development costs in homeownership projects.
- In regard to rental developments, payment of fees and profits are limited to no more than 10% of total development costs net of profits and fees and any working capital or reserves intended for property operations. Beginning upon initial occupancy and then proceeding on an annual basis, annual dividend distributions will be limited to no more than 10% of the owner’s equity in the project. Owner’s equity is the difference between the appraised as-built value and the sum of any public equity and secured debt on the property.
- For LIP comprehensive permit projects, DHCD requires all developers to post a bond (or a letter of credit) with the municipality to guarantee the developer’s obligations to provide a satisfactory cost certification upon completion of construction and to have any excess profits, beyond what is allowed, revert back to the municipality. The bond is discharged after DHCD has determined that the developer has appropriately complied with the profit limitations.
- No third party mortgages are allowed for homeownership units.

Marketing and Outreach

- Marketing and outreach, including lottery administration in adherence with all Fair Housing laws and the state’s Affirmative Fair Housing Marketing Plan Guidelines.
- LIP requires that the lottery draw and rank households by size.
- If there are proportionately less minority applicants in the community preference pool than the proportion in the region, a preliminary lottery must be held to boost, if possible, the proportion of minority applicants to this regional level.
- A maximum of up to 70% of the units may be local preference units for those who have a connection to the community as defined by the state under Section III.C of the Comprehensive Permit Guidelines.
 - The Marketing Plan must affirmatively provide outreach to area minority communities to notify them about availability of the unit(s) and must demonstrate the need for local preference as well as insure that there will be no discriminatory impacts as a result of using local preference criteria.

- Marketing materials must be available/application process open for a period of at least 60 days.
- Marketing should begin about six (6) months before occupancy.
- Lottery must be held unless there are no more qualified applicants than units available.

Regulatory Requirements

- The affordable units design, type, size, etc. must be the same as the market units and dispersed throughout the development.
- Units developed through LIP as affordable must be undistinguishable from market units as viewed from the exterior (unless the project has a DHCD-approved alternative development plan that is only granted under exceptional circumstances) and contain complete living facilities.
- For over 55 projects, only one household member must be 55 or older.
- Household size relationship to unit size is based on “households” = number of bedrooms plus one – i.e., a four-person household in a three-bedroom unit (important also for calculating purchase prices of the affordable units for which LIP has a formula as noted above).
- Must have deed restrictions in effect in perpetuity unless the applicant or municipality can justify a shorter term to DHCD.
- for at least 15 years for housing rehabilitation and 30 years for new construction.
- All affordable units for families must have at least two or more bedrooms and meet state sanitary codes and these minimum requirements –

1 bedroom – 700 square feet/1 bath
 2 bedrooms – 900 square feet/1 bath
 3 bedrooms – 1,200 square feet/ 1 ½ baths
 4 bedrooms – 1,400 square feet/2 baths

- Appraisals may take into account the probability of obtaining a variance, special permit or other zoning relief but must exclude any value relating to the possible issuance of a comprehensive permit.

The process that is required for using LIP for 40B developments – “friendly” comprehensive permit projects – is largely developer driven. It is based on the understanding that the developer and Town are working together on a project that meets community needs. Minimum requirements include:

1. Written support of the municipality’s chief elected official, the Board of Selectmen in the case of towns, and the local housing partnership, trust or other designated local housing entity. The chief executive officer is in fact required to submit the application to DHCD.
2. At least 25% of the units must be affordable and occupied by households earning at or below 80% of area median income or at least 20% of units restricted to households at or below 50% of area median income.
3. Affordability restrictions must be in effect in perpetuity, to be monitored by DHCD through a recorded regulatory agreement.

4. Project sponsors must prepare and execute an affirmative fair marketing plan that must be approved by DHCD.
5. Developer's profits are restricted per Chapter 40B requirements.

The process that is required for using LIP for 40B developments – “friendly” comprehensive permit projects – is as follows:

1. Application process
 - Developer meets with Town
 - Developer and Town agree to proposal
 - Town chief elected officer submits application to DHCD with developer's input
2. DHCD review involves the consideration of:
 - Sustainable development criteria (redevelop first, concentrate development, be fair, restore and enhance the environment, conserve natural resources, expand housing opportunities, provide transportation choice, increase job opportunities, foster sustainable businesses, and plan regionally),
 - Number and type of units,
 - Pricing of units to be affordable to households earning no more than 70% of area median income,
 - Affirmative marketing plan,
 - Financing, and
 - Site visit.
3. DHCD issues site eligibility letter that enables the developer to bring the proposal to the ZBA for processing the comprehensive permit.
4. Zoning Board of Appeals holds hearing
 - Developer and Town sign regulatory agreement to guarantee production of affordable units that includes the price of units and deed restriction in the case of homeownership and limits on rent increases if a rental project. The deed restriction limits the profit upon resale and requires that the units be sold to another buyer meeting affordability criteria.
 - Developer forms a limited dividend corporation that limits profits.
 - The developer and Town sign a regulatory agreement.
5. Marketing
 - Marketing plan must provide outreach to area minority communities to notify them about availability of the unit(s).
 - Local preference is limited to those who live/work in the community with a maximum of 70% of the affordable units.
 - Marketing materials must be available/application process open for a period of at least 60 days.
 - Lottery must be held.
6. DHCD approval must include
 - Marketing plan, lottery application, and lottery explanatory materials

- Regulatory agreement (DHCD is a signatory)
- Deed rider (Use standard LIP document)
- Purchase arrangements for each buyer including signed mortgage commitment, signed purchase and sale agreement and contact information of purchaser's closing attorney.

As mentioned above, in addition to being used for “friendly” 40B projects, LIP can be used for counting those affordable units as part of a Town's Subsidized Housing Inventory that are created as a result of some local action. Following occupancy of the units, a Local Action Units application must be submitted to DHCD for the units to be counted as affordable. This application is on DHCD's web site.

The contact person at DHCD is Janice Lesniak of the LIP staff (phone: 617-573-1309; fax: 617-573-1330; email: janice.lesniak@state.ma.us). For legal questions contact Elsa Campbell, Housing Specialist (phone: 617-573-1321; fax: 617-573-1330; email: elsa.campbell@state.ma.us).

E. MassWorks Infrastructure Program

The MassWorks Infrastructure Program provides a one-stop shop for municipalities and other eligible public entities seeking public infrastructure funding to support economic development and job creation. The Program represents an administrative consolidation of six former grant programs:

- Public Works Economic Development (PWED)
- Community Development Action Grant (CDAG)
- Growth Districts Initiative (GDI) Grant Program
- Massachusetts Opportunity Relocation and Expansion Program (MORE)
- Small Town Rural Assistance Program (STRAP)
- Transit Oriented Development (TOD) Program

The MassWorks Infrastructure Program provides a one-stop shop for municipalities and other eligible public entities seeking public infrastructure funding to support:

- Economic development and job creation and retention
- Housing development at density of at least 4 units to the acre (both market and affordable units)
- Transportation improvements to enhancing safety in small, rural communities

The MassWorks Infrastructure Program is administered by the Executive Office of Housing and Economic Development, in cooperation with the Department of Transportation and Executive Office for Administration & Finance.

II. SUMMARY OF HOUSING RESOURCES

Those programs that may be most appropriate to development activity on the Vineyard are described below.⁷²

A. Technical Assistance

1. *Priority Development Fund*⁷³

A relatively new state-funded initiative, the Priority Development Fund, provides planning assistance to municipalities for housing production. In June 2004, DHCD began making \$3 million available through this Fund on a first-come, first-served basis to encourage the new production of housing, especially mixed-income rental housing. PDF assistance supports a broad range of activities to help communities produce housing. Applications must demonstrate the community's serious long-term commitment and willingness to increase its housing supply in ways that are consistent with the Commonwealth's principles of sustainable development.

Eligible activities include community initiated activities and implementation activities associated with the production of housing on specific sites. Community initiated activities include but are not limited to:

Zoning activities that support the program objectives include:

- Incentive zoning provisions to increase underlying housing density;
- Smart Growth Zoning Overlay Districts, including Compact Neighborhoods zoning;
- Inter- and intra-municipal Transferable Development Rights proposals;
- Zoning that promotes compact housing and development such as by right multi-family housing, accessory apartment units, clustered development, and inclusionary zoning;
- Zoning provisions authorizing live-and-work units, housing units for seasonal employees, mixed assisted living facilities and the conversion of large single-family structures, vacant mills, industrial buildings, commercial space, a school or other similar facilities, into multi-family developments; and
- Other innovative zoning approaches developed by and for an individual community.

Education and outreach efforts that support the program objectives include:

- Establishment of a local or regional affordable housing trust;
- Development of a plan of action for housing activities that will be undertaken with Community Preservation Act funds;
- Preparation of Housing Production Plans; and
- Efforts to build local support (grass-root education) necessary to achieve consensus or approval of local zoning initiatives.

Implementation activities associated with the production of housing in site-specific areas include but are not limited to:

- Identification of properties, site evaluation, land assembly and financial feasibility analysis; and

⁷² Program information was gathered through agency brochures, agency program guidelines and application materials as well as the following resources: Verrilli, Ann. Housing Guidebook for Massachusetts. Produced by the Citizen's Housing and Planning Association, June 1999.

⁷³ Description taken from the state's program description.

- Development of a Request for Proposal (RFP) for the disposition of land.

The PDF assistance is not available to serve as a substitute for pre-development assessment of alternative development scenarios for parcels already controlled by an identified private developer or to supplant municipal funds to pay staff salaries.

Eligible applicants consist of cities and towns within the Commonwealth. Municipalities may enter into third party agreements with consultants approved by DHCD, however only a municipality will be allowed to enter into a contract with MassHousing regarding the distribution of funds. Municipalities will be responsible for attesting that all funds have been expended for their intended purposes.

Joint applications involving two or more communities within a region or with similar housing challenges are strongly encouraged as a way to leverage limited resources, however, one municipality will be required to serve as the lead.

MassHousing and DHCD reserve the right to screen applications and to coordinate requests from communities seeking similar services. For example, rural communities may be more effectively served by an application for a shared consultant who can work with numerous towns to address zoning challenges that enhance housing production. Likewise, it may be more effective to support an application for a consultant to review model zoning bylaws or overlay districts with a number of interested communities with follow-up at the community level to support grassroots education, than it is to support the separate development of numerous zoning bylaws. Communities submitting multiple applications must prioritize their applications.

In exchange for the assistance, municipalities must agree to share the end product of the funded activities with DHCD and MassHousing and with other communities in the Commonwealth through reports, meetings, workshops, and to highlight these activities in print, on the web or other media outlets.

The agencies will focus the evaluation of applications to determine overall consistency with program goals and the principles of sustainable development. Applications will be evaluated based on:

- Eligibility of activity;
- Public support;
- Demonstrated need for funds;
- Likelihood activity will result in production of housing;
- Reasonableness of the timeline;
- Readiness to proceed with proposed project;
- Capacity to undertake activity;
- Cost estimates and understanding of the proposed project cost;
- Proposed activity having clearly defined benefits that will result in the production of housing; and
- Benefits being realized within a 2-3 year-timeframe.

Applications for funding will be accepted and evaluated on a rolling review basis. In order to deploy this assistance as effectively and efficiently as possible, or in the event the planning funds are oversubscribed, communities that have relatively greater planning capacity and/or resources may be requested to provide some matching funds. Additional consideration and flexibility for the assistance will be made for communities with little or no planning staff capacity or resources.

Communities may apply to DHCD for assistance of up to \$50,000. The amount of funds awarded will be a reflection of the anticipated impact on housing production. DHCD and MassHousing reserve the right to designate proposals as “Initiatives of Exceptional Merit,” in order to increase the amount of assistance and scope of services for certain projects.

2. *Peer-to-Peer Technical Assistance*

This state program utilizes the expertise and experience of local officials from one community to provide assistance to officials in another comparable community to share skills and knowledge on short-term problem solving or technical assistance projects related to community development and capacity building. Funding is provided through the Community Development Block Grant Program and is limited to grants of no more than \$1,000, providing up to 30 hours of technical assistance.

Applications are accepted on a continuous basis, but funding is limited. To apply, a municipality must provide DHCD with a brief written description of the problem or issue, the technical assistance needed and documentation of a vote of the Board of Selectmen or letter from the Town Administrator supporting the request for a peer. Communities may propose a local official from another community to serve as the peer or ask DHCD for a referral. If DHCD approves the request and once the peer is recruited, DHCD will enter into a contract for services with the municipality. When the work is completed to the municipality’s satisfaction, the Town must prepare a final report, submit it to DHCD, and request reimbursement for the peer.

3. *MHP Intensive Community Support Team*

The Massachusetts Housing Partnership Fund is a quasi-public agency that offers a wide range of technical and financial resources to support affordable housing. The Intensive Community Support Team provides sustained, in-depth assistance to support the development of affordable housing. Focusing on housing production, the Team helps local advocates move a project from the conceptual phase through construction, bringing expertise and shared lessons from other parts of the state. The team can also provide guidance on project finance. Those communities, which are interested in this initiative, should contact the MHP Fund directly for more information.

4. *MHP Chapter 40B Technical Assistance Program*

Working with DHCD, MHP launched this program in 1999 to provide technical assistance to those communities needing assistance in reviewing comprehensive permit applications. The Program offers up to \$10,000 in third-party technical assistance to enable communities to hire consultants to help them review Chapter 40B applications. Those communities that are interested in this initiative should contact the MHP Fund directly for more information.

MHP recently announced new guidelines to help cities and towns review housing development proposals under Chapter 40B including:

- State housing agencies will now appraise and establish the land value of 40B sites before issuing project eligibility letters.
- State will put standards in place for determining when permit conditions make a 40B development “uneconomic”.
- There will be set guidelines on determining related-party transactions, i.e., when a developer may also have a role as contractor or realtor.
- Advice on how to identify the most important issues early and communicate them to the developer, how informal work sessions can be effective, and how to make decisions that are unlikely to be overturned in court.

B. Housing Development

While comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units in fact subsidize the affordable ones, communities are finding that they also require public subsidies to cover the costs of affordable or mixed-income residential development and need to access a range of programs through the state and federal government and other financial institutions to accomplish their objectives and meet affordable housing goals. Because the costs of development are typically significantly higher than the rents or purchase prices that low- and moderate-income tenants can afford, multiple layers of subsidies are often required to fill the gaps. Sometimes even Chapter 40B developments are finding it useful to apply for external subsidies to increase the numbers of affordable units, to target units to lower income or special needs populations, or to fill gaps that market rates cannot fully cover.

The state requires applicants to submit a One Stop Application for most of its housing subsidy programs in an effort to standardize the application process across agencies and programs. A Notice of Funding Availability (NOFA) is issued by the state usually twice annually for its rental programs and homeownership initiatives. Using the One Stop Application, applicants can apply to several programs simultaneously to support the funding needs of a particular project.

1. *HOME Program*

HUD created the HOME Program in 1990 to provide grants to states, larger cities and consortia of smaller cities and towns to do the following:

- Produce rental housing;
- Provide rehabilitation loans and grants, including lead paint removal and accessibility modifications, for rental and owner-occupied properties;
- Offer tenant-based rental assistance (two-year subsidies); and/or
- Assist first-time homeowners.

The HOME Program funding is targeted to homebuyers or homeowners earning no more than 80% of median income and to rental units where at least 90% of the units must be affordable and occupied by households earning no more than 60% of median income, the balance to those earning within 80% of median. Moreover, for those rental projects with five or more units, at least 20% of the units must be reserved for households earning less than 50% of median income. In addition to income guidelines, the HOME Program specifies the need for deed restrictions, resale requirements, and maximum sales prices or rentals.

The HOME Rental Program is targeted to the acquisition and rehabilitation of multi-family distressed properties or new construction of multi-family rental housing from five to fifty units. Once again, the maximum subsidy per project is \$750,000 and the maximum subsidy per unit in localities that receive HOME or CDBG funds directly from HUD is \$50,000 (these communities should also include a commitment of local funds in the project). Subsidies are in the form of deferred loans at 0% interest for 30 years. State HOME funding cannot be combined with another state subsidy program with several exceptions including the Low Income Housing Tax Credits, HIF and the Soft Second Program.

Because the towns on the Vineyard are not entitlement communities, meaning that they are not automatically entitled to receive HOME funding based on HUD's funding formula. Instead they need to apply directly to DHCD during prescribed funding rounds announced by Notices of Funding Availability.

2. Community Development Block Grant Program (CDBG)

In addition to funding for the Peer-to-Peer Program mentioned in the above section, there are other housing resources supported by federal CDBG funds that are distributed by formula to Massachusetts.

The **Massachusetts Small Cities Program** that has a set-aside of Community Development Block Grant (CDBG) funds to support a range of eligible activities including housing development. However, at least 70% of the money must provide benefits to households earning within 80% of median income. This money is for those nonentitlement localities that do not receive CDBG funds directly from HUD. Funds are awarded on a competitive basis through Notices of Funding Availability with specific due dates or through applications reviewed on a rolling basis throughout the year, depending on the specific program. This funding supports a variety of specific programs.

There are other programs funded through the Community Development Block Grant Small Cities Program for both homeownership and rental projects. A number of the special initiatives are directed to communities with high "statistical community-wide needs", however, the **Community Development Fund II** is targeted to communities with lower needs scores that have not received CDBG funds in recent years. DHCD also has a **Reserve Fund** for CDBG-eligible projects that did not receive funding from other CDBG funded programs or for innovative projects.

It should be noted that the Vineyard has received CDBG funding to support a Regional Housing Rehabilitation Program targeted to qualifying homeowners and administered by The Resource Inc. (TRI).

3. Housing Stabilization Fund (HSF)

The state's Housing Stabilization Fund (HSF) was established in 1993 through a Housing Bond bill to support housing rehabilitation through a variety of housing activities including homeownership (most of this funding has been allocated for the MHP Soft Second Program) and rental project development. The state subsequently issued additional bond bills to provide more funding. The HSF Rehabilitation Initiative is targeted to households with incomes within 80% of median income, with resale or subsequent tenancy for households within 100% of median income. The funds can be used for grants or loans through state and local agencies, housing authorities

and community development corporations with the ability to subcontract to other entities. The funds have been used to match local HOME program funding, to fund demolition, and to support the acquisition and rehabilitation of affordable housing. In addition to a program directed to the rehabilitation of abandoned, distressed or foreclosed properties, the HSF provides funds to municipalities for local revitalization programs directed to the creation or preservation of rental projects. As with HOME, the maximum amount available per project is \$750,000 and the maximum per unit is \$65,000 for communities that do not receive HOME or CDBG funds directly from HUD, and \$50,000 for those that do. Communities can apply for HSF funding biannually through the One Stop Application.

4. *Low Income Housing Tax Credit Program*

The Low Income Housing Tax Credit Program was created in 1986 by the Federal Government to offer tax credits to investors in housing development projects that include some low-income units. The tax credit program is often the centerpiece program in any affordable rental project because it brings in valuable equity funds. Tax credits are either for 4% or 9% of the development or rehab costs for each affordable unit for a ten-year period. The 4% credits have a present value of 30% of the development costs, except for the costs of land, and the 9% credit have a present value equal to 70% of the costs of developing the affordable units, with the exception of land. Both the 4% and 9% credits can be sold to investors for close to their present values.

The Federal Government limits the 9% credits and consequently there is some competition for them, nevertheless, most tax credit projects in Massachusetts are financed through the 9% credit. Private investors, such as banks or corporations, purchase the tax credits for about 80 cents on the dollar, and their money serves as equity in a project, reducing the amount of the debt service and consequently the rents. The program mandates that at least 20% of the units must be made affordable to households earning within 50% of median income or 40% of the units must be affordable to households earning up to 60% of median income. Those projects that receive the 9% tax credits must produce much higher percentages of affordable units.

The Massachusetts Legislature has enacted a comparable state tax credit program, modeled after the federal tax credit program. The One Stop Application is also used to apply for this source of funding.

5. *Affordable Housing Trust Fund*

The Affordable Housing Trust Fund (AHTF) was established by an act of the State Legislature and is codified under Chapter 121-D of the Massachusetts General Laws. The AHTF operates out of DHCD and is administered by MassHousing with guidance provided by an Advisory Committee of housing advocates. The purpose of the fund is to support the creation/preservation of housing that is affordable to people with incomes that do not exceed 110% of the area median income. The AHTF can be used to support the acquisition, development and/or preservation of affordable housing units. AHTF assistance can include:

- Deferred payment loans, low/no-interest amortizing loans.
- Down payment and closing cost assistance for first-time homebuyers.
- Credit enhancements and mortgage insurance guarantees.
- Matching funds for municipalities that sponsor affordable housing projects.
- Matching funds for employer-based housing and capital grants for public housing.

Funds can be used to build or renovate new affordable housing, preserve the affordability of subsidized expiring use housing, and renovate public housing. While the fund has the flexibility of serving households with incomes up to 110%, preferences for funding will be directed to projects involving the production of new affordable units for families earning below 80% of median income. The program also includes a set-aside for projects that serve homeless households or those earning below 30% of median income. Once again, the One Stop Application is used to apply for funding, typically through the availability of two funding rounds per year.

6. *Housing Innovations Fund (HIF)*

The state also administers the Housing Innovations Fund (HIF) that was created by a 1987 bond bill and expanded under two subsequent bond bills to provide a 5% deferred loan to non-profit organizations for no more than \$500,000 per project or up to 30% of the costs associated with developing alternative forms of housing including limited equity coops, mutual housing, single-room occupancy housing, special needs housing, transitional housing, domestic violence shelters and congregate housing. At least 25% of the units must be reserved for households earning less than 80% of median income and another 25% for those earning within 50% of area median income. HIF can also be used with other state subsidy programs including HOME, HSF and Low Income Housing Tax Credits. The Community Economic Development Assistance Corporation (CEDAC) administers this program. Applicants are required to complete the One-Stop Application.

7. *Federal Home Loan Bank Board's Affordable Housing Program (AHP)*

Another potential source of funding for both homeownership and rental projects is the Federal Home Loan Bank Board's Affordable Housing Program (AHP) that provides subsidies to projects targeted to households earning between 50% and 80% of median income, with up to \$300,000 available per project. This funding is directed to filling existing financial gaps in low- and moderate-income affordable housing projects. There are typically two competitive funding rounds per year for this program.

8. *MHP Permanent Rental Financing Program*

The state also provides several financing programs for rental projects through the Massachusetts Housing Partnership Fund. The Permanent Rental Financing Program provides long-term, fixed-rate permanent financing for rental projects of five or more units from \$100,000 loans to amounts of \$2 million. At least 20% of the units must be affordable to households earning less than 50% of median income or at least 40% of the units must be affordable to households earning less than 60% of median income or at least 50% of the units must be affordable to households earning less than 80% of median income. MHP also administers the Permanent Plus Program targeted to multi-family housing or SRO properties with five or more units where at least 20% of the units are affordable to households earning less than 50% of median income. The program combines MHP's permanent financing with a 0% deferred loan of up to \$40,000 per affordable unit up to a maximum of \$500,000 per project. No other subsidy funds are allowed in this program. The Bridge Financing Program offers bridge loans of up to eight years ranging from \$250,000 to \$5 million to projects involving Low Income Housing Tax Credits. Applicants should contact MHP directly to obtain additional information on the program and how to apply.

9. *OneSource Program*

The Massachusetts Housing Investment Corporation (MHIC) is a private, non-profit corporation that since 1991 has provided financing for affordable housing developments and equity for

projects that involve the federal Low Income Housing Tax Credit Program. MHIC raises money from area banks to fund its loan pool and invest in the tax credits. In order to qualify for MHIC's OneSource financing, the project must include a significant number of affordable units, such that 20% to 25% of the units are affordable to households earning within 80% of median income. Interest rates are typically one point over prime and there is a 1% commitment fee. MHIC loans range from \$250,000 to several million, with a minimum project size of six units. Financing can be used for both rental and homeownership projects, for rehab and new construction, also covering acquisition costs with quick turn-around times for applications of less than a month (an appraisal is required). The MHIC and MHP work closely together to coordinate MHIC's construction financing with MHP's permanent take-out through the OneSource Program, making their forms compatible and utilizing the same attorneys to expedite and reduce costs associated with producing affordable housing.

10. *Section 8 Rental Assistance*

An important low-income housing resource is the Section 8 Program that provides rental assistance to help low- and moderate-income households pay their rent. In addition to the federal Section 8 Program, the state also provides rental subsidies through the Massachusetts Rental Voucher Program as well as three smaller programs directed to those with special needs. These rental subsidy programs are administered by the state or through local housing authorities and regional non-profit housing organizations. Rent subsidies take two basic forms – either granted directly to tenants or committed to specific projects through special Project-based rental assistance. Most programs require households to pay a minimum percentage of their adjusted income (typically 30%) for housing (rent and utilities) with the government paying the difference between the household's contribution and the actual rent.

11. *Massachusetts Preservation Projects Fund*

The Massachusetts Preservation Projects Fund (MPPF) is a state-funded 50% reimbursable matching grant program that supports the preservation of properties, landscapes, and sites (cultural resources) listed in the State Register of Historic Places. Applicants must be municipality or non-profit organization. Funds can be available for pre-development including feasibility studies, historic structure reports and certain archaeological investigations of up to \$30,000. Funding can also be used for construction activities including stabilization, protection, rehabilitation, and restoration or the acquisition of a state-registered property that are imminently threatened with inappropriate alteration or destruction. Funding for development and acquisition projects range from \$7,500 to \$100,000. Work completed prior to the grant award, routine maintenance items, mechanical system upgrades, renovation of non-historic spaces, moving an historic building, construction of additions or architectural/engineering fees are not eligible for funding or use as the matching share. A unique feature of the program allows applicants to request up to 75% of construction costs if there is a commitment to establish a historic property maintenance fund by setting aside an additional 25% over their matching share in a restricted endowment fund. A round of funding was recently held, but future rounds are not authorized at this time.

12. *District Improvement Financing Program (DIF)*

The District Improvement Financing Program (DIF) is administered by the state's Office of Business Development to enable municipalities to finance public works and infrastructure by pledging future incremental taxes resulting from growth within a designated area to service financing obligations. This Program, in combination with others, can be helpful in developing or

redeveloping target areas of a community, including the promotion of mixed-uses and smart growth. Municipalities submit a standard application and follow a prescribed application process directed by the Office of Business Development in coordination with the Economic Assistance Coordinating Council.

13. *Urban Center Housing Tax Increment Financing Zone (UCH-TIF)*

The Urban Center Housing Tax Increment Financing Zone Program (UCH-TIF) is a relatively new state initiative designed to give cities and towns the ability to promote residential and commercial development in commercial centers through tax increment financing that provides a real estate tax exemption on all or part of the increased value (the “increment”) of the improved real estate. The development must be primarily residential and this program can be combined with grants and loans from other local, state and federal development programs. An important purpose of the program is to increase the amount of affordable housing for households earning at or below 80% of area median income and requires that 25% of new housing to be built in the zone be affordable, although the Department of Housing and Community Development may approve a lesser percentage where necessary to insure financial feasibility. In order to take advantage of the program, a municipality needs to adopt a detailed UCH-TIF Plan and submit it to DHCD for approval.

14. *Community Based Housing Program*

The Community Based Housing Program provides loans to nonprofit agencies for the development or redevelopment of integrated housing for people with disabilities in institutions or nursing facilities or at risk of institutionalization. The Program provides permanent, deferred payment loans for a term of 30 years, and CBH funds may cover up to 50% of a CHA unit’s Total Development Costs up to a maximum of \$750,000 per project.

15. *Compact Neighborhoods Program*

DHCD recently announced “Compact Neighborhoods” that provides additional incentives to municipalities that adopt zoning districts for working families of all incomes as well as smart growth development. Similar to 40R, the program requires new zoning that must:

- Allow a minimum number of “future zoned units” in the Compact Neighborhood, which is generally 1% of the year-round housing in the community;
- Allow one or more densities as-of-right in the zone of at least eight (8) units per acre on developable land for multi-family housing and at least four (4) units per acre for single-family use;
- Provide not less than 10% of units be affordable within projects of more than 12 units; and
- Not impose any restrictions to age or other occupancy limitations within the Compact Neighborhood zone although projects within the zone may be targeted to the elderly, persons with disabilities, etc.

Financial assistance through the Priority Development Fund is available to communities that are adopting Compact Neighborhoods zoning, giving priority to the creation of mixed-use development beyond the bounds of a single project. The state also promotes projects that meet the definition of smart growth under 40R, encourage housing that is priced to meet the needs of households across a broad range of incomes and needs.

The process for implementing a Compact Neighborhoods Zone includes:

- Identify an “as-of-right” base or overlay district (the Compact Neighborhood);
- Request and receive a Letter of Eligibility from DHCD; and
- Adopt the Compact Neighborhood Zoning.

C. Homebuyer Financing and Counseling

1. *Soft Second Loan Program*

The Massachusetts Housing Partnership Fund, in coordination with the state’s Department of Housing and Community Development, administers the Soft Second Loan Program to help first-time homebuyers purchase a home. The Program began in 1991 to help families earning up to 80% of median income qualify for a mortgage through a graduated-payment second mortgage and down payment assistance. Just recently the state announced that it had lent \$1 billion in these affordable mortgages. Participating lenders originate the mortgages which are actually split in two with a conventional first mortgage based on 77% of the purchase price, the soft second mortgage for typically about 20% of the purchase price (or \$20,000 if greater) and a requirement from the buyer of at least a 3% down payment. Borrowers do not need to purchase private mortgage insurance that would typically be required with such a low down payment, thus saving the buyer significant sums on a monthly basis. Program participants pay interest only on the soft second mortgage for the first ten years and some eligible buyers may qualify for an interest subsidy on the second mortgage as well. Additionally, some participating lenders and communities offer grants to support closing costs and down payments and slightly reduced interest rates on the first mortgage.

2. *Homebuyer Counseling*

There are a number of programs, including the Soft Second Loan Program and MassHousing’s Home Improvement Loan Program, as well as Chapter 40B homeownership projects, that require purchasers to attend homebuyer workshops sponsored by organizations that are approved by the state, Citizens Housing and Planning Association (CHAPA) and/or HUD as a condition of occupancy. These sessions provide first-time homebuyers with a wide range of important information on homeownership finance and requirements. The Dukes County Regional Housing Authority offers these workshops on the Vineyard.

3. *Self-Help Housing.*

Self-Help programs involve sweat-equity by the homebuyer and volunteer labor of others to reduce construction costs. Some communities have donated building lots to Habitat for Humanity to construct affordable single housing units. Under the Habitat for Humanity program, homebuyers contribute between 300 and 500 hours of sweat equity while working with volunteers from the community to construct the home. The homeowner finances the home with a 20-year loan at 0% interest. As funds are paid back to Habitat for Humanity, they are used to fund future projects.

D. Home Improvement Financing

1. *MassHousing Home Improvement Loan Program (HILP)*

The MHFA Home Improvement Loan Program (HILP) is targeted to one- to four-unit, owner-occupied properties, including condominiums, with a minimum loan amount of \$10,000 up to a maximum of \$50,000. Loan terms range from five to 20 years based on the amount of the loan and the borrower’s income and debt. MassHousing services the loans. Income limits are \$92,000

for households of one or two persons and \$104,000 for families of three or more persons. To apply for a loan, applicants must contact a participating lender.

2. *Get the Lead Out Program*

MassHousing's Get the Lead Out Program has been offering financing for lead paint removal on excellent terms. Based on uncertain future legislative appropriations, some changes in program requirements were made to insure that eligible homeowners with lead poisoned children would have funding available for a longer period. All income eligible families who are under court order to delead or who have a child under case management with the Commonwealth's Lead Paint Prevention Program, will continue to receive 0% deferred loans. Owners wanting to delead their homes for preventive purposes must qualify for an amortizing loan with a 3% interest rate if earning within 80% of area median income, 5% interest if earning over 80% AMI and up to the program maximum. Applicants must contact a local rehabilitation agency to apply for the loan.

3. *Septic Repair Program*

Through a partnership with the Massachusetts Department of Environmental Protection and Revenue, MassHousing offers loans to repair or replace failed or inadequate septic systems for qualifying applicants. The interest rates vary according to the borrower's income with 0% loans available to one and two-person households earning up to \$23,000 and three or more person households earning up to \$26,000 annually. There are 3% loans available for those one or two person households earning up to \$46,000 and three or more persons earning up to \$52,000. Additionally, one to four-family dwellings and condominiums are eligible for loan amounts of up to \$25,000 and can be repaid in as little as three years or over a longer period of up to 20 years. To apply for a loan, applicants must contact a participating lender.

4. *Home Modification Program*

This state-funded program provides financial and technical assistance to those who require modifications to their homes to make them handicapped accessible. The area's regional non-profit organization, the Housing Assistance Corporation (HAC), administers these funds for the state.

APPENDIX 5

Dukes County Program Income Limits

2012 Dukes County Program Income Limits

HUD Area Median Income (AMI), family size four: **\$82,900***

Household	MHP/HUD	MHP/HUD	MHP	Novo. TC		HUD/MHP**	CPA***		HUD/CPA	"True"	MHP	Novo. TC			Novo. TC	****
	30%	50%	60%	60%	70%	80%	80%	90%	100%***	100%	110%	110%	120%	140%	140%	150%
1 person	\$18,800	\$31,350	\$37,620	\$34,800	\$43,900	\$47,250	\$46,424	\$56,400	\$58,030	\$62,700	\$69,000	\$63,800	\$75,240	\$87,780	\$81,200	\$94,050
2 person	\$21,500	\$35,800	\$43,000	\$39,780	\$50,100	\$54,000	\$53,056	\$64,400	\$66,320	\$71,600	\$78,800	\$72,930	\$85,920	\$100,200	\$92,820	\$107,400
3 person	\$24,180	\$40,300	\$48,400	\$44,760	\$56,400	\$60,700	\$54,688	\$72,500	\$74,610	\$80,600	\$88,700	\$82,060	\$96,720	\$112,840	\$104,440	\$120,900
4 person	\$26,900	\$44,800	\$53,700	\$49,740	\$62,700	\$67,450	\$66,320	\$80,600	\$82,900	\$89,500	\$98,500	\$91,190	\$107,400	\$125,300	\$116,060	\$134,300
5 person	\$29,000	\$48,400	\$58,000	\$53,700	\$67,700	\$72,550	\$71,626	\$87,000	\$99,532	\$96,700	\$106,400	\$98,450	\$116,000	\$135,400	\$125,300	\$145,100
6 person	\$31,100	\$51,900	\$62,300	\$57,720	\$72,700	\$78,250	\$76,931	\$93,400	\$99,164	\$103,800	\$114,200	\$105,820	\$124,600	\$145,300	\$134,680	\$155,700

* Mass Housing Partnership (MHP) doubles HUD (Housing & Urban Development) 50% AMI to obtain a "true" 100% (**\$89,500**) from which they derive their 30%, 50%, 60% & 110% incomes.

** HUD & MHP's incomes do not derive from either HUD's 100% AMI or MHP's mathematically "true" 100% incomes whereas the 30%, 50% & 60% program incomes derive from the "true" 100%.

*** The Community Preservation Coalition provides an income chart that uses HUD's AMI to derive 80% incomes that are less than the HUD/MHP 80% incomes.

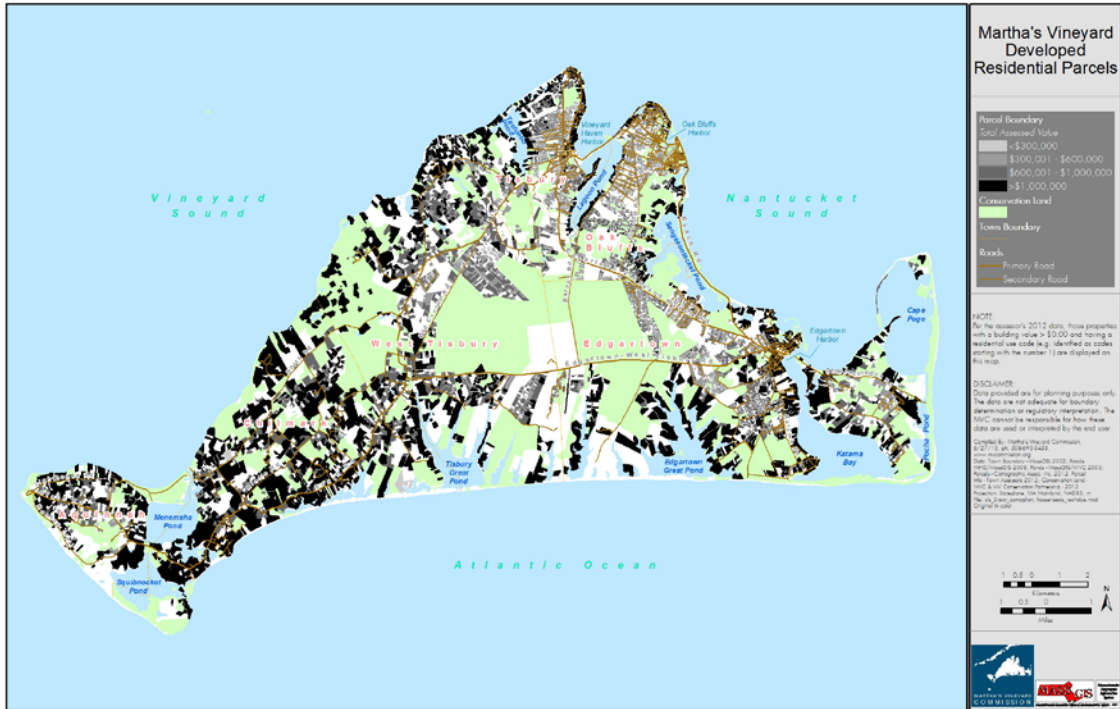
**** Novogradac & Co. LLC provides income and rent maximums for Morgan Woods, the 60 unit mixed income rental property developed and managed by The Community Builders (TCB) for the Town of Edgartown, and utilizes HUD AMI to derive 60%, 110% and 140% incomes that differ from MHP 60% and 110% as well as mathematically "true" 100% income (doubled 50%).

***** In 2005, the State granted Dukes County the ability to perpetually restrict as affordable any housing developed for incomes up to 150% of median income.

The Dukes County Regional Housing Authority offers this survey of state and federal program income guidelines for quick reference. Please check specific program parameters.

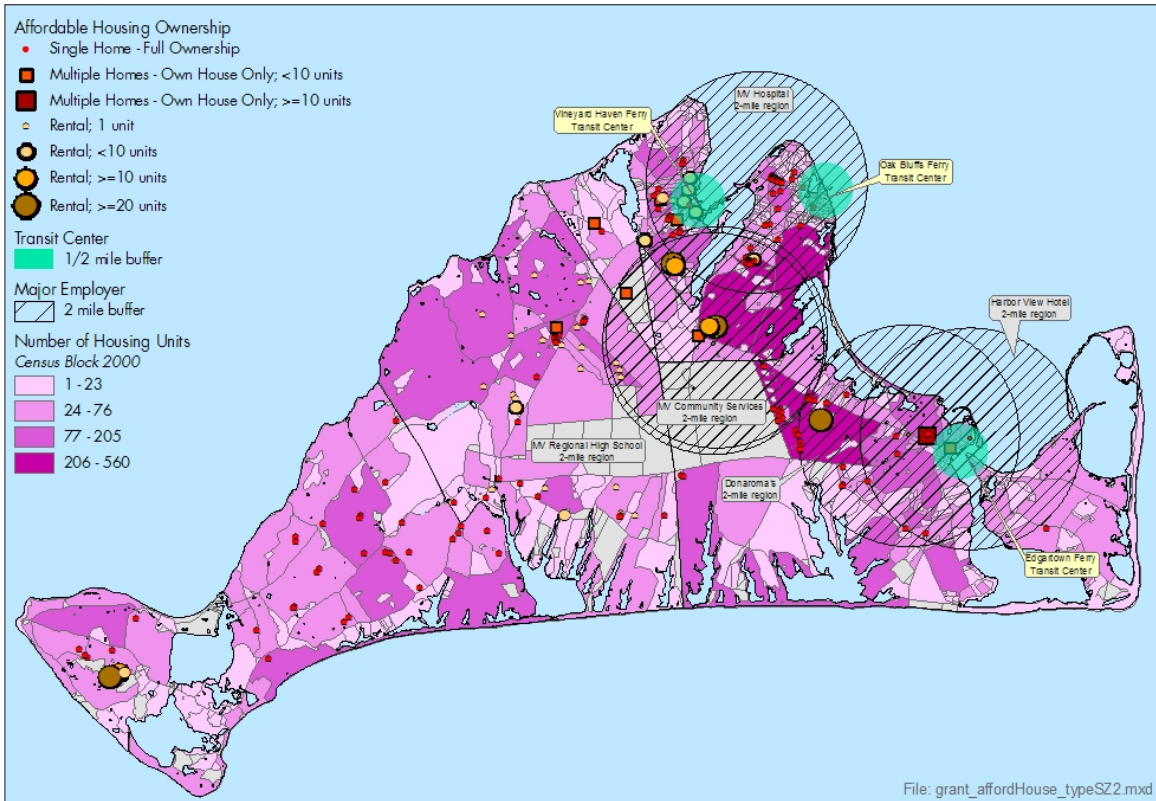
APPENDIX 6

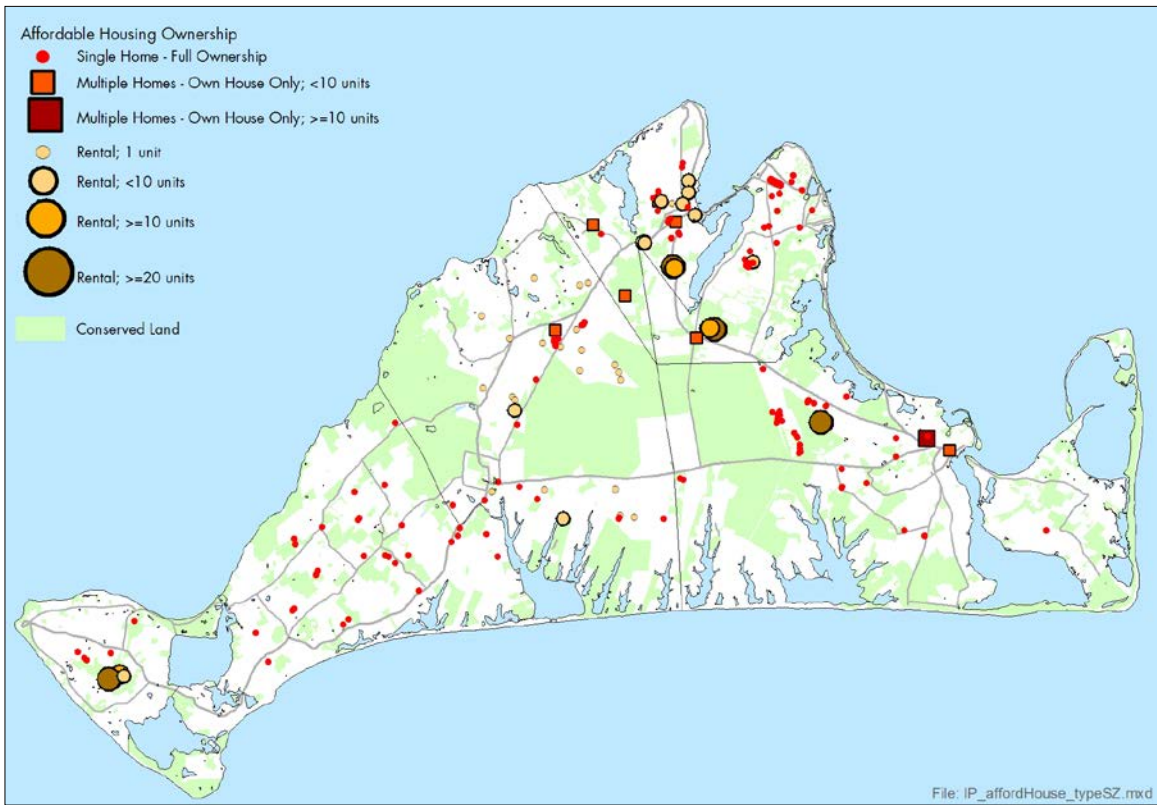
Map of Assessed Housing Values



APPENDIX 7

Maps of Existing Affordable and Community Housing Units





MARTHA'S VINEYARD HOUSING NEEDS ASSESSMENT

Part 2 Organizational Analysis



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Part 2

Organizational Analysis

1. Executive Summary of Part 2

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, 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.

1.1 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.⁷⁴
- Habitat for Humanity of Martha's Vineyard (11 Units): Affordable Homeownership Development/Community Building*
 HFHMV'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. A host of other larger and capable development companies, including for profit and non-profit

⁷⁴ 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 housing to shopping centers and even businesses. CDCs, while often neighborhood-based, can extend far beyond the bounds of a single community to cover an entire city, county, multi-county region, or even an entire state. It should be noted that there has been a Dukes County CDC that has been active sporadically over the past 20 years as well as a non-profit 501(c)(3) CDC under the auspices of the Dukes County Commission.

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.⁷⁵

⁷⁵ 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.

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 the SHI,⁷⁶ 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**

Town	# SHI Units *(Not yet on SHI)	# Non-SHI Units with Restrictions	# Non-SHI Units Without Restrictions	Total Subsidized Units
Aquinnah	41	6	2	49
Chilmark	3 (4)	13	4	24
Edgartown	89 (5)	44	27	165
Oak Bluffs	146	3	23	172
Tisbury	109 (17)	12	24	162
West Tisbury	23 (8)	88	19	138
Total	441 (34)	166	99	710

*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.

⁷⁶ 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.

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 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.⁷⁷ Nevertheless, figures in Appendix 6 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

⁷⁷ 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.

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 as indicated in Appendix 6, 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.).

- *Donated or substantially discounted land prices have a significant bearing on affordability, reducing the affordability gap.* As shown in Appendix 6, 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.⁷⁸ 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.

⁷⁸ While Middle Line Road was developed by the Town of Chilmark and not one of the development organizations that are being discussed in this section, the project is included here for comparative purposes.

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 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. Fuller discussions of the cost implications of development options are discussed in Part 3 of this Housing Needs Assessment.

- *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 affordable or 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 HFH MV, 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 as summarized by income range in Appendix 1. 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. As noted in Appendix 1, 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. (See Appendix 5 for information on operating costs.)

1.2 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 HFHMOV.
- *Oak Bluffs* – Focus on partnerships with existing organizations including IEH, DCRHA, HFHMOV, 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 HFHMOV.

1.3 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.

1.4 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.

1.5 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).⁷⁹ 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

⁷⁹ 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.

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.

2. Profiles of Local and Regional Housing Providers

Martha's Vineyard is fortunate to have local and regional organizations with proven track records that produce affordable housing or provide housing-related services to residents. These organizations are profiled below.

2.1 Housing Development/Management Organizations

Those organizations that have developed housing and/or are managing residential property that includes affordable and community housing units include the following:

- Dukes County Regional Housing Authority (DCRHA)
- Island Elderly Housing (IEH)
- Island Housing Trust (IHT)
- Habitat for Humanity of Martha's Vineyard (HFHMV)
- Aquinnah Wampanoag Tribal Housing Authority
- The Community Builders (TCB)

These organizations are all working in an environment where market property costs are exorbitant, where there is a compelling need for far more affordable units as affordability gaps that are among the highest in the state (documented in Section 5 of Part 1 of this study), and where resources are limited (including developable property and subsidies). Nevertheless, these organizations have produced about 300 affordable housing units and about 100 additional community housing units⁸⁰ during the past decade, a commendable outcome representing significant capacity and creativity as well as persistent hard work.

Ultimately the beneficiaries of these organizations' efforts are not just those who are lucky enough to win the lotteries for available subsidized units, but all residents who benefit when the local school teacher, the hospital lab technician, the municipal worker, waiter and laborer can afford to live on the Island, providing essential services that support the economy as well as important community diversity and vitality.

⁸⁰ In this report, affordable units refer to those housing units that are directed to those earning at or below 80% AMI and meet other requirements under the state's Local Initiative Program to be eligible for counting as part of the Subsidized Housing Inventory (SHI). Community housing refers to units targeted between 80% AMI and 140% of median income or other units not eligible for inclusion in the SHI.

2.1.1 Dukes County Regional Housing Authority (DCRHA)

Mission: The Dukes County Regional Housing Authority (DCRHA) is a publicly chartered local housing authority that was established in 1986⁸¹ to provide year-round housing options for low- and moderate-income residents of Dukes County and assist Island towns and organizations in the development of rental and homeownership opportunities. 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 other types of subsidies. Only one of its projects, Lagoon Heights, was financed through the state's Chapter 689 Program for the development of special needs housing, and this project was small in comparison to most public housing developments with only eight (8) units.

The organization relies on funding from all six Island communities to support its staff and the Rental Assistance Program in addition to other resources including state and federal grant and loan programs, rental income and program fees.

Development Projects: DCRHA manages rental properties and has purchased and rehabilitated a number of such properties over the years. In regard to rental housing, the organization owns or manages 71⁸² apartments in 12 properties located in five Island towns. Eleven (11) of these units involve single room occupancy (SRO's) for people with disabilities, with eight (8) such units inclusive of supports by Fellowship Inc. at Lagoon Heights and the other four (4) units at 45 Franklin Street, supported by Seven Hills Community Services. Information on these rental projects is included in Appendix 2.

As noted in the list of projects in the table of Appendix 1, DCRHA-owned rental units typically rent in the 60% to 75% AMI range, representing important below market, year-round rental units. Nevertheless, 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 based on the findings of Part 1 of this study and the waitlist summarized in Table 2-3.

DCRHA also owns and manages the Vineyard Housing Office in Vineyard Haven that includes DCRHA offices as well as those for the Island Housing Trust and Habitat for Humanity.

DCRHA's role has increasingly focused on the management of properties that have been developed by other entities including Oak Bluff's Noyes Building (developed by TRI and the Town), Middle Line Road (developed by the Town of Chilmark), and Sepiessa II (by the Island Housing Trust).

Rental Assistance Program: Since 2001, DCRHA has administered the Rental Assistance Program, which is modeled after the federal government's housing voucher program though funded locally. The original intent of the program was to entice landlords to rent their units year-round instead of on a seasonal basis in exchange for a range of management services. The focus was on stabilizing a portion of the Island's resident workforce through subsidized rentals in

⁸¹ Chartered in October 1987 with first meetings in 1988.

⁸² The caregiver unit at 45 Franklin Street is not counted in the SHI.

existing housing units in each town. Private fundraising of \$3,000,000 by the now defunct Island Affordable Housing Fund (IAHF) accounted for the first nine (9) years of programming.

As of January 2013, 81 households were living in market rentals with the program subsidizing the difference between 30% of the household's adjusted income towards a maximum of 50% of the total rent (based on an adjusted fair market rent). Landlords may require that the tenant pay one month's rent as a security deposit, but these deposits must be held in an interest bearing account. The DCRHA provides annual income certifications, apartment inspections, contracts and reports to the six island towns and works with their Housing and Community Preservation Committees to establish each year's funding requests for Town Meeting votes.

Since 2010, all of the towns provided CPA funding to support this program, as shown in Table 2-2, which has averaged \$500,000 annually Island-wide. The program's average annual subsidy is \$6,000, or \$500 per month, per household. There is a waitlist of about 149 applicants, up by eight (8) applicants only a couple of months before, which demonstrates significant and growing demand for this program. Participants in the program are earning in the 40% to 54% AMI range and employed by schools, the hospital, builders, restaurants, banks, offices and stores. Given the significant numbers of those on the waitlist, the high numbers of renters that are spending far too much for their housing, and the availability of landlords who are willing to work within program parameters, the Housing Authority has been approaching the towns about increasing their annual CPA contributions.

Table 2-2: Rental Assistance Program Funding by Town

Funding	Aquinnah	Chil-mark	Edgar-town	Oak Bluffs	Tisbury	West Tisbury	Total
CPA Awards	\$9,240	\$55,000	\$126,000	\$132,000	\$90,000	\$86,000	\$498,240
Ave. Annual Subsidy	\$6,220	\$7,320	\$6,420	\$6,369	\$5,629	\$5,852	\$6,144
Ave. Monthly Subsidy	\$435	\$610	\$531	\$531	\$469	\$488	\$512
Projected # Served	2	8	20	21	16	15	81
Income AMI % Served	40%	54%	45%	43%	45%	42%	45%
Waitlist	1	6	41	41	46	14	149

Source: DCRHA as of January 16, 2013

Eligibility Criteria: Income eligibility varies for DCRHA's rental developments depending on initial development subsidies. As noted in Table 2-1, most units are directed to those earning between 60% and 75% AMI with Fisher Road at or below 60% AMI. Table 2-2 also shows that the Rental Assistance Program is serving those earning well below 80% AMI, reaching those in the 40% to 55% AMI range.

Housing Services: In addition to owning and managing rental housing, DCRHA provides a wide array of housing services and programs including:

Rental Services

- Monitors the rental or family use of 42 accessory apartments created in West Tisbury through its zoning bylaw.
- Maintains a *waitlist* of about 200 individuals and families for the rental units it owns and/or manages.
- Assists towns in the development and management of Town-based rental options such as Middle Line Road in Chilmark and Noyes Building in Oak Bluffs.
- Partners with organizations that offer assistance with rent, utilities, apartment rehabilitation, etc. in support of Island tenants and landlords such as The Resource Inc. (TRI), Community Action Committee of Cape Cod & the Islands (CACCI) and the Housing Assistance Corporation (HAC) of Hyannis.

Homeownership Services

- Assists in the *lotteries or sale of homes* and homesites by Towns, the Island Housing Trust, HFHMV, and private developers involving 78 homes or homesites in all six communities since 2005.
- Provides *Homebuyer Education* training to prospective purchasers who are interested in participating in one of the lotteries for affordable homeownership, involving over 400 participants in 18 training sessions since 2005.
- Maintains an Island-wide *Homebuyer Clearinghouse* that notifies almost 300 individuals and families of all housing lottery activity.
- Provides technical and administrative support for Town-generated housing initiatives such as Edgartown's Demolition Delay bylaw; the Homesite Subdivision bylaws in Aquinnah, Chilmark and West Tisbury; West Tisbury's Accessory Apartment bylaw as well as collaboration with town Affordable Housing and Community Preservation Committee efforts. See Sections 2.2 of this report for more details on these Town-sponsored initiatives.
- Assists with the monitoring of deed-restricted properties across the Island to insure continued long-term affordability to the greatest extent possible.

Planning and Advocacy Services

- Assists the MVC with the maintenance of the Subsidized Housing Inventory (SHI) for all towns on the Island to assist in insuring that eligible units are counted and maintained for as long a period as possible, including community housing units that are not eligible for the SHI but still have important affordability restrictions.
- Advocates for affordable housing including the adoption of the Community Preservation Act, Housing Needs Assessments, and the creation of Housing Covenant provisions for the preservation of homeownership opportunities at moderate incomes.
- Participates in regional advocacy and planning efforts to promote affordable housing and prevent homelessness.
- Manages the Vineyard Housing Office that houses the Housing Authority as well as Island Housing Trust and HFHMV.
- Provides information and referrals to other housing service providers on and off the Island.

Waitlists: The waitlist for the Housing Authority’s rental units is summarized in Table 2-3, which includes a total of 226 applicants and shows that *the greatest demand for subsidized rental units is for small households earning at or below 60% AMI.*

Table 2-3: Rental Waitlist By Income and Household Size

Income	1 Person	2 Persons	3 Persons	4 Persons	5+ Persons	Total
< 20% AMI	23	11	5	21	0	41/18.1%
21-40% AMI	43	18	19	11	4	95/42.0%
41-60% AMI	26	17	12	7	1	63/27.9%
61-80% AMI	3	5	14	5	0	27/11.9%
81-100% AMI	0	0	0	0	0	0/0.0%
Total	95	51	50	25	5	226/100.0%

Source: DCRHA as of November 28, 2012

DCRHA also maintains waitlists for homeownership units as part of the Homebuyer Clearinghouse, summarized by income level and household size in Table 2-4. The waitlist includes a total of 271 households with the *greatest demand coming from small households earning less than median income.* This waitlist is used primarily for IHT and Homesite units.

Table 2-4: Homeownership Waitlist By Income and Household Size

Income	1 Person	2 Persons	3 Persons	4 Persons	5+ Persons	Total
< 59% AMI	31	22	13	7	1	74/27.3%
60-79% AMI	32	18	10	13	1	74/27.3%
80-99% AMI	20	18	8	8	1	55/20.3%
100-119% AMI	14	13	11	5	0	43/15.9%
120-140% AMI	11	7	2	3	2	25/9.2%
Total	108	78	44	36	5	271/100.0%

Source: DCRHA as of February 15, 2013

Opportunities and Challenges: DCRHA has generally responded to development opportunities as they arose, which has largely resulted in a number of formidable challenges including the following:

- The management of the agency’s 12 relatively small properties, scattered among five towns, is demanding and expensive, leading to cost burdens on both the administrative (work with tenants) and management (property upkeep) sides.
- More than half of the units (55 apartments) involved the conversion of existing buildings into long-term affordable rentals, requiring extensive rehabilitation and ongoing repair and maintenance needs.
- There are no administrative or property management fees attached to ten of the 12 properties. Standard management fees were integrated into the development of the Noyes Building and Middle Line Road that help cover some of the expenses involved in managing smaller, scattered site properties.
- The multitude of funding sources that are involved in the projects requires multiple annual audits, which are out of proportion to the small size of the developments. A relatively similar amount of “due diligence” is required for a six-unit project as one with 60 units.

- DCRHA’s regional focus means multiple layers of communication and consensus building with committees and leadership in each of the towns where the agency’s projects are located.
- A “local preference” focus in programming and development can unnecessarily complicate the simple fact of Vineyard life that people work where they can and live where they have to.
- DCRHA has experienced increasing unit turnover, 15 during the first nine (9) months of fiscal year 2013, largely the result of tenant loss of employment and income. The increased turnover costs and lost rental revenue have had a direct and detrimental effect on DCRHA’s operating budget.

Lessons Learned:

- Provide deeper subsidies to target at least 25% of new rental units to those earning at or below 60% AMI with 10% for those earning below 30% AMI.
- Integrate adequate management fees into the financing of all future rental developments.
- Larger parcels or unit congregations would allow economies of scale in development that would help reduce per unit development and management costs, with a particular focus on properties that are accessible to municipal sewer or other available wastewater treatment facilities.
- Insure sufficient vacancy reserves in project development and ongoing operating budgets to accommodate increasing turnover.
- Recapitalize properties when possible through project refinancing or additional infusions of funding to maintain the short and long-term viability of this critically important housing inventory.

Contact Information: 508-693-4419; dcrha@vineyard.net; www.vineyardhousing.org

2.1.2 Island Elderly Housing (IEH)

Mission: Since 1977, with the help of state and federal funding, Island Elderly Housing (IEH) has provided affordable rental housing and related services for the Island’s elderly and disabled.

Development Projects: Island Elderly Housing (IEH) provides 165 units of rental housing to income qualified seniors and individuals with disabilities earning within 50% AMI, with the federal government subsidizing the difference between 30% of a resident’s income and an established fair market rent ranging from \$829 to \$1,330 per month. These units are split among four (4) campuses including Hillside Village (phases I, II and III with 40, 10 and 5 units, respectively) and Margaret C. Love House (5 units) in Vineyard Haven, and Woodside Village (phases I through VI with 45, 18, 9, 9, 5, 9 for these phases, respectively) and Aidylberg Village (phases I and II, each with 5 units) in Oak Bluffs. All units provide independent living for residents and include one-bedroom units except for four (4) two-bedroom units at Hillside Village I and five (5) studios at the Love House. All units also involved new construction, with the exception of Love House, and financing from HUD’s Section 202 Program, except Hillside Village

I that used the US Department of Agriculture's Rural Housing Services financing. Both Aidylberg Village I and II, Hillside Village II and III, and Woodside Village II, III, IV, V, and VI also included some financing from DHCD.

Projects have been undertaken over several decades with Hillside Village I completed in 1982, Woodside Village I in 1994, Hillside Village II and Woodside Village II and III between 2001 and 2002, the other three phases of Woodside Village in 2005, and Hillside Village III as well as Aidylberg I and II completed in 2006. IEH has owned the Love House since 1987 but obtained HUD financing for the property in 2003.

Eligibility Criteria: Residents must have incomes within 50% AMI and in the HUD-sponsored developments be 62 years of age or older. Those who live in Hillside Village I must be disabled or at least age 62.

Services: IEH was an active housing developer since it was established in 1977, producing 165 units in 12 separate projects or phases of projects, ranging from five (5) units to 45 units. The organization has assumed responsibilities for managing these properties, which has involved most of its almost \$2 million operating budget. They receive ongoing funding from HUD and the USDA to subsidize the rental units, but any supportive services depend on private fundraising efforts with donations from both on and off Island sources.

IEH has also always strived to make its housing more than just a home for its residents by providing numerous social opportunities to keep residents connected with each other and with the Island community in general. Each building has a community room where residents can gather for meetings or social events. The organization sponsors annual art shows, provides recreational activities such as fitness classes and bowling matches, plays movies, publishes a monthly newsletter, creates intergenerational programs in concert with local schools, and schedules frequent social gatherings. IEH also provides transportation for its residents through the Blueberry Van, and all units are located on Vineyard Transit Authority bus lines. IEH's Service Coordinator helps organize these opportunities and also assists residents in taking advantage of services that are sponsored by other organizations on the Island including daily programs, health and medical assistance, and homecare.

Waitlists: The organization maintains waitlists for each development ranging from 47 applicants at the Love House to 97 at Aidylberg I and Woodside V. There are 121 total applicants on the waitlist for its federal housing developments, many of these on the separate waitlists for each development. Another 87 applicants are on the waitlist for Hillside 1 that IEH developed with USDA financing. The organization does not maintain separate waitlists for its disabled residents.

Vacancies are rare at the USDA property, Hillside Village, and when units turn over they are being offered to those who have been on the wait list since 2005, representing at least eight-year waits for units. The eleven (11) HUD properties have about a two-year wait. It is not surprising that units would turn over so rarely given the extremely limited opportunities of affordable rental housing on the Island.

Opportunities and Challenges: The organization owns property that it would like to develop to address the substantial need for additional affordable rental housing for the elderly and disabled

on the Island so exemplified by its extensive waitlists and rare unit turnover. Such development has been challenged by costs related to connecting to municipal sewer and available financing.

Lessons Learned:

- Managing rental property requires different skills than developing rental property.
- There is a lot of need for housing for seniors and people with disabilities with incomes below 50% of median on the Vineyard.
- Programs that the organization used to create very affordable rental housing (HUD 202 and USDA 515) have been nearly completely eliminated leaving little opportunity to develop such housing for those with the greatest need.

Contact Information: 508-693-5880; dyoung@iehmv.org; www.iehmv.org

2.1.3 Island Housing Trust (IHT)

Mission: The Island Housing Trust (IHT) is a non-profit community land trust⁸³ created in 2005 whose mission is the development and stewardship of land for permanently affordable housing through long-term ground leases. The organization states that, “We believe in creating sustainable homes *and* in looking after them for future generations.”⁸⁴ As an Island-wide housing partnership, the Trust’s board consists of an equal number of representatives from each of the six island towns and the Dukes County Regional Housing Authority (DCRHA), the homeowners, and the community-at-large. Only recently the Trust 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.⁸⁵

With funding from various local sources, including Community Preservation Act funding, the previously available Island Affordable Housing Fund (IAHF)⁸⁶ grants, and now

⁸³ Community land trusts are nonprofit corporations that develop and steward affordable housing, community gardens, civic buildings, commercial spaces and other community assets on behalf of a community. “CLTs” balance the needs of individuals to access land and maintain security of tenure with a community’s need to maintain affordability, economic diversity and local access to essential services. Since 1992, the defining features of the CLT model in the United States have been enshrined in federal law ([Section 213, Housing and Community Development Act of 1992](#)).

⁸⁴ Island Housing Trust 2012 Annual Report.

⁸⁵ 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 housing to shopping centers and even businesses. First formed in the 1960s, they have expanded rapidly in size and numbers since. An industry survey published in 2006 found that 4,600 CDCs promote community economic stability by developing over 86,000 units of affordable housing and 8.75 million square feet of commercial and industrial space a year. CDCs typically have a board composed of at least one-third community residents and promote the improvement of the physical and social infrastructures in neighborhoods with populations significantly below the area median income. In some cases, CDCs extend far beyond the bounds of a single community to cover an entire city, county, multi-county region, or even an entire state.

⁸⁶ The Island Affordable Housing Fund (IAHF) raised funding from individuals, businesses, and foundations to provide loans, grants and technical assistance to organizations working to increase the supply of year-round

through its own fundraising efforts, the Island Housing Trust's development and stewardship is modeled after community land trusts (CLT). CLT's create permanently affordable housing by selling homes to qualifying homebuyers and leasing the land beneath the homes for a discounted fee through a long-term renewable ground lease. The ground lease is the legally binding agreement that gives the lessee or homebuyer the right to use the land and runs for a term of 99 years and a new lease is entered into each time the house is sold or transferred. The homebuyer owns all of the improvements on the land, including all structures and fixtures, but the Trust controls the use and sale of these improvements.

Development Projects: Since 2005, 52 housing units have been built or renovated on Island Housing Trust land, as summarized in the table included in Appendix 3. The Trust typically develops neighborhoods of clustered single-family houses or duplexes that include a mix of one, two and three-bedroom units that are sold affordably between \$140,000 and \$330,000 to a mix of mainly low and moderate income earners. The Trust usually is able to acquire donated or discounted property at a cost ranging from \$2,500 to \$35,000 per unit. The Towns on Martha's Vineyard have also begun to convey property to the Trust for development and stewardship of affordable housing. While most of the properties the Trust purchases are developed for homeownership, the Trust has also worked with the Dukes County Regional Housing Authority to develop rental units. The Trust acquires and develops rental properties and enters into a property management agreement with the Housing Authority to manage the rental units.

It should be noted that most of the other Island development entities have produced few if any new affordable or community housing units during the last ten years with the exception of IHT, which has been the major vehicle for housing production. Examples of projects include:

- *Lake Street in Tisbury*
The Island Housing Trust purchased a 1.38-acre parcel of land on Lake Street from the Town of Tisbury at cost, after the Town's Housing Committee secured a comprehensive permit to build a cluster of six (6) townhouses (3 duplexes) walking distance from downtown Vineyard Haven. Each of the duplexes has been designed to the Trust's high performance building standards (Energy Star Plus) to ensure maximum energy efficiency and long-term affordability. Grants were secured from the Town's Community Preservation Act (CPA) fund to help pay for certain construction costs. The project was completed in two phases, with the first four townhouses sold in 2012 and the second two townhouses sold in 2013 to income-qualified homebuyers earning 80% and 100% or less of the median income.
- *Lambert's Cove Road*

affordable housing on Martha's Vineyard. The focus of their efforts was on the use of existing structures and, when not possible, small-scale development opportunities as opposed to larger projects, promoting perpetual affordability through deed restrictions and land trusts. An example of their efforts was in fiscal year 2006-2007, when the organization raised \$1,116,964 in private contributions, \$172,521 through special events, and about \$3,000 in investment income. It provided grants of almost \$600,000 and spent about \$130,000 on program expenses.

Similar to the Lake Street project, the Island Housing Trust purchased a 3-acre parcel of land from the Town of Tisbury at cost, after the Town's Housing Committee secured a comprehensive permit to build a cluster of four (4) single-family houses that preserved half of the property's surrounding woodlands. The houses were also designed and built to the Trust's high performance standards (Energy Star Plus) to ensure maximum energy efficiency and long-term affordability. Grants were secured from the Town's Community Preservation Act (CPA) fund and the Tisbury Affordable Housing Fund to help pay for certain construction costs. The houses were completed and sold in September 2010 to income-qualified homebuyers earning 80%, 100%, and 120% or less of the median income.

- *Eliakim's Way*
The Island Housing Trust and the Martha's Vineyard Land Bank jointly purchased an eight-acre parcel that was part of a larger 26.5-acre site, most of which was dedicated to conservation and recreational uses. In 2010 the Trust built a pocket neighborhood of eight (8) single-family homes within 3.5 acres of the eight-acre parcel, preserving the remainder of the site as open space. This project included three (3) income tiers, with two (2) units directed to those earning at or below 80% AMI (one of these houses was built by Habitat for Humanity), four (4) units in the 80% to median income range, and the remaining two (2) units serving those earning between 100% and 120% of median income, subsidized by the Island Affordable Housing Fund (IAHF), the Town of West Tisbury's Community Preservation Fund, and Cape Light Compact's subsidized solar electric PV panels. The Trust's focus on sustainable housing development practices enabled the project to obtain LEED Platinum Certification and net-zero energy usage (using as much energy as they produce).
- *Jenney Way in Edgartown*
The Island Affordable Housing Fund purchased the in-town 2.53-acre property in Edgartown from the Jenney family for a substantially discounted price that resulted in nine (9) subsidized single-family houses developed in partnership with the South Mountain Company. This "pocket neighborhood" of houses was built to high performance building standards and four (4) of the houses with solar electric systems achieved LEED Platinum Certification (the highest standard for Leadership in Environmental Design awarded by the U.S. Green Building Council). The nine (9) single-family houses were sold and the land ground leased under the Island Housing Trust with resale restrictions to income qualified households earning 80%, 100%, 120% and 140% or less of the area median income. Grants from the Island Affordable Housing Fund, the Town of Edgartown Community Preservation Act (CPA), and Cape Light Compact helped fund the land purchase and construction costs.
- *150 State Road in Tisbury*
This one-acre parcel was purchased by the Island Housing Trust from an existing estate at a significant discount. The existing property on site was developed into two (2) condos. Additionally, a property from the organization's House Moves

Program,⁸⁷ which moves homes that are planned to be demolished to other sites for affordable housing, was redeveloped into two (2) affordable condominiums. The Island Housing Trust received CPA funding from the Town of Tisbury and the Island Affordable Housing Fund. The new owners have a long-term, renewable ground lease with the Island Housing Trust. The condos were completed and sold in 2007 to income qualified households earning 80%, 100%, 120% and 140% or less of the area median income.

The Trust 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). The Trust also works with DCRHA which organizes homebuyer trainings and income qualifies all of the Trust's homebuyers, as well as serves as property manager for a rental property at Halycon Way (West Tisbury) that the Trust built and owns.

The Trust is currently working on the development of 15 units of rental housing, including three (3) additional apartments at Sepiessa (West Tisbury), a property at 6 Water Street in downtown Vineyard Haven, and farmworker housing on the newly acquired Thimble Farm property (Tisbury) by the Island Grown Initiative.

It should be noted that at this point the Town of Chilmark has controlled its own housing development efforts, not involving the Island Housing Trust, but has adopted the ground lease form used by the Trust and other community land trusts to lease Town-owned property. Several of the Island communities are working closely with the Trust.

IHT has calculated the following results of the first 50 units it has produced:

- The market value of these properties is \$25 million that includes a resale restriction of \$11.5 million.
- Homeowners have cumulatively invested \$8.86 million in their units.
- The Towns have committed \$6.4 million in IHT developments.
- Sales prices have averaged \$230,000 with average household incomes of \$49,700, below 80% AMI.
- Down payments have averaged \$18,600 per unit.
- IHT properties are occupied by 124 residents, including 46 children.
- IHT had 180 donors and supporters in 2012 that provided grants and donations of \$1,765, 000, more than tripling this support since 2011.
- Housing development activity increased fivefold between 2011 and 2012, and work capital reserves tripled over the same period.

⁸⁷ Since 150 State Road, the only house move has been the 49 Bailey Park house that was renovated by Habitat for Humanity. House moves only work if the owner is willing and able to pay for the move. Additionally, the cost of renovation typically exceeds new high performance construction. However, Habitat has been soft-stripping houses for materials and is actively working on a process to encourage more material donations and provide a more organized way of putting these materials to good use.

Eligibility Criteria: The Island Housing Trust sells houses that are subsidized for individuals and families ranging in income from at or below 80% to 140% of area median income, establishing several income tiers in each of the Trust's projects.⁸⁸ They focus CPA funding on those earning on average less than 80% of area median income, work with Habitat for Humanity on some homebuyers earning on average less than 60% of area median income, and have the flexibility to reach those earning between 100% and 140% of area median income but still priced out of the Island's staggeringly high housing market. Typically, at least 25% of the units are directed to those earning at or below 80% of area median. For example, the 150 State Road project in Tisbury created four (4) units, one (1) of which was targeted to a household earning at or below 80% of area median income, another at 100% of area median income, another at 120% area median and the remaining one up to 140% of area median income. In regard to assets, DCRHA, which is responsible for managing the homebuyer selection process, relies on state LIP requirements. Community preference per project is negotiated with the Town in which the project is located and typically complies with the LIP threshold of up to 70% of the units.

Of the 52 units that the organization has been involved with thus far, 19 or 38% were directed to those earning at or below 80% AMI, 15 or 30% to those earning between 80% and 100% of median, nine (9) or 18% up to 120% of median, and eight (8) or 16% up to 140% of median. This represents a relatively even spread among these income tiers with one-third in the lowest income range and qualifying for inclusion in the SHI.

Homebuyers must live in the property for at least eleven (11) months out of each calendar year, and the unit can only be subleased to income-qualified persons approved by the Trust for an amount that does not exceed the homebuyer's carrying costs. The buyer pays a ground lease fee of \$50 per month, \$600 a year, to the Trust, however this amount does not cover the Trust's administrative costs but does cover its general liability insurance policy for each property. This ground lease fee amount is included in the calculations for determining the amount of financing the buyer can borrow, and if not paid on time sends a signal to IHT to intervene as necessary to insure the family's continued financial stability and residency. This ongoing stewardship has led to zero defaults on IHT properties. The purchaser is also responsible for all property taxes and any homeowner association fees or special assessments, also incorporated into the mortgage financing calculations. All mortgage financing must be approved by the Trust through a recorded permitted mortgage agreement that must meet the Trust's mortgage lending criteria.

Homeowners are allowed to make improvements to their homes without having to obtain approval from the Trust, however, resale price limits may result in the investment not being recovered. They are also able to sell or transfer the home to an income-qualified purchaser for no more than the maximum resale price as stipulated in the ground lease. The Trust holds an option to purchase and a right of first refusal for any house that is sold. The Trust's resale formula strikes a balance between the goal of allowing a fair return to

⁸⁸ It is important to make a distinction between maximum AMI and the actual AMI of people who are served. Through the use of the Soft Second Program (see below), IHT has been able to serve people who are on average earning 80% of the AMI, even though the maximum AMI is 100%.

the seller (maximum of 4% annual appreciation) and the goal of limiting the price to a level that will insure continued affordability. The formula is the same for all deals, no matter what the purchaser's income and purchase price. Prices upon resale will be set at 10% less than the maximum purchase price, for example, directed to those earning at 70% of area median income for a unit that is targeted to households earning at or below 80% of area median.

Soft Second Loan Program: Modeled after the successful Helm Home Loan that was administered by the Island Affordable Housing Fund for years, the Trust provides loans to homeowners who are purchasing a home on leased land. The purpose of this loan is to bridge the gap between what the homebuyer has available and the amount they qualify to borrow. The program provides homebuyers with a 30-year fixed rate second mortgage at an interest rate of 3% per year for an amount not to exceed \$15,000. Principal and interest is deferred during the life of the first mortgage. The Soft Second Mortgage is repaid after the first mortgage is retired or the residence is sold. The program is need-based, and is dependent on the median income limits that specific house purchase is serving and the availability and restrictions of funding that are available.

Waitlists: DCRHA maintains waitlists for Trust homes with 226 applicants for rental units and 271 for homeownership units (see Tables 2-3 and 2-4).

Opportunities and Challenges: The Island Housing Trust has been adapting its program on an ongoing basis, particularly with respect to legal documents for the creation of homeowner and condominium associations, as well as compliance with state Chapter 40B comprehensive permit and Town special permitting requirements.

A major component of the Trust's development work has been building eco-friendly houses, designed with high performance building standards. The Cape Light Compact has funded solar electric systems that have enabled the units to obtain LEED Platinum Certification and net-zero energy usage (using as much energy as they produce). Given the high costs of energy on the Island, this level of energy efficiency and durable building materials have made the Trust's houses very affordable to maintain and thus more affordable in the long-run.

The Trust's on-going stewardship program has been facilitated by a central database called HomeKeeper. HomeKeeper helps simplify program administration by keeping all homes, applicants, homebuyers and homeowner data in one place; improves coordination between homeowners, program staff and program partners; increases capacity to consistently manage compliance monitoring activities; produces dynamic reports summarizing program outcomes for funders, partners and stakeholders; saves time and money by increasing staff productivity; and avoids loss of institutional memory as staff and programs change over time. Aside from its own properties, the Trust has been contracted to conduct inventories of resident homesite deed restricted properties in the towns of Aquinnah, Tisbury, and Oak Bluffs.

Lessons Learned:

- There were significantly more applicants for units in the lower income ranges as opposed to those in the 120% and 140% tiers. For example, for those who qualified for the State

Road lottery, eight (8) applied for the below 80% unit, six (6) for the 100% unit, two (2) for the 120% unit and only one (1) for the 140% unit. Another example is Jenney Way with 15 applicants for the 80% units and less than five (5) for the other ranges with only one (1) or two (2) for the higher ranges. These figures are also reflected in DCRHA's Homebuyer Clearinghouse that includes 271 applicants of which only 25% are waiting for units in the 120% or 140% ranges (see Table 2-4).

- The maximum income to qualify for purchasing homes was on average 100% or 20% more than the income of average homebuyers of affordable housing (80% of AMI). Although the price of these homes is calculated with 10% affordability margin, the other 10% was often covered by homebuyers coming-up with larger downpayments or securing Soft Second loans.
- Community land trusts have been proven models for the permanent enforcement of use restrictions for affordable housing. For example, if the state Department of Housing and Community Development (DHCD) is not involved in the development of the deed rider, the property can only be restricted through deed restrictions for a period of up to 30 years. That means that properties that are sold to those earning more than 80% of area median income and without DHCD involvement, cannot be controlled for more than 30 years unless some other kind of legal basis is established such as a land trust.
- The community land trust model has also proven that it helps ensure the success of homeowners through on-going support and stewardship services. This hands-on approach helps safeguard homeowners against the threat of foreclosure and ensures that the homes will remain permanently affordable.
- It should be noted that the Island Housing Trust has used Chapter 40B comprehensive permits for some of its developments and therefore all the 40B requirements must be met. They were the first community land trust in the state to obtain approval from DHCD for the use of their ground lease and have also received approval from MassHousing and FannieMae. All three (3) mortgage lenders on Martha's Vineyard offer leasehold mortgages for the Trust's properties.
- Development has been largely limited to properties donated or sold at a discounted cost. In addition, the density of the developments has been largely limited by state sanitation codes requiring 10,000 square feet of land per bedroom or approximately 4-bedrooms per acre in areas not served by public sewer systems.
- Funding for these scattered-site ownership and rental developments has largely been through private fundraising and municipal Community Preservation Act funding at the local level, as funding for ownership housing and smaller scale rental developments have not been available at the state or federal level.

Contact Information: 508-693-1117; info@ihtmv.org; www.ihtmv.org

2.1.4 Habitat for Humanity of Martha's Vineyard (HFHMV)

Mission: Habitat for Humanity of Martha’s Vineyard (HFHMOV) is committed to building simple, decent housing for families in the lowest qualifying income range. Habitat houses are built with volunteer labor, donated materials and charitable donations. The organizations believes that addressing the lack of affordable housing - one house at a time - will keep Martha’s Vineyard a healthy, vital community.

HFHMOV is a local affiliate of Habitat for Humanity International (HFHI). HFHMOV acts with and on behalf of HFHI, dedicated to building simple, decent homes in partnership with families in need and their communities. HFHI has grown over the past few decades into one of the largest private homebuilders in the world.

Projects: Thus far ten (10) new homes have been built and another is underway for first-time homebuyers through discounted or donated land, materials, professional services, labor and funding as well as Community Preservation Funds. These homes are listed in Appendix 4. Building costs are typically 50% to 70% lower than conventional construction due to the financial contributions and donations of materials and labor, including the considerable amount of “sweat equity” invested by the selected Partner Families. Partner Families invest 350 to 500 hours of sweat equity along side community volunteers to construct their home. While HFHMOV builds are obligated to conform to local zoning bylaws, there have been opportunities which required the use of the “friendly” Chapter 40B comprehensive permit process.

HFHMOV provides financing to the homeowner through a 20-year loan at 0% interest and has the flexibility to extend the term up to 30 years based on the Partner Family income. Mortgages are calculated at approximately 25% of the Partner Family income and require a minimal down payment of 2%⁸⁹. Monthly mortgage payments are typically lower than the rents allowed with Low Income Tax Credit financing. As funds are repaid to HFHMOV, they are reinvested in future builds. In a number of recent projects, the land has been transferred or sold to the Island Housing Trust (IHT), which has used a ground lease as the mechanism by which the property remains affordable in perpetuity. The IHT charges a \$50 fee per month to the HFHMOV Partner Family to maintain the ground lease. The resale price is based on a formula which allows a maximum increase in area median income for Dukes County of 4% per year over 99 years.

Actual costs range from about \$80,000 to \$140,000 per house, largely depending on the level of donated labor and other contributions. Given that most of the builds involve houses that are about 1,100 square feet in size, the average estimated cost per unit ranges from about \$73 to \$127 per square foot. Construction typically takes less than a year to complete these days, an improvement on earlier projects, which took considerably longer.

Services: HFHMOV provides required pre-purchase and post-purchase training and counseling for all potential homebuyers on the home buying process, financial obligations, financial planning, the IHT ground lease, and how to identify predatory loan practices and other scams. When a family is selected, a designated HFHMOV family liaison meets with the homebuyer before and during construction as well as afterward on an ongoing basis to insure that they understand their financial situation and to assist as necessary if challenges arise.

⁸⁹ The formula that is used is Recipient Family Monthly Income x 25% minus housing expenses (property taxes, property insurance, and ground lease and association fees, if any) x 240.

Eligibility Criteria: The new homes are targeted to those earning at or below 80% AMI, are able to meet the financial obligations of owning a home, and are willing to provide substantial “sweat equity” in the construction of their home and on future builds. HFHMV also tries to match the appropriate family size to any available home. HFHMV partners with the Dukes County Regional Housing Authority (DCRHA) for applicant income certifications; Habitat’s Family Selection Committee reviews applications with names and other identifying information removed; and two (2) Committee members interview applicants in their homes, bringing their assessment back to the Committee without identifying the applicants. The Committee recommends the applicant that is most in need but has the financial ability to pay a mortgage and a willingness to partner with the community and Habitat. DCRHA may conduct a lottery for the new home if HFHMV determines that more than one family meets the selection criteria after home visits.

Waitlists: As many local families’ financial circumstances change from year to year, HFHMV advertises and conducts a new family selection process with every new affordable home ownership opportunity. DCRHA notifies all families which are enrolled in their rental assistance program and their affordable housing waiting list.

Opportunities and Challenges: It should be noted that because of the substantial level of community investment in each of the builds, including significant amounts of donated time, materials and contributions, the HFHMV’s 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 its essence a community-building initiative that brings a sense of good will and community spirit to the issue of affordable housing and connects the HFHMV Partner Families to their home and neighborhood.

Lessons Learned: HFHMV has learned that there is strength in collaboration. Martha’s Vineyard is very fortunate to have a dynamic affordable housing community that includes regional agencies, Town committees, private non-profits, national and local business partners, and individual community volunteers. HFHMV has developed sustainable and mutually beneficial relationships within this network in support of its mission.

Contact Information: 508-696-4646; houses@HFHMV.org; www.HFHMV.org

2.1.5 Aquinnah Wampanoag Tribal Housing Authority

Mission: The Aquinnah Wampanoag Tribal Housing Authority was created to provide affordable housing for tribal members and in effect recreate a Wampanoag community.

Projects: The Tribal Housing Authority has built 33 units in four (4) developments with HUD financing as listed in Table 2-5.

Services: In addition to ongoing property management, the Tribal Housing Authority was able to employ tribal members during construction, training them in the building trades.

Eligibility Criteria: Residents must meet HUD Section 202 eligibility criteria including having incomes at or below 50% AMI.

Contact Information: 508-645-2711; housing@wampanoagtribe.net;

**Table 2-5
Aquinnah Wampanoag Tribal Housing Authority Developments**

Property/Town	Year Completed/ Purchased or 1st Managed	# Units/Type of Units	Type of Project/ Financing
Tribal Housing		18/Rentals	New construction/HUD
Tribal Housing		6/Rentals	New construction/HUD
Mutual Housing		7/Rentals	New construction/HUD
Tribal Housing		2/Rentals	New construction/HUD
Total		33	

2.1.6 The Community Builders (TCB)

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 rental 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 property.

It should be noted that 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 attract the necessary financing.

Mission: The Community Builders (TCB), formerly South End Community Development (SECD) in 1964 and then reorganized into Greater Boston Community Development (GBCD) in 1970, has grown into one of the largest non-profit development corporations in the country. The organization’s mission has been to build and sustain strong communities where people of all incomes can achieve their full potential. TCB has an annual budget of \$40 million, manages \$300 million in investments, and has over 400 employees in three (3) regional hubs and 40 projects sites, including one on Martha’s Vineyard.

Projects: In 2004, the Town of Edgartown selected TCB to develop 60 units of housing on a 12-acre parcel that was assembled and donated by the Town. The project was completed in 2007 and represents the largest affordable housing development on the Island. Processed through a “friendly” 40B comprehensive permit process, the site design involved three (3) clusters of

buildings arranged around landscaped common areas that are reminiscent of old New England town center development patterns.

The project includes almost 68,000 square feet of space that includes the project’s management office. The modular construction came in at \$161 per square foot for the hard costs. As the project was completed about seven (7) years ago, TCB believes that \$200 per square foot would be a more current estimate of construction costs. Some infrastructure costs were not included in these figures as the Town covered \$220,000 to extend the sewer line, \$51,000 to extend the water main, \$152,000 for road construction, and \$15,000 in other utility costs.

**Table 2-6
Project Summary for Morgan Woods**

Property/Town	Year Completed	# Units/Type of Units	Type of Project/Financing
Morgan Woods/ Edgartown	2007	60 units/8 1-bedrooms, 31 2-bedrooms, 21 3-bedrooms	New construction/Low Income Housing Tax Credits, Project-based Sec. 8, Priority Development Fund, State Affordable Housing Trust, HSF, and a MassHousing mortgage.

The project has received considerable recognition and awards including the following:

- 2011 National Affordable Housing Management Association (NAHMA) Community of Quality Award
- 2010 Finalist for the Institute of Real Estate Management (IREM) Landscape Award
- 2009 Finalist for Urban Land Institute’s Award for Excellence
- 2008 Urban Land Institute’s J. Ronald Terwilliger Workforce Housing Models of Excellence Award
- 2007 Affordable Housing Finance Readers’ Choice Finalist

Services: In addition to developing housing, TCB owns and manages almost 9,000 housing units at more than 100 housing developments nation-wide, including Morgan Woods.

Eligibility Criteria: Eligibility requirements varied by how units were financed as summarized in Table 2-7. TCB used the Housing Assistance Corporation (HAC) to qualify the initial occupants, but TCB on-site staff handles the ongoing lease-up and management of units.

**Table 2-7
Size of Units by Target Income Ranges for Morgan Woods**

Income Range	# 1 Bedrooms	# 2 Bedrooms	# 3 Bedrooms	Total
Less than 30% AMI	0	4	2	6
30 to 60% AMI	4	14	12	30
60 to 110% AMI	2	5	3	9
110 to 140% AMI	2	8	4	15
Total	8	31	21	60

Waitlists: There are 238 applicants on the waitlist.

Opportunities and Challenges: Given the economic decline, it has been very difficult to find interested tenants for the highest income tier. On the other hand, there has been considerable interest in the lower income ranges.

TCB has indicated its continued interest in working with towns on Martha's Vineyard on other mixed-income housing development similar to Morgan Woods.

Lessons Learned: Potential future mixed-income rental units should consider fewer units in the higher income ranges as well as more one-bedroom units, given the number of applicants for these units.

Contact Information: 508-939-8564; www.tcbinc.org

2.2 Town-Sponsored Housing Initiatives

Five of the six towns have both an Affordable Housing Committee and Housing Trust⁹⁰ and all have been actively supporting local initiatives to address affordable and community housing needs. These special programs and projects are summarized below.

2.2.1 Aquinnah

Operational Support: Aquinnah is the smallest community on the Island and has included a line-item commitment in its budget for housing, ranging from \$3,983 in fiscal year 2009 to \$2,250 in 2011 and 2012, down to \$1,950 in 2013 and projected to increased back to \$2,250 in 2014. This allocation supports Town staff to keep necessary records, disseminate information, and coordinate program administration. In 2013 the Aquinnah Housing Committee and Board of Selectmen entered into a contract with the Island Housing Trust's HomeKeeper Program to monitor the long-term usage of affordable properties and maintain a database of the Town's affordable housing inventory.

Projects: The Aquinnah Housing Committee (AHC) has been operating a *Homesite Program*, conveying parcels it already owned or acquired to qualifying purchasers who are selected through a lottery administered by DCRHA. Purchasers pay \$20,000 to the Town for the property. The selected purchasers are also responsible for constructing their home including the septic system and well. There are no requirements regarding what can be built except that the purchasers must be able to afford the unit and satisfy Town board requirements. The Town typically pays for any associated site acquisition, predevelopment costs, and/or demolition costs through annual CPA allocations.

The Town, through the AHC, has completed five (5) homesites thus far with another home in process. Participants enter into deed restrictions, most recently the ground lease with IHT that ensures affordability in perpetuity. The Town purchased the latest Homesite parcel for \$120,000 through CPA funding, paid for the demolition of two (2) existing buildings on the property as well as some other predevelopment costs. The Town has acquired another property for \$240,000 for two (2) possible homesites, now in predevelopment.

⁹⁰ Aquinnah does not have an Affordable Housing Trust Fund at this time.

The Town's agreement with IHT provides the ground lease and the monitoring of long-term affordability as part of what it is calling the HomeKeeper Program referenced above. The Town paid IHT an initial \$1,500 to prepare a database for each Homesite house and additional work is billed at \$75 per hour.

The Town, also through the AHC, has administered a *Homestead Program* that resulted from a zoning bylaw that allows a person who owns at least three (3) acres to subdivide and sell a one-acre parcel if it is used for affordable housing, even though minimum lot size is two (2) acres. This property is conveyed directly from the former owner to a qualified purchaser without a lottery. The purchaser must meet certain criteria including being at least 21 years of age and an Aquinnah resident for at least five (5) years with an income of no more than 140% of median. Moreover the Program requires that the purchaser have no more than \$50,000 in financial assets above what is needed for the down payment on the home and enter into a ground lease with IHT to insure long-term affordability. No homes have been developed through this Program to date.

Eligibility Criteria: Purchasers of the Homesite Program have incomes between 80% and median income with a maximum income of 150% of median.

Waitlists: The AHC has not maintained their own waitlist although approximately 30 to 40 applicants have expressed interest in the homes thus far, and there are about five (5) to ten (10) participants per lottery. DCRHA maintains a Homebuyer Clearinghouse for any resales of the homes as well as for notification if another home is available through the programs.

**Table 2-8
Aquinnah Affordable and Community Housing**

Project Name/SHI Units	# SHI Units	Project Type/ Subsidizing Agency	Use of 40B	Affordability Expiration Date
Tribal Housing	18	Rental/HUD	Yes	2048
Tribal Housing	6	Rental/HUD	Yes	2049
Mutual Housing	7	Rental/HUD	Yes	2051
Tribal Housing	2	Rental/HUD	Yes	2054
Homeowner Rehab Program (LCCDC)	8	Ownership/DHCD	No	2017-2019
Subtotal SHI Units	41/25.95%	158 year-round units 33 or 80.5% SHI were rentals		
Project/Non-SHI Units	# Units	Project Type/ Subsidizing Agency	Use of 40B	Affordability Expiration Date
Homesite/Homestead Program	6/0	Ownership/Town	No	Perpetuity
Rental Assistance Program	2	Rental/Town	No	NA
Subtotal Non-SHI Units	8			
Total	49			

Opportunities and Challenges: The key ingredients to the acknowledged success of this program have been the hard work of the Aquinnah Housing Committee in overseeing program operations and the determination of selected purchasers. The Committee has remained patient,

supportive and helpful as the individual purchasers built their homes. All recipients have completed construction and one (1) is currently under construction.

DCRHA and IHT have also played key roles in the program in managing the lotteries and monitoring affordability.

The general support of the Town in providing the properties and CPA funding has been critical to program operations and future prospects. Clearly ongoing funding to acquire property and to cover other costs is essential to the continued viability of the program. As has been the case with all of the Island towns, Aquinnah has sometimes found it challenging to attract volunteers to serve on their Housing Committee.

Lessons Learned: Building one’s own home not only takes time and patience but also some specific knowledge of how to select a contractor, make progress payments, the responsibilities of homeownership, etc. A number of the selected purchasers have encountered significant delays in building their homes.

The Town evaluates its programs periodically to determine whether changes are warranted. It is currently considering the feasibility of using homesites for rentals.

Contact Information: 508-645-2304; www.aquinnah-ma.gov

2.2.2 Chilmark

Projects: The focus of Chilmark’s housing efforts has been the *Middle Line Road* affordable housing complex that included three (3) duplex buildings and six (6) one-acre homesites on 21 acres of Town-owned land. Four (4) of the rentals units should be eligible for inclusion on the Subsidized Housing Inventory (SHI). The Town will retain ownership of the land through a ground lease that was modeled after the one developed by the Island Housing Trust. DCRHA is managing the rental units under a contract with the Town and will coordinate any resales of the owner-occupied units. The project involved a seven-year development process, beginning in 2004 with the approval of a \$45,000 feasibility study.

**Table 2-9
Chilmark Affordable and Community Housing**

Project Name/SHI Units	# SHI Units	Project Type/ Subsidizing Agency	Use of 40B	Affordability Expiration Date
Homeowner Rehab Program (Oak Bluffs)	3	Ownership/DHCD	No	2017-2019
Middle Line Road Apt. (not yet on SHI)	4	Mix of ownership and rentals/ DHCD, Town	No	Perpetuity
Subtotal	7/1.7%	418 year-round units All ownership rehab		
Project/Non-SHI Units	# Units	Project Type/ Subsidizing Agency	Use of 40B	Affordability Expiration Date
Middle Line Road	8	Mix of ownership and rentals/ DHCD, Town (6 homesite Lots)	No	Perpetuity

Homesites	4 ⁹¹ + 4 other potential lots	Ownership/Town	No	Perpetuity
Youth Lots	1 in process	Ownership/Town	No	2023
Rental Assistance Program	4	Rental/Town	No	NA
Subtotal Non-SHI Units	17			
Total	24			

Besides participating in the Island-wide Rental Assistance Program and TRI managed Homeowner Rehabilitation Program, the Town has sponsored a couple of lot development initiatives including:

- *Youth Lots* to enable young Chilmarkers below age 30 (with some exceptions) to attain a piece of property without provisions that the properties remain affordable in perpetuity. The Town is unsure of how many such lots have been created to date but there has been little recent activity as the Town has moved to the Homesite model.
- The *Homesite Lots Program* allows a property owner with four (4) or more acres to carve off one (1) acre for development by an income-qualified Chilmark resident or worker selected by the property owner. The price of the lot is capped at \$40,000.

Eligibility Criteria: Purchasers of affordable homesite lots must have incomes at or below 150% of median and have lived or worked in Chilmark for at least five (5) years.

Waitlists: The Town does not maintain waitlists.

Opportunities and Challenges: There have been fewer subdivisions and fewer opportunities for creating affordable housing sites and youth lots. The Town is looking at zoning to allow parcels of less than one (1) acre to be carved-off as homesites, and also exploring how it might promote rental units.

Lessons Learned: Affordable homesites keep land and homes perpetually affordable, however, for some Chilmark landowners, youth lots are deemed a better option. *Flexibility within all options* is key to expanding the pool of affordable housing opportunities.

Contact Information: 508-645-2104

2.2.3 Edgartown

The Edgartown Housing Committee has a Housing Assistant that provides important staff support with other associated costs (legal counsel, advertising, audit, supplies, etc.) ranging from \$16,000 in 2010 to \$38,000 by 2013.

Projects: In addition to significant support for the Morgan Woods “friendly 40B” development on Town-owned land (see Section 2.1.5) as well as substantial involvement and investment in the

⁹¹ Figure does not include the six(6) homesite lots in the Middle Line Road development.

Jenney Way development (see Section 2.1.3 for a description), the Town has been operating several special programs.

A *Buy Down Program (BDP)*, sponsored by the Edgartown Housing Committee, was the first of its kind on the Island, providing a subsidy of \$200,000 to moderate-income purchasers to “buy down” the purchase price of existing homes on the market. All subsidies involve accompanying deed restrictions to keep the homes affordable in perpetuity based on the Town’s own covenant. This Housing Needs Covenant places deed restrictions on the property, establishes resale prices, and other program requirements.⁹² After subsidy mortgage financing varied from \$150,000 to \$225,000. Additional costs averaging \$18,996 per participant that included legal fees, management costs, repairs, etc. The Town has invested \$1 million in the Program thus far, the subsidy resulting from negotiations related to the Field Club luxury development in lieu of affordable units that included \$1.8 million for three (3) lots.⁹³

**Table 2-10
Edgartown Affordable and Community Housing**

Project Name/SHI Units	# SHI Units	Project Type/ Subsidizing Agency	Use of 40B	Affordability Expiration Date
Fisher Road Apartments	8	Rental/DHCD & MHP	No	2027
Pennywise Path/Morgan Woods	60	Rental/DHCD & MassHousing	Yes	2057
High and Pease Point	2	Ownership/MassHousing	Yes	Perpetuity
Fair Way Village	3	Ownership/MassHousing	Yes	Perpetuity
Jenney Way (should be added to SHI) ⁹⁴	(3)	Ownership/DHCD, Town and IAHF	No	Perpetuity
North Summer Street (should be added)	(2)	Ownership/DHCD	Yes	Perpetuity
Homeowner Rehab Program (Oak Bluffs)	12	Ownership/DHCD	No	2017-2019
Rehab Program (Oak Bluffs)	4	Rental	No	2019
Subtotal	89 + 5 to be added/94 or 4.8%	1,962 year-round units 72 or 80.9% were rentals		
Project/Non SHI Units	# Units	Project Type/ Subsidizing Agency	Use of 40B	Affordability Expiration Date
Buy Down Program	5	Ownership/Town	No	Perpetuity
Jenney Way	6	Ownership/Town and IAHF	No	Perpetuity
Resident Home Site Program	26	Ownership/Town	No	30-year deed restrictions
Village Green	2	Ownership/IAHT	No	Perpetuity

⁹² The maximum resale price is the lesser of the appraised value of the property at the time of resale or \$205,000, as increased at the rate of 3% per year, not compounding, from the date the covenant was executed (in the event the property is not in good repair the \$205,000 will not be increased by the 3% per year allowance) or the maximum resale price cannot exceed an amount that a household earning at base income (110% of area median adjusted by household size) for a household size appropriate for the property would pay no more than 30% of gross income for the sum of annual debt service for a mortgage loan of 90% of the resale price (including principal, interest, property taxes, insurance and any homeowner association fees).

⁹³ The decision to allow cash in lieu of affordable units came through negotiations as part of the Martha’s Vineyard Commission’s DRI review of this development proposal.

⁹⁴ The Edgartown Housing Committee is working to have the three (3) affordable units at Jenney Way and the two (2) units at North Summer Street included in the SHI.

HFHVM Houses	5	Ownership/Town	No	Perpetuity
Rental Assistance Program	14	Rental/Town	No	NA
Rental Subsidies (HAC)	13	Rental/DHCD	No	NA
Subtotal Non SHI Units	71			
Total	165 plus 5 to be added			

Through its Zoning Bylaw, Edgartown also has a *Resident Home Site Program* that has included 26 homes to date. These homes have been built through varying requirements over the years. For example, some of the homes were built under a deed restriction that is no longer in use and involved a 30-year term. If the property was sold within ten (10) years of the initial sale, the purchaser was required to repay the Town the current value of the property less what they paid the Town (payment ranged between \$10,000 and \$25,000). If the house sold between the 10th and 30th year of the term, the seller had to repay the Town one-half of the appraised value of the land minus what they paid the Town. The deed restriction also requires construction to begin within a year of the date the deed was transferred to the purchaser with occupancy permits obtained within two years of the purchase. Some of the purchasers took longer to build their units but fell under the Automatic Extension Law that the state enacted to extend the time allowed to complete construction on building permits issued between 2008 and 2012 due to the poor economy. Deed restrictions now require affordability in perpetuity.

An individual or family can also establish a home site on a nonconforming lot by applying for a variance for a special permit from the Board of Appeals. Two (2) different types of deed restrictions have been applied to these home sites, one that was used for earlier units described above and another that is currently in use stipulating that if the home is sold within the 30-year term of the deed restriction, it must be resold to another eligible purchaser, overseen by the Housing Committee. An example of this type of home site was a \$218,100 Cape that was built on a 1.04-acre parcel in 2007, with a land price of \$40,000.

Eligibility Criteria: Participants in the Buy Down Program must have incomes within 150% of median but most participants had incomes under 100% AMI with another few at 110% of median income. Participants, selected by a lottery, must also live or work in Edgartown with accompanying documentation (via utility bills, a lease, voter registration, etc.).

For the Resident Home Site Program, the Housing Committee has residency and income requirements that must be met including proof of Edgartown year-round residency or employment and income at or below 140% of median (most homes have been involved families earning at or below 110% of median). Financial assets cannot exceed \$50,000.

Waitlists: DCRHA, which determines eligibility under these bylaws, maintains a waitlist for rentals or homeownership resales (see Tables 2-3 and 2-4).

Opportunities and Challenges: The Edgartown Housing Committee is in the early stages of planning the development of a nine-acre Town owned parcel on Meshacket Road to address a variety of housing needs from rentals to owner-occupied single-family homes.

The Housing Committee is also exploring options for increasing stable year-round rental units that are affordable to families earning below 80% AMI, and to continue to fund homeownership opportunities to families, focusing on those earning below median income.

Lessons Learned: The Morgan Woods project has been viewed as a successful rental development, and there is a great deal of interest from the Town and the Edgartown Housing Committee to create another rental development, albeit on a somewhat smaller scale. Through the Morgan Woods Project it became clear that the greatest need and demand for units came from those households earning in the lower income ranges of less than 80% AMI and for more one-bedroom units as well.

Key to Edgartown’s success in promoting affordable and community housing has been good communication between the Edgartown Housing Committee, the Planning Board and Board of Selectmen.

Contact Information: 508-627-6150; affordable@edgartown-ma.us

2.2.4 Oak Bluffs

The Oak Bluffs Affordable Housing Committee was established in 2006. Its main functions have been to review Community Preservation funding applications that pertain to housing, to serve on other housing-related boards, and to advocate for affordable homeownership and rental housing.

Projects: Table 2-11 summarizes Oak Bluff’s housing activity, including all subsidized units.

**Table 2-11
Oak Bluffs Affordable and Community Housing**

Project Name/SHI Units	# SHI Units	Project Type/ Subsidizing Agency	Use of 40B	Affordability Expiration Date
Lagoon Heights*	8	Rental –SRO’s/DHCD	No	Perpetuity
Woodside Village I**	45	Rental/HUD	No	2034
Woodside Village II**	18	Rental/HUD	Yes	2041
Woodside Village III**	9	Rental/HUD	Yes	2042
Aidyberg I**	5	Rental/HUD	Yes	Perpetuity
Aidyberg II**	5	Rental/HUD & DHCD	Yes	Perpetuity
Woodside Village IV**	9	Rental/HUD	Yes	Perpetuity
Woodside Village V**	5	Rental/HUD	Yes	Perpetuity
Woodside Village VI**	9	Rental/HUD & DHCD	Yes	Perpetuity
DMH Group Homes	8	Rental-special needs/DMH	No	NA
Twin Oaks	1	Ownership/DHCD	Yes	Perpetuity
Noyes Building*	3	Rental/DHCD	No	Perpetuity
Homeowner Rehab Program (Oak Bluffs)	21	Ownership/DHCD	No	2017-2019
Subtotal SHI Units	146/6.83%	2,138 year-round units 116 or 79.5% were rentals		
Project/Non SHI Units	# Units	Project Type/ Subsidizing Agency	Use of 40B	Affordability Expiration Date
Twin Oaks	2	Ownership/Town	No	Perpetuity
148 Edgartown Rd./HFH MV	1	Ownership/Town	No	Perpetuity

Rental Assistance Program	19	Rental/Town	No	NA
Rental Subsidies (HAC)	4	Rental/DHCD	No	NA
Subtotal Non-SHI Units	26			
Total	172			

* DCRHA Units (Noyes Building with TRI)

** IEH Units

The Town has partnered with various housing organizations to develop and preserve affordable housing including:

- Island Elderly Housing has been a major provider of senior housing in Oak Bluffs with 105 units as shown in Table 2-11.
- DCRHA developed the Lagoon Heights project with eight (8) Single Room Occupancy (SRO) units and manages the Rental Assistance Program.
- TRI worked with the Town to develop the Noyes Building with CDBG funding that included three (3) affordable housing units above the local pharmacy.
- The Island Housing Trust (IHT) developed the Twin Oaks project that included three (3) units, one of which was a Habitat for Humanity house and eligible for the SHI.
- HFHMV built a house on Edgartown Road.

Eligibility Criteria: Eligibility is based on project financing.

Waitlists: DCRHA maintains a waitlist for rentals or homeownership resales (see Tables 2-3 and 2-4).

Opportunities and Challenges: The major challenge has been in obtaining sufficient financing which is likely to continue given the uncertainty related to state and federal programs. The Town is particularly interested in increasing the number of rental units that are affordable to households earning at or below 80% AMI. It is also expecting to evaluate current zoning and consider adopting new zoning to help create affordable housing opportunities within the town.

Contact Information: 508-560-2683

2.2.5 Tisbury

Projects: The Town of Tisbury has also relied on partnerships with existing organizations on a wide range of housing developments that are summarized in Table 2-12.

The Town is also working with IHT on two (2) additional rental developments including four (4) to six (6) new one-bedroom units on Water Street and four (4) new two-bedroom units at Thimble Farm, all directed to those earning at or below 80% AMI and eligible for inclusion in the SHI.

Eligibility Criteria: Eligibility is based on project financing.

Waitlists: DCRHA maintains a waitlist for rentals or homeownership resales (see Tables 2-3 and 2-4).

Contact Information: 508-696-4200; lbarbera@tisburyma.gov

**Table 2-12
Tisbury Affordable and Community Housing**

Project Name/SHI Units	# SHI Units	Project Type/ Subsidizing Agency	Use of 40B	Affordability Expiration Date
Greenough House*	6	Rental/DHCD	No	Perpetuity
Hillside Village**	40	Rental/RHS	No	2025
Rectory/45 Franklin St.*	3	Rental/DHCD	No	2017
Vineyard Village*	12	Rental/DHCD	No	2029
Hillside Village II**	10	Rental/HUD	Yes	2030
Hillside Village III**	5	Rental/DHCD & HUD	Yes	2035
Love House Apartments**	5	Rental/HUD	Yes	2042
Homeowner Rehab Program (Oak Bluffs)	9	Ownership/DHCD	No	2018
Homeowner Rehab Program (Tisbury)	13	Ownership/DHCD	No	2018
Fairwinds	3	Ownership/FHLBB & MassHousing	Yes	Perpetuity
Kelsey Project	1	Ownership/DHCD	Yes	2104
Habitat for Humanity/ Andrews Road	1	Ownership/DHCD	Yes	2106
Lamberts Cove Road***	1	Ownership/DHCD	Yes	Perpetuity
Lake Street/Wentworth Way (not on SHI)	2	Ownership/Town	Yes	Perpetuity
118 Franklin Street* (not on SHI)	9	Rental/Town, CDBG, and DCRHA	No	Perpetuity
Lagoon Pond* (not on SHI)	4	Rental/State and DCRHA	No	Perpetuity
150 State Road*** (not on SHI)	1	Ownership/Town and IAHF	No	Perpetuity
Takemy Path*** (not on SHI)	1	Ownership/Town and IAHF	No	Perpetuity
Subtotal SHI Units	126/6.4%	1,965 year-round units 81 or 74.3% were rentals		
Project/Non SHI Units	# Units	Project Type/ Subsidizing Agency	Use of 40B	Affordability Expiration Date
Takemy Path***	2	Ownership/Town and IAHF	No	Perpetuity
Lamberts Cove***	3	Ownership/DHCD and Town	No	Perpetuity
150 State Road***	3	Ownership/Town and IAHF	No	Perpetuity
Lake St./Wentworth Way***	4	Ownership/Town	No	Perpetuity
Rental Assistance Program	14	Rental/Town	No	NA
Rental Subsidies (HAC)	10	Rental/DHCD	No	NA
Subtotal Non-SHI Units	36			
Total	162			

* DCRHA Units ** IEH Units *** IHT Units

2.2.6 West Tisbury

Operational Support: Operational support for the West Tisbury Affordable Housing Committee's (WTAHC) activities was \$3,800 in 2009, increasing to \$6,500 for 2010 through 2012, and up to \$7,500 in 2013. This funding provides staff support for the WTAHC. The Affordable Housing Trust applies for Community Preservation funding every year in amounts of \$50,000 or more depending upon proposed project requirements.

Projects: The West Tisbury Affordable Housing Committee (WTAHC) helps to create affordable housing through special programs, zoning changes, and collaboration with other entities. Table 2-13 summarizes West Tisbury's subsidized housing activity to date.

Section 4.4-7 of West Tisbury's Zoning Bylaw creates opportunities for *Resident Homesites* that allow for the development of new homes on non-conforming lots of at least 10,000 square feet of buildable land per bedroom. Planning Board approval is required as well as other specific parameters such as a price established by the WTAHC. The price depends on the established income levels for the project. WTAHC uses the DHCD income tables and the standard that the price cannot exceed 30% of a purchaser's income over a 30-year mortgage. Although the West Tisbury bylaw allows incomes of up to 140% of median, CPA funding can only be applied to projects that limit incomes to 100% AMI. WTAHC also has the right to restrict income levels for a project at 80% AMI. ZBA permitting, Board of Health approval, adequate access, and a permanent affordable housing deed restriction, although not through a ground lease with the Island Housing Trust, are other requirements.

A property owner may also create a homesite lot by subdividing one (1) acre of land, provided the owner's remaining acreage meets all Town zoning requirements. One (1) home has been created through this bylaw, and a second home is in the works. Additionally, the Town may donate or sell land it owns at a reduced rate for homesites.

A total of 34 such homes have been completed as of 2012, but are not all are eligible for inclusion in the SHI. Those homes not eligible for the SHI were created through Town programs without any state subsidies. They may be eligible through the state's Local Initiative Program (LIP), but the Committee has not decided to do such. The lotteries held for affordable housing projects in West Tisbury do give local residents preference but do not exclude any qualified applicants. Current projects are a two-home condo project at 619 State Road through the Island Housing Trust, to be sold to families earning at or below 80% AMI. Other project work includes the Habitat homes at Bailey Park, that will also be directed to those earning at or below 80% AMI and involve IHT ground leases.

Section 4.4-3 of the Bylaw allows *accessory apartments* by Special Permit "to help provide affordable year-round rental housing within the context of West Tisbury's predominantly single-family home character, and to provide supplemental income to senior citizens and other homeowners domiciled in West Tisbury, who might otherwise find it difficult to remain in their homes due to increasing energy and maintenance costs and/or concerns about security and health". The maximum size of attached accessory units is 800 square feet with a 300 square foot minimum. Units in detached structures must be between 300 and 500 square feet in size within an otherwise uninhabitable barn or garage. The lot, principle dwelling and accessory apartment

must be in single ownership with the owner occupying one of the units. The WTAHC establishes the maximum rents on an annual basis based on households earning at or below 80% AMI and spending no more than 30% of their income on housing. A total of 42 such apartments have been permitted in West Tisbury thus far. Second story apartments are also allowed above commercial uses in the Mixed Use Business District under Section 4.4-2.

West Tisbury's Zoning Bylaw includes a number of other provisions that promote affordable housing. For example, *multi-family housing* is allowed by Special Permit for a combination of residences or apartments that exceed existing density requirements provided that Town residents are given preference for occupancy and the following criteria are met:

- If two (2) units are proposed, both must be restricted as affordable;
- If three (3) units are proposed, at least two (2) must be restricted as affordable;
- If four (4) or more units are proposed, at least 75% must be restricted as affordable;
- The total number of dwelling units per building must not exceed four (4); and
- The lot must contain at least 10,000 square feet of buildable upland per bedroom unless an enhanced septic system is used and approved by the Board of Health.

Two (2) units have been approved to date through this section of the bylaw and are under construction on Dr. Fischer Road for those earning at or below 140% of median income.

West Tisbury also has *inclusionary zoning* that requires at least 20% of the lots be developed as affordable in any subdivision of three (3) units or more per Section 4.4-6 of the Zoning Bylaw. By Special Permit, the Planning Board may exempt lots created for use by family members from these requirements if suitable resale restrictions are in place. Two (2) homeownership units are being developed by IHT through these provisions under the 619 State Road project. Three (3) other units were constructed by homeowners on Lottie's Lane under the Deep Bottom Project. Two (2) additional homes were built by homeowners under the Rogers Lot Project.

The *Open Space Development Bylaw*, which is meant to preserve open space and the clustering of housing development, also applies these affordability restrictions under Article V. This bylaw allows a density bonus for public benefits, including affordable housing, by determining the allowable density based on the size of the parcel and minimum lot size and then multiplying that number by 100% plus a maximum of another 50% if 20% are permanently deed restricted. Eight (8) deed-restricted units have been created through this bylaw as part of the Eliakim's Way project.

The Town also has a *demolition delay* bylaw under Section 10.1-2 of the Zoning Bylaw that is meant to preserve existing buildings and promote their reuse. When a demolition permit application is received, the Zoning Inspector determines whether the building can be moved or reused, and if so, the applicant is instructed to place a public notice of the availability of the property in a local paper. Those interested in moving the building have 20 days to respond to the notice, otherwise the Zoning Inspector issues the demolition permit. One (1) home has been donated and moved by the Martha's Vineyard Savings Bank to the Bailey Park lots that are being developed by Habitat for Humanity.

The Town has also sold three (3) municipally owned lots at Bailey Park for *Habitat Houses* at a much-reduced rate. A second phase of Sepiessa is also being developed with three (3) affordable rental units.

Eligibility Criteria: In order to reserve available housing for those most in need, including year-round residents of West Tisbury and Martha’s Vineyard and seasonal employees of local businesses, the bylaw incorporates occupancy restrictions under Section 4.4-4A that include:

1. Year-round Island residents are eligible to rent affordable housing with incomes of up to 80% AMI with the exception of the Open Space Development bylaw that allows occupants of the new units to earn up to median income.
2. Persons employed full-time during the summer season who reside in owner-occupied property.
3. Persons who intend to qualify under #1 or #2 above as evidenced by a signed affidavit.

These restrictions are applicable to homes developed through the Resident Homesites and Accessory Apartment bylaws and all affordable units are deed restricted based on documents provided by the WTAHC.

**Table 2-13
West Tisbury Affordable and Community Housing**

Project/SHI Units	# Units	Project Type/ Subsidizing Agency	Use of 40B	Affordability Expiration Date
Sepiessa Rental Housing*	4	Rental/DHCD	Yes	Perpetuity
Island Cohousing	4	Ownership/FHLBB	Yes	Perpetuity
Halcyon Way Apartments***	2	Rental/MassHousing	Yes	2101
Shovelhead Realty Trust	1	Ownership/FHLBB	Yes	Perpetuity
Homeowners Rehab Program (Oak Bluffs)	12	Ownership/DHCD	No	2017-2019
Bailey Park Rd.** (to be added)	3	Ownership/DHCD	No	Perpetuity
Sepiessa II (in process/to be added)***	3	Rental/DHCD/Section 4.4-7 of the Bylaw/Town	No	Perpetuity
619 Edgartown Road**	2	Ownership/Section 4.4-6 of the Bylaw/Town	No	Perpetuity
Subtotal of SHI Units	31/2.5%	1,253 year-round units 5 or 17.2% were rentals		
Project/Non SHI Units	# Units	Project Type/ Subsidizing Agency	Use of 40B	Affordability Expiration Date
Accessory Apartments	42	Rental/Under Section 4.4-3 of Bylaw	No	Perpetuity
Eliakim’s Way**	8	Ownership/Under Section 5.2.3 of Bylaw/Town, IAHF	No	Perpetuity
Homesites (includes Deep Bottom and Rogers Lot)	34	Ownership/Section 4.4-7 of the Bylaw/Town	No	Perpetuity
Dr. Fischer Road**	2	Ownership/ Multi-family housing bylaw	No	Perpetuity
Rental Assistance Program	14	Rental/Town	No	NA
Rental Subsidies (HAC)	5	Rental/DHCD	No	NA
Subtotal Non SHI Units	105			

Total	136			
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* DCRHA Units

** IHT Units (Bailey Park and a unit at Eliakim’s Way with HFHMV)

Waitlists: DCRHA, which determines eligibility under these bylaws, maintains a waitlist for rentals or homeownership resales (see Tables 2-3 and 2-4).

Opportunities and Challenges: WTAHC is continuing to revisit the Zoning Bylaw and is considering changes that would produce more affordable housing, including more funding into the West Tisbury Affordable Housing Trust. The Town also continues to be challenged in identifying land parcels for development that will include some affordability. Future plans include ways to address the need for more affordable housing for seniors as well as other rental units. The WTAHC is also considering a new program, referred to as the Community Partnership Program, which is meant to match affordable housing needs to local resources such as loans/grants to low- and moderate-income homeowners to create affordable housing.

Lessons Learned: The WTAHC has spent considerable time over the years in revising the Affordable Housing Covenant/Deed Restriction to meet the challenges of foreclosure, fraud, overextension by the purchasers and acceptance by lenders.

Contact Information: 508-696-0103; affordhouse@westtisbury-ma.gov and 508-693-3925; Rhonda Conley, Administrative Assistance to the West Tisbury Affordable Housing Committee

2.3 Housing Program/Service Providers

There are several key local and regional providers of housing-related services that provide important assistance to residents. These organizations include the following and are profiled below (the organizations with asterisks have on-Island offices).

- 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*

2.3.1 The Resource Inc. (TRI)

Mission: The Resource Inc. (TRI) has been instrumental in securing approximately \$16 million in Community Development Block Grant (CDBG) funding over the past nine (9) years with the grant writing from Bailey Boyd Associates and support from the Martha’s Vineyard Commission (MVC). Most of this funding has been committed to helping Island property owners make critical home repairs through a federally funded Regional Housing Rehabilitation Program that is operating in all six Vineyard communities.

Services: TRI has been managing the Housing Rehabilitation Program for the last twelve years, rehabilitating about 500 units and helping many of these residents stay in their homes. This year it expects to rehab approximately 18 units in Oak Bluffs and Tisbury and another 21 units in Edgartown, West Tisbury, Chilmark and Aquinnah. The Program has received from \$1 million to about \$2 million per year in funding with \$1.9 million this past year. The economic impact of these funds has been significant, particularly given these hard economic times. An estimated 100 jobs have been created each year in the construction and trade-related industries not to mention other economic impacts related to the purchase of materials and supplies on the Island.

The Housing Rehabilitation Program provides deferred forgivable loans of up to \$35,000 at 0% interest to qualifying owner-occupants of single-family homes as well as owners of multi-family rental properties. The loan on single-family homes is forgivable at a rate of 1/15 per year provided the property owners are not in default. Following the 15th year, the full amount of the loan is forgiven and the recorded mortgage is discharged. If the property is sold or transferred before the end of the 15-year loan term or if the owner is in default, the remaining portion of the loan must be repaid. The process is slightly different for owners of multi-family properties. For more information on this process contact TRI.

TRI works with the Towns to administer the CDBG funds that are secured by Bailey Boyd Associates⁹⁵ to secure the necessary CDBG funding in addition to performing the following additional related program activities:

- Conducts program marketing and outreach.
- Prepares and processes loan applications, including a determination of participant eligibility.
- Inspects properties to provide work specifications and cost estimates as well as ongoing work through the completion of the project.
- Assists participants in bidding work and selecting a contractor.
- Process all payments to Contractors on behalf of the participating homeowners.
- Leverages available CDBG funding by working with local lenders⁹⁶ and other possible funding sources including the Town Septic Programs (where they exist), Department of Energy's Weatherization Program, the "HEARTWRAP" heating assistance program, Cape Light Compact, Keyspan Energy programs, and Home Modification Program.⁹⁷ Property owners may also be required to provide a portion of the necessary rehabilitation costs.
- Works with homeowners to secure funding through SMOC (Southern Middlesex Opportunity Council and/or the USDA Rural 504 Loan/Grant Program.

⁹⁵ Bailey Boyd Associates has been working with Island communities in obtaining funding for other initiatives as well including a highly popular Childcare Subsidy Program. This program is funded as a portion of Housing Rehab Funds from the same CDBG grant, serving about 100 families, allowing parents to either continue to work or look for work, and supporting over 20 childcare programs on the Vineyard. CDBG funding was also allocated to the rebuilding of the Aquinnah Bath House and the redevelopment of the Noyes Building in Oak Bluffs that includes the pharmacy on the first floor and three (3) affordable units above (TRI served as developer and has entered into an agreement with DCRHA to manage the property on behalf of TRI and the Town of Oak Bluffs).

⁹⁶ Martha's Vineyard Savings Bank offers up to \$50,000 in loans at somewhat discounted interest rates.

⁹⁷ These programs are offered by the Housing Assistance Corporation (HAC), the USDA Section 504 Loan/Grant Program, and South Shore Housing.

- Works with property owners who are in non-compliance of program requirements to address issues and avoid defaults.
- Prepares the necessary closing documents that include the Mortgage and Promissory Note.
- Schedules and attends the loan closing to issue the loan and have all necessary documents signed by all appropriate parties to the transaction.
- Records the mortgage at the Dukes County Registry of Deeds.

Bailey Boyd Associates has been working with Island communities in obtaining funding for other initiatives as well including a highly popular Childcare Subsidy Program. This program is funded as a portion of Housing Rehab Funds from the same CDBG grant, serving about 100 families, allowing parents to either continue to work or look for work, and indirectly supporting over 20 childcare programs on the Vineyard. CDBG funding was also allocated to the rebuilding of the Aquinnah Bath House and the redevelopment of the Noyes Building in Oak Bluffs that includes the pharmacy on the first floor and three (3) affordable units above. TRI served as developer and has entered into an agreement with DCRHA to manage the property on behalf of TRI and the Town of Oak Bluffs.

Eligibility Criteria: Owners of single-family properties must be primary year-round occupants of the property and have incomes at or below 80% of area median income adjusted by household size. If the homeowner wishes to rent the property at some point during the term of the loan, it must be rented on a year-round basis to a tenant also earning at or below 80% AMI and at a rate consistent with what a person making 80% or less of median income can afford based upon a rent adjusted by bedroom count by the Dukes County Regional Housing Authority.

Multi-family properties with one or more rental units may also be eligible for the program if the tenants have incomes within 80% AMI. Rent levels are set at the lower of Fair Market Rents or High HOME Rent levels.

Once accepted into the program, each applicant will be ranked against the others according to the extent of critical housing code violations in an effort to address properties with greater repair needs. Moreover, emergency situations (such as a failed heating system or a failed septic system that constitute health hazards) will become priorities for funding.

Moreover, rehab funds may be used to create new rental units in existing buildings, however the property owner is solely responsible for obtaining the necessary permitting. Funding cannot be used for new construction.

Repairs include bringing properties into compliance with state, federal and local building and safety codes. Typical improvements include, but are not limited to, roof replacement, failed septic system replacement, upgraded heating system or replacement, electrical and plumbing upgrades, egress/accessibility improvements, new siding, window and door replacements, and lead-based paint abatement work.

Waitlists: The Cape and the Islands have some of the longest waitlists for CDBG funded programs. Waitlists average about 15 to 30 per year for the Oak Bluffs/Tisbury Program and 30 to 40 per year for Edgartown and the other Island communities.

Opportunities and Challenges: Because the communities of Martha’s Vineyard do not receive federal Community Development Block Grant (CDBG) funding on an annual entitlement basis, communities must apply each year to DHCD through a highly competitive grant process. Consequently, funding is not assured, and it is important that the organization demonstrate the continuing need and demand for the program by encumbering as much of the funding each year as possible when it submits its applications to the state. Bailey Boyd Associates, TRI and MVC work jointly with all six Island communities to apply for the funding. They have also had to advocate in opposition to state policies that would have eliminated the Cape and the Islands from receiving CDBG funds.

Contact Information: 508-696-3285; Melissa@theresource.org; or visit the website at www.theresource.org

2.3.2 Housing Assistance Corporation (HAC)

Mission: The Housing Assistance Corporation (HAC) has proclaimed its mission to “promote and implement the right of all people on Cape Cod and the Islands to occupy safe and affordable housing”. This non-profit organization is a sponsor of affordable housing developments and has a wide range of financial and educational resources available for renters, existing homeowners and first-time homebuyers including HOME Program funding and rental subsidies.

Programs and Projects: HAC has built more than 400 units of housing on Cape Cod, with about another 200 that are in development in several Cape communities and Nantucket. The organization remains interested in supporting new development on Martha’s Vineyard, and has representation on both the IEH and IHT Boards of Directors. In fact, HAC’s Executive Director was a founding member of IEH’s Board.

In support of development, HAC provides pre-purchase and post-purchase homebuyer counseling as well as counseling related to money management, improving credit and preventing foreclosure.

HAC also administers 32 rental subsidies for the Island through the federal Section 8 Program, the state’s Massachusetts Rental Voucher Program (MRVP) and the HomeBASE Program⁹⁸ as summarized in Table 2-14. These programs provide a subsidy that fills the gap between a percentage of a household’s income and a designated rent, referred to as the Fair Market Rent (FMR) for units in the private housing market.

**Table 2-14
Rental Subsidies by Town Administered by HAC as of March 25, 2013**

Town	# Section 8 Subsidies	# MRVP Subsidies	# HomeBASE Subsidies	Total # of Subsidies
Edgartown	11	0	2	13
Oak Bluffs	3	1	0	4
Tisbury	7	2	1	10
West Tisbury	4	0	1	5

⁹⁸ HomeBASE is a relatively new housing program directed to homeless families with children or pregnant women that can help pay rent as well as some other housing costs for up to three (3) years.

Total	25	3	4	32
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Services: HAC manages a wide range of housing-related services including the following:

- *Get the Lead Out* provides low-cost financing to owners of one to four-family properties to remove lead and reduce the possibility of lead poisoning in children with funding from MassHousing.
- *Home Modification Loan Program* offers financial assistance to persons seeking to make modifications to their home to improve accessibility for the physically disabled.
- *Weatherization Program* helps qualifying property owners make energy-efficient home improvements. Most households that receive fuel assistance also qualify for this program.
- *Heartwrap* is an emergency repair program for households receiving fuel assistance that require the repair or replacement of the heating system.
- *Keyspan Gas Program* provides installation, caulking and weather stripping to income-eligible tenants and homeowners who heat with Keyspan Gas and receive the lowered gas rate.

Eligibility Criteria: Eligibility regarding new housing development is dictated by the type of project and financing with most rental units directed to those earning at or below 60% AMI and most ownership units targeted to those earning within 80% AMI. In regard to services, most of the programs are for those earning at or below 60% AMI.

Opportunities and Challenges: Funding continues to be a challenge as well as the organization’s location off-Island in Hyannis. For example, HAC received \$1 million for emergency assistance ten years ago but was given only \$100,000 this year. Additionally, many subsidized housing programs that were available to the organization years ago have either been eliminated or have experienced substantial cutbacks.

Years ago HAC had an office on Main Street in Vineyard Haven with a full-time employee. However, the organization had to close this office due to serious funding cuts. Consequently, the services are now provided off-Island with the closest office in Hyannis. Nevertheless, HAC sets aside 10% of its program funding for the Vineyard and has made progress in working with local Island contractors on its energy programs with about three (3) to five (5) jobs per month.

Contact Information: 460 West Main Street, Hyannis, MA 02601; 508/771-5400

2.3.3 Martha’s Vineyard Community Services (MVCS)

Mission: Since its establishment in 1961, Martha’s Vineyard Community Services has been committed to enhancing the lives of individuals, families, and the community through programs that provide accessible services related to health, education and other supportive resources.

Services: Martha’s Vineyard Community Services is the largest human services provider in Dukes County serving about 6,000 residents and visitors each year through five (5) programs including the following:

- *Disability Services* supports people with disabilities and their families, including social and employment opportunities
- *Women's Support Services* to reduce domestic and sexual violence on Martha's Vineyard by changing the social norms through education, advocacy, and community mobilization, and providing crisis intervention services including counseling and support services for victims.
- *Early Childhood Programs (ECP)* to support the growth and development of children and their families by providing parenting education, quality childcare, parent/child activities, and individualized family support services to over 1,100 families each year. The four components of ECP are Center Based Child Care, the Family Network/Family Center, Head Start and the Supervised Visitation Program.
- *The Island Counseling Center (ICC)* promotes the fulfillment and optimal level of human potential through the delivery of a continuum of innovative community based mental health and substance abuse programs providing behavioral health, rehabilitative and supportive services.
- *The Thrift Shop on Chicken Alley* provides clothing, housewares, furniture, artwork, books, collectibles, etc. at no cost to Island residents through volunteers and donations.

Opportunities and Challenges: Martha's Vineyard Community Services is finding that they are increasingly stretched as an organization to respond to the increasing 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.

If the organization could secure sufficient resources, it would like to expand all of its services. The organization always has a waitlist for its services and is unable to accommodate all of the needs from Island residents. This has been particularly challenging in the area of mental health, including the growing needs of children requiring such services. The demand for services related to substance abuse has also been growing and the organization hopes to be able expand their services in this area.

The ability to maintain existing services, given available and sometimes diminishing resources, has been difficult. MVCS recently experienced federal cuts in its Head Start Program that will force it to close the program for two (2) additional months beyond the typical shutdown during the summer.

Another area of concern relates to community education. In the past, MVCS was able to provide training workshops to clinicians on-Island but funding has curtailed the continuation of this program. Independent clinicians now must travel off-Island for ongoing training if Internet courses are unavailable.

Contact Information: 508-693-7900; www.mvcommunityservices.com

2.3.4 Cape Light Compact

Mission: Cape Light Compact is an inter-governmental organization consisting of the 21 towns on Cape Cod and Martha's Vineyard. The Compact's mission is to serve their

200,000 customers through the delivery of proven energy efficiency programs, effective consumer advocacy, a competitive supply of electricity and green power options.

Services and Programs: The Cape Light Compact operates several programs designed to help their residential customers better manage energy costs through energy-related improvements including the following:

- Free home energy assessments with no cost for compact fluorescent light bulbs and air sealing;
- Incentives and resources to assist homeowners in weatherizing their homes with enhanced incentives to income-eligible residents;
- Special programs for renters, landlords, multi-family properties and new construction (ranging from \$350 to \$7,000 per unit);
- Rebates on energy-efficient products;
- Innovative pilot programs to increase energy savings; and
- Zero or low-interest HEAT loans through Mass Save to help install energy efficient homes improvements.

Eligibility Criteria: Enhanced incentives are provided to households earning at or below 60% AMI. Also, to encourage landlords to install energy-saving measures, the Cape Light Compact will cover 100% of the cost up to \$2,000 in install recommended insulation to those properties where the tenant is responsible for the electric bill in year-round rentals that include one (1) to four (4) units.

Opportunities and Challenges: Given the high costs of utilities on the Island, financial and technical support for energy-related improvements is extremely important in reducing monthly utility bills and effectively making housing more affordable. The Island Housing Trust has been committed to building housing that incorporates the highest level of energy efficiency and with support from the Cape Light Compact has reached net-zero energy usage in several of its more recent developments.

Contact Information: 1-800-797-6699; www.capelightcompact.org

2.3.5 Dukes County Commissioners

Mission: The seven-member Commission is the legislative body of County government with a County Manager who serves as the Chief Executive Officer.

Services: The Dukes County Commissioners are charged with the management of key governmental facilities and councils including the airport, Registry of Deeds, Health Council,⁹⁹ emergency management, natural resources, etc. and have appointed Associate Commissioners who provide advocacy, referrals and other assistance to those with a variety of unmet needs including people with disabilities, the elderly, youth, families and veterans for example with a range of issues including health and homelessness. The

⁹⁹ The Dukes County Health Council created the Vineyard Health Care Access Program (VHCAP) in 1999 because of the high number of medically uninsured people on the Vineyard. They report that people who live on the Island are about twice as likely as other Massachusetts residents to not have health insurance, including children.

Dukes County Commission is also the appointing board to the Dukes County Regional Housing Authority and has one (1) appointed member on the Martha's Vineyard Commission.

There is an Associate Commissioner for Homelessness, an unpaid position, who has been the "go to" person on the Island for those who are homeless or are at risk of homelessness. She has provided ongoing support, including financial assistance (largely through donations) and referrals, to the most financially vulnerable of Island residents.

Eligibility Criteria: Residency on Martha's Vineyard

Opportunities and Challenges: The Dukes County Commission is the only regional governing body for Dukes County, and has the ability to drive some regional efforts. For example, the county has the ability to reactivate the Dukes County Community Development Corporation (CDC) that could be utilized for economic development and affordable housing initiatives, although IHT has recently been designated as a CDC and is moving forward with a special funding application to the state. CDBG funds were also once done regionally through the county. Moreover, the county provided a limited annual funding to the DCRHA at one time. While the County is restructuring its overall financing, perhaps some of these regional programs should be revisited.

Contact Information: 508-696-3840; www.dukescounty.org

2.3.6 Community Action Committee of Cape Cod and the Islands, Inc. (CACCI)

Mission: Community Action Committee of Cape Cod and the Islands, Inc. (CACCI) was established in 1965 as one of the state's 25 Community Action Agencies (CAA's), providing a variety of services to low and moderate-income people to help them improve the quality of their lives and achieve self sufficiency.

Services: The organization assists income-eligible residents primarily in the areas of affordable housing, emergency shelters, advocacy for elders, and childcare services. Housing programs and services include the following:

- *Housing Assistance Program (HAP)* helps families residing in emergency shelters to apply for affordable housing, gather necessary documentation, deal with budgeting, and address other barriers to securing and maintaining housing.
- *Homeless Outreach Program (HOP)* engages the homeless street population and those who reside in self-made camps focusing primarily on the village of Hyannis, a place where the only emergency shelter in the region is located and the homeless tend to congregate from all Cape Cod and Island communities. An outreach worker assesses and connects these homeless individuals to the ongoing services to move them towards more stable and healthy living situations.
- *Rental Housing Assistance Program (RHAP)* is a rental subsidy program similar to DCRHA's Rental Assistance Program and only available to Barnstable residents or employees.

- *Individual Development Accounts (IDA)* is a special savings account to help low and moderate-income housings to save money by matching their savings on a one to one basis to invest at some future point in homeownership, a small business, or education.
- *Financial Literacy Workshops* are offered to help participants with financial planning.
- *Volunteer Income Tax Assistance (VITA)* offers free tax help low and moderate-income households (typically earning below \$40,000) who have difficulty preparing their own tax returns.
- *Missie's Closet* provides emergency food, clothing, diapers, and other basic necessities.

Eligibility Criteria: Eligibility requirements vary by program. For example Volunteer Income Tax Assistance is available to those earning below \$40,000, the Rental Housing Assistance Program is targeted to those earning up to 80% AMI, and there are no eligibility requirements for Missie's Closet. All programs are available to residents of Martha's Vineyard with the exception of the Rental Housing Assistance Program.

Opportunities and Challenges: The services are provided off-Island in Hyannis. It is worth noting 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 with further cutbacks the position was eliminated along with the two transitional housing units. In fact Community Action Agencies, such as CACCI and SSCAC (see below), 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.

Contact Information: 800-845-1999; www.cacci

2.3.7 South Shore Community Action Council (SSCAC)

Mission: Since 1965, the South Shore Community Action Council (SSCAC) has provided a range of critical services to low-income individuals and families on the South Shore of Massachusetts, including fuel assistance to qualifying Vineyard residents.

Services: The organization now provides services in 70 communities including programs in the areas of youth and family development and education, income maintenance, nutrition, emergency assistance, self-sufficiency, energy assistance, employment and transportation. For the communities on the Vineyard, services are limited to fuel assistance that helps income-eligible renters or owners with their home heating bills from November through April. The heating company (oil, gas, electric) sends the bills directly to SSCAC for payment up to the prescribed benefit level, with the participant paying the remaining amount as the assistance does not cover all heating costs.

Eligibility Criteria: Participants must have incomes at or below 60% AMI, but may be eligible for additional benefits if their heating costs over the past 12 months exceeded the thresholds established for their fuel type.

Opportunities and Challenges: The services are provided off-Island with the closest office in Hyannis.

Contact Information: 508-747-7575 (main office in Plymouth) and 508-778-0870 for the office in Hyannis; www.scccac.org

2.3.8 Other Housing Providers for Special Needs Populations

There are other organizations that also provide housing-related services for special populations on the Island including:

- *The Association of Martha's Vineyard Island Clergy* has worked as a convener of the Island's faith communities in promoting social justice, supporting the needs of the homeless or those at risk of homelessness in particular, often in concert with the Dukes County Associate Commissioner for Homelessness (see Section 2.3.5 above). Since 2008, they have been instrumental in raising and distributing more than \$20,500 in emergency funding for those at risk of homelessness. Simply stated in a recent statement from the Association, "We all agree that allowing someone to lose their home not only devastates the people in the households, but brings with it a multitude of personal and social problems that negatively affect our communities." In recognition that about 15 households are about to lose their homes, the Association has formed The Island Community Task Group for the Homeless that will be approaching each of the towns and other donors to support a discretionary fund to help prevent homelessness.
- *The Havenside Corporation* is a private, non-profit provider of rental apartments for Island elders (25 one-bedroom units, 4 two-bedroom units, and one (1) studio). Margaret Love and her brother, Robert, developed Havenside in 1966, with the purchase and conversion of the former Havenside Inn, and the mission of providing housing at or below cost for retired, elderly, full-time residents of the Vineyard. In 1973 the Loves donated the facility to the Episcopal Diocese of Massachusetts and in 1991 the Diocese created a separate non-profit organization for the administration of Havenside. The Corporation is in the early stages of discussing options for adding another facility, either converting an existing property or constructing a new one, to address the huge demand for their units. They have experienced an expanding waitlist of more than 80 applicants at present with new applications of 25 only last year. Units rarely turnover as there are few other affordable options available on the Island for seniors.
- *The Henrietta Brewer House* (14 units) and *Long Hill* (10 units) are assisted living facilities for seniors.
- *Windemere Nursing and Rehabilitation Center*, attached to the Martha's Vineyard Hospital, provides beds for seniors requiring different levels of care including those with Alzheimers (16-bed residential living wing, 21-bed Alzheimers/Special Needs wing, and 40-bed long-term care wing).
- *Vineyard House* provides supportive housing for adults in recovery in three (3) homes for 17 adults.

- *Seven Hills Community Services* offers residential services for adults with developmental disabilities in private homes as part of a shared living or adult foster care arrangement (7 adults). An additional three (3) to five (5) are likely to require services within the next few years. The organization is primarily funded by the state's Department of Developmental Services, which presently has little or no funding available. Seven Hills provides services for three (3) individuals at a property that was developed by DCRHA at 45 Franklin Street. They also sponsor the Adult Family Care Program, which is an adult foster care program that supports the room and board for developmentally disabled adults in private homes.
- *Fellowship Health Resources, Inc.* provides residential services for those with mental illness (8 SRO units at the Housing Authority's Lagoon Heights).
- *Elder Services of Cape Cod and the Islands* has been providing services to seniors since 1972 to enhance their quality of life and help them remain independent.

2.4 Employer Sponsored Housing

It is a fact that jobs and housing go hand in hand on the Island. The Chamber of Commerce indicates that 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. Examples of employer sponsored housing are listed below.

- *Martha's Vineyard Chamber of Commerce*
The Chamber of Commerce manages a posting on their website that enables member businesses to post available jobs and property owners to list available units for employees. The website in effect enables those looking for jobs and/or housing to identify opportunities.
- *Martha's Vineyard Hospital*
The Hospital leases about 25 houses or apartments on the Island, most of which are annual rentals while a few are just for the summer. This has translated into approximately \$900,000 per year in housing-related expenses. Rents range from about \$1,400 to \$3,800 per month depending upon size, location, etc. The Hospital also owns a house with a cottage and a condo that it makes available as employee housing. It should be noted that there are about ten (10) Hospital employees who commute from the Cape, a couple of whom actually stay on the Island for two (2) to three (3) evenings each week. It was also recently announced that the Hospital

had purchased an Inn in Tisbury that it plans to use for its employees, involving an investment of an estimated \$2.2 million.

- *Harbor View Hotel* rents eleven (11) houses from May to October that provide 90 to 100 beds for its seasonal employees. Each participating employee pays \$140 per week that includes utilities except cable and phone. The Hotel pays the rent directly to the landlords and deducts the employee's rent from their paychecks with the Hotel in effect subsidizing the housing to some degree. Most of these houses are in Edgartown in relatively close proximity to the Hotel.
- *South Mountain Company*
The South Mountain Company is a workers cooperative that designs and builds houses on the Vineyard, and provides grants of up to \$20,000 to their employees to help them purchase their first home. The Company believes that an affordable home, a living wage, great benefits and a great job are key to the stability of their workforce.
- *Vineyard Golf Club*
As part of the employment package, the Vineyard Golf Club provides housing for employees in three (3) separate buildings on Club grounds. One building is dormitory style with twin beds in each room and shared kitchens and baths. The other buildings each include two (2) apartments. This housing was part of the MVC approval in 1999 that required that the Golf Club build a 50-bed dormitory for seasonal workers, provide an on-site home for the General Manager, donate four (4) lots (two for HFHMV's Bennett Way project and the other two for Edgartown's Resident Homesite Program), provide \$15,000 (adjusted for inflation) to DCRHA annually, and conduct some annual fundraising for Island organizations.
- *Linda Jean's*
Linda Jean's restaurant in Oak Bluffs provides six (6) apartments for its employees above the shop with rents ranging from \$500 for an efficiency unit, \$850 to \$950 for one-bedroom units, and \$1,400 to \$1,600 for the large two-bedrooms. The restaurant also rents a house for one of its employees. They maintain a waitlist although there is little or no turnover of units.
- *Off Shore Ale House*
The Off Shore Ale House in Oak Bluffs purchased a property that was a general store and is using the ground floor as a retail operation and the floors above to house five (5) employees.
- *Stop & Shop*
Stop & Shop rents houses for their employees, costing them between \$25,000 and \$40,000 annually, that includes about nine (9) houses on a year-round basis and another five (5) between May and September. Each rental property houses approximately four (4) to five (5) individuals on typically a single room occupancy basis, although there are some couples. Employees pay no more than \$30 per week

that covers ongoing maintenance, plus an upfront security deposit, representing a substantial housing subsidy on the part of the store.

- *Martha's Vineyard Public Schools* has not sponsored housing for its employees, but they have had reoccurring discussions about the issue for years. While only a handful of employees commuted from off-Island eight (8) years ago, now there are about 20, and School administrators are required to live on the Island and most of the commuters are relatively new teachers. During recent teacher negotiations, the challenge of finding affordable housing was raised again, and some suggested that the School Department form a study group to explore possible options for producing staff housing. The School Department has not moved ahead with this suggestion, acknowledging that it does not have the capacity to build housing. Nevertheless, there may be some school-owned property with potential for housing development in partnership with existing housing groups, including land in Tisbury.

The increased interest and development of employer-sponsored housing represents a substantial opportunity to provide workforce housing, but also raises the question about whether the expertise of existing housing providers could be tapped by these employers and partnerships created in the production of employee housing.

2.5 Martha's Vineyard Commission (MVC)

Last but not least, the Martha's Vineyard Commission (MVC) serves an important role in planning and regulating development, including affordable housing development, on the Island.

Mission: The Martha's Vineyard Commission (MVC) was created in 1974 by an Act of the Massachusetts General Court and confirmed by a majority of Dukes County voters as the regional planning and regulatory agency. MVC was 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 sounding local economies. One major challenge for the MVC is balancing the needs of competing land uses such as affordable housing, economic development, and open space while preserving the Island's natural resources, mainly water quality. The MVC has and will continue to play a vital role in the future growth and development of the Island.

Role: The Commission's two (2) primary responsibilities include:

- Regional land use planning for all seven (7) towns of Dukes County, including technical assistance in a number of areas such as affordable housing.
- Special regulatory roles with respect to development in the six (6) towns on Martha's Vineyard, including the designation of certain areas as Districts of Critical Planning Concern,¹⁰⁰

¹⁰⁰ The Martha's Vineyard Commission is charged with recommending the designation of Districts of Critical Planning Concern, or DCPCs, which are areas that are important to more than one town or the Island as a whole. These districts allow a town or a group of towns to adopt special rules and regulations to protect natural, coastal, scientific, cultural, architectural archaeological, historic, economic, or recreational resources or values of regional, statewide, or national significance. The rules then govern development in the designated

The Commission was mandated to prepare and implement an Island-wide land use policy and recently prepared the regional Island Plan in partnership with the six (6) towns on the Vineyard. This Plan deals with the range of important concerns including water quality, open space, Island character, traffic and transportation, economic development and a sustainable economy, and affordable housing. The MVC is also mandated to evaluate Developments of Regional Impact (DRI).

In evaluating the appropriateness of a Development of Regional Impact (DRI), MVC is mandated to weigh the benefits and detriments of a project. The potential impact a DRI may have on affordable housing is one of the issues the Commission must weigh on a case-by-case basis in its deliberations. To that end the MVC created an Affordable Housing Policy. The MVC's Affordable Housing Policy serves as a guide for DRI applicants to mitigate a project's potential impact on affordable housing.¹⁰¹

In 1986, the MVC adopted this Affordable Housing Policy for residential development. In 1988, the policy was amended to include commercial development and amended again in 1998 to address commercial development at the Airport Business Park. The Affordable Housing Policy serves as a guide for DRI applicants to mitigate a project's potential impact on affordable housing. The policy lays out the criteria used by the MVC to calculate the probable effects a development will have on the affordability of housing on the Island. With this knowledge, applicants can design their projects or provide offsetting measures to mitigate the project's potential impact on low and moderate-income housing and improve the MVC's evaluation of such impacts. The MVC Affordable Housing Policy recognizes that there may be special circumstances where adjustments to the percentages or deviations from the policies are appropriate.

There are two (2) components to the Affordable Housing Policy:

1. Residential developments involving the creation of ten (10) or more lots or dwelling units should provide one of the following options:
 - Ten Percent (10%) of the buildable lots or units shall be provided to the Dukes County Regional Housing Authority, or
 - Twenty percent (20%) of the currently assessed value of the property in question should be provided to the Dukes County Regional Housing Authority.
2. Non-Residential Developments involving a new development of 2,000 square feet or greater should provide monetary mitigation based on the total square footage of the building.

DCPC area. New implementing regulations apply to all future development in the DCPC. The Commission has designated three (3) Island-wide Districts of Critical Planning Concern that protect the Island's most sensitive areas from inappropriate development, including the entire town of Aquinnah.

¹⁰¹ 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.

The Residential Guidelines are largely based on inclusionary zoning, which encourages or requires private developers to set aside a percentage of units included within market rate development projects for low and moderate-income households on-site. Inclusionary zoning provisions, such as the MVC Affordable Housing Policy, also allow alternative options such as the provision of affordable housing off-site or a monetary mitigation in lieu of lots or units. The MVC has encouraged the inclusion of affordable housing within market rate developments but there have been several instances where DRI applicants have chosen to offer alternatives to on-site mitigation. For example, since 1986 there have been nine (9) residential DRIs¹⁰² that have provided monetary mitigation of cash in-lieu of actual affordable units.

DRI Commercial Guidelines are modeled on “linkage fees”. Linkage fees are a mathematical formula that link non-residential development applications with mitigation for affordable housing: i.e., for ‘X’ number of square feet of a non-residential building then ‘Y’ amount of dollars must be contributed to a town or city for affordable housing. A nexus study is carried out to determine what the mathematical formula will be for setting the structure of linkage fees as it relates to new non-residential development and community housing.

MVC’s Affordable Housing Policy has evolved as a guidance document due in large part to two (2) attempts to revise the Policy based on candid discussions with applicants, community housing advocates, Commissioners, and MVC staff members even though the written policy has not changed since 1998.

As a result of the MVC’s Affordable Housing Policy, DRI applicants have provided millions of dollars in monetary mitigation, the provision of staff housing from commercial projects, and over 40 house lots for affordable housing from primarily 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 Developments of Regional Impact. The MVC has reviewed 17 comprehensive permits, denying only one DRI 40B application. 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.

The Commission also recommends the designation of certain areas as Districts of Critical Planning Concern,¹⁰² and provides technical assistance in a number of areas, including affordable housing.

¹⁰² The Martha’s Vineyard Commission is charged with recommending the designation of Districts of Critical Planning Concern, or DCPCs, which are areas that are important to more than one town or the Island as a whole. These districts allow a town or a group of towns to adopt special rules and regulations to protect natural, coastal, scientific, cultural, architectural archaeological, historic, economic, or recreational resources or values of regional, statewide, or national significance. The rules then govern development in the designated DCPC area. New implementing regulations apply to all future development in the DCPC. The Commission has designated three (3) Island-wide Districts of Critical Planning Concern that protect the Island’s most sensitive areas from inappropriate development, including the entire town of Aquinnah.

Opportunities and Challenges: 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 a challenge. 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 along with the six Island Towns of this Housing Needs Study, 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*. For the past four years the MVC has assisted the six Island Towns in drafting Community Development Strategies (CDS) as required by the Community Development Block Grant (CDBG) applications, prepared by Bailey Boyd Associates. The Island has received \$16 million dollars over the last nine (9) years. The CDBG funds have enabled the Towns to serve residents with the greatest need for housing assistance. The MVC has also assisted local and state leaders by organizing and drafting letters of community concern in opposition to DHCD proposed policy changes that would have eliminated the Cape and Islands from participating in CDBG programs. Recently the MVC has been working with Town housing committees to draft roles and responsibilities in addition to outlining goals and objectives. The continued involvement of the 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.

Lessons Learned: Utilizing land more efficiently for development, particularly for both economic development and affordable housing, has and continues to be challenging. Promoting increased density development and mixed-use projects has been difficult to implement. In terms of planning, a major challenge is regional coordination whether for issues involving zoning or funding. How to create Island-wide funding mechanism for infrastructure and other public services, such as water and wastewater in addition to schools and affordable housing, will continue to be a challenge for years to come.

Contact Information: 33 New York Avenue, Oak Bluffs, MA 02557; 508-693-3453;

APPENDIX 1

Employment and Income Levels of Occupants in Completed Units

Town/Project	Tenure	Max. Income Level*	Actual Income Level*	Employment
Buy Down Program/ Edgartown	Ownership	150%	100%	Chef and security guard
		150%	100%	Builder and assistant teacher
		150%	100%	Sailing instructor and retail worker
		150%	100%	Human resources administrator
		150%	90%	Administrative assistant
Fisher Rd./Edgartown	Rental	60%	60%	Caregiver and contractor
		60%	60%	Corrections officer
		60%	60%	Town refuse district worker
		60%	50% (Sec. 8)	Postal worker
		60%	50%	Town refuse district worker
		60%	60%	Employee in Sheriff's Department
		60%	60%	Chef
		60%	60%	Contractor
Sepiessa Point/West Tisbury/	Rental	80%	60%	Contractor
		80%	30% (Sec. 8)	Retail worker
		80%	70%	Sound engineer
Halcyon Way/West Tisbury	Rental	80%	55%	Retail worker and caregiver
		80%	70%	Contractor
Lake Street/Tisbury	Rental	80%	65%	Alimony and retail worker
		80%	70%	Administrator
		80%	50%	Retired
		80%	70%	Retail worker and waiter
Lagoon Pond/Tisbury	Rental	65%	50%	Retired
		65%	20% (Sec. 8)	Painter
		65%	60%	House cleaner and contractor
		65%	10% (Sec. 8)	Retired
Noyes Building/Oak Bluffs	Rental	80%	65%	Landscaper
		80%	50%	Disabled
		80%	50%	Writer
Middle Line Road/ Chilmark	Rental	80%	50%	Nurse
		80%	40%	Caregiver
		80%	70%	Financial advisor
		80%	60%	Contractor and bus driver
		80%	50%	Advocate
		80%	50%	Massage therapist and jewelry maker

150 State Road/Tisbury	Ownership	80%	60%	Office manager
		100%	45%	Postal service/retail business owner
		120%	100%	Store manager
		140%	105%	Business manager
Lake Street/Tisbury	Ownership	80%	49%	Artist and catering
		100%	74%	School custodian
			72%	Nature Conservancy employee
			91%	Waitress and Hospital employee
Edgartown-Vineyard Haven Road/Oak Bluffs	Ownership	80%	60%	Business owner and musician
		110%	109%	Bank employee and teacher
		140%	95%	Business owner and bank employee
Beach Rose Way/Aquinnah	Ownership	120%	80%	Real estate agent and business owner
Church St./Aquinnah	Ownership	100%	80%	Health services worker and arborist
Jenney Way/Edgartown	Ownership	80%	75%	Bank employee
			75%	Paralegal
			60%	Real estate agent
		100%	85%	Bookkeeper
			75%	Office manager
	120%	120%	Real estate agent and interior designer	
		105%	Librarian and food services worker	
	140%	80%	Craftsman and interior decorator	
Eliakim's Way/West Tisbury/	Ownership	80%	NA	Teacher and carpenter
			80%	Mental health counselor
		100%	60%	Personal chef and landscaper
			85%	Teacher and carpenter
		95%	Non-profit manager and carpenter	
		75%	Small business owner + landscaper	
	120%	115%	Writer and architectural designer	
		105%	School administrator	
Bailey Park Road/West Tisbury	Ownership	80%	65%	Arborist and swimming instructor/Interpreter
			55%	Carpenter and photographer
			65%	HVAC technician and photographer

* Percent of area median income (AMI)

APPENDIX 2

Dukes County Regional Housing Authority (DCRHA) Developments

Property/Town	Year Completed/ Purchased or 1 st Managed	# Units/Type of Units	Type of Project/ Financing	Target Income Range/Rent Level
Lagoon Heights/Oak Bluffs	1994	8/Single Room Occupancy (SRO) Units	New construction/ Chapter 689 Program	DMH guidelines
Vineyard Village/Tisbury	1972/1996	12/4 1-bedrooms and 8 2-bedrooms	Purchased through foreclosure and rehab /HSF	45-65% AMI/ 65% without utilities
Sepiessa Point/West Tisbury	1996	4/2 1-bedrooms and 2 2-bedrooms	New construction with 40B/Local funds	60-80% AMI/ 75% with utilities
Fisher Road/Edgartown	1983/1997	8/All 3-bedrooms in duplex development	Purchased through foreclosure and rehab, HSF, MHP	45-60% AMI/60% without utilities
Greenough House/Tisbury	1850/1997	6/5 1-bedrooms and 1 studio for seniors	Purchase-rehab/State HDSP, HOME, Tax Credits	30-60% AMI/ 4 @ 60% and 2 @50% with all utilities
Lagoon Pond/Tisbury	1904/2002	4/3 1-bedrooms and 1 3-bedroom	Purchase-rehab/State HDSP and DCRHA*	45-65% AMI/ 65% with utilities except 1 cottage
Halcyon Way/West Tisbury	2003	2/Both 2-bedrooms	New construction/AHTF and DCRHA/IHT ground lease	55-80% AMI/ 75% without utilities
Lake Street/Tisbury	1997/2004	4/3 2-bedrooms and 1 3-bedroom	New construction by Town and completed by DCRHA/\$100,000 Town bond and some discounted labor costs by students and local builder and DCRHA	60-80% AMI/ 75% without utilities
118 Franklin Street/Tisbury	1930/2006	9/7 1-bedrooms and 2 studios	Purchase-rehab/CPA, CDBG and DCRHA	60-80% AMI/ 75% with all utilities
Rectory – 45 Franklin Street/Tisbury	1890/completed in 1998 but sold to DCRHA in 2008	4/3 SRO's and 1 suite for staff	Purchase rehab of old Rectory/State HDSP and FHLBB/Services by Seven Hills Community Services	DDS guidelines

Noyes Building/Oak Bluffs	1895/2010	3/1 studio and 1 1-bedroom and 1 2-bedroom	Purchase-rehab of mixed-use building/ HDSP and CDBG	45-65% AMI/ 65% without utilities
Middle Line Rd. Apts Chilmark	2012	6/2 each of 1-bedroom 2-bedrooms and 3-bedrooms	New construction with 3 SHI units (also non-SHI ownership units)/ CPA, Town bond	
Subtotal		71 units		
Pipeline Projects				
Sepiessa II/West Tisbury	2013	Adding 3 units/1 1-bedroom, 1 2-bedroom and 1 3-bedroom	New construction/ CPA and DCRHA	60-80% AMI/ 75% with utilities
Total		73 units		

Notes: HDSP = the Housing Development Support Program which is no longer funded by the state.

HSF = the state's Housing Stabilization Fund

* DCRHA established a Development Fund from a 1999 Martha's Vineyard Commission housing mitigation agreement with the developer of the Vineyard Golf Club, which involves an annual payment to be used only in the development or permanent restriction of affordable rental units. The annual allotment is currently \$33,789 and is indexed to the Consumer Price Index (CPI), averaged over three (3) years and increased by that amount every third year.

APPENDIX 3

Island Housing Trust (IHT) Developments

Property/Town	Year Completed/ Purchased or 1 st Managed	# Units/Type of Units	Type of Project/ Financing	Target Income Range
Takemey Path/ Tisbury	2006	3/1 1-bedroom and 2 2-bedrooms	IAHF	1 under 80% AMI 1 at 110% of median 1 at 140% of median
Beach Rose Way/ Aquinnah	2006	1/ 2-bedroom	New construction/ Town Homesite IAHF	1 at 120% of median
150 State Road/ Tisbury	4 units in 2007	4/1 1-bedroom and 3 2-bedrooms	New construction including house move; CPA and IAHF	1 under 80% AMI 1 at 100% of median 1 at 120% of median 1 at 140% of median
27 Sunset Avenue/ Oak Bluffs	2007	1/3-bedroom	Pre-existing Town Homesite/ Town's Housing Fund	1 at 140% of median
Jenney Way/ Edgartown	2008	9/6 2-bedrooms and 3 3-bedrooms	New construction/ CPA, IAHF and Cape Light Compact	3 under 80% AMI 2 at 100% of median 2 at 120% of median 2 at 140% of median
47 18 th Street South/ Edgartown	2008	1/2-bedroom	House moves renovation / Town Homesite	1 at 100% of median
Village Green/ Edgartown	2008	2/1-bedroom	New construction/ Condos/IAHF	1 at 120% of median 1 at 140% of median
56 22 nd St. South/ Edgartown	2008	1/3-bedroom	Pre-existing/ Town Homesite	1 at 140% of median
60 Andrews Rd./ Tisbury	2008	1/3-bedroom	New construction/ Habitat project/ CPA and in-kind support	1 under 80% AMI
6 Sandy Road/ Edgartown	2009	1/3-bedroom	New construction/ Town Homesite/ IAHF	1 at 120% of median
21 11 th Street/ Edgartown	2009	1/2-bedroom	New construction/ Habitat house/CPA and in-kind support	1 under 80% AMI
51 Rustling Oaks Rd./W. Tisbury	2010	1/2-bedroom	Pre-existing Town Homesite/ Town's Housing Fund	1 at 140% of median
Eliakim's Way/ West Tisbury	2010	8/4 2-bedrooms and 4 3-bedrooms	New construction/ IAHF, CPA and	2 under 80% AMI 4 at 100% of median

			MTC ¹⁰³	2 at 120% of median
Lamberts Cove Rd./ Tisbury	2010	4/1 2-bedroom and 3 3-bedrooms	New construction/ CPA and Town's Housing Fund	1 under 80% AMI 2 at 100% of median 1 at 120% of median
Church Street/ Aquinnah	2011	1/ 3-bedroom	New construction/ Town Homesite CPA	1 at 100% of median
129 Lake Street aka Wentworth Way/ Tisbury	2012 (1 st phase of 4 units) 2013 (2 nd phase of 2 units)	6/ 2-bedrooms	New construction/ CPA	2 under 80% AMI 4 at 100% AMI
45, 49 and 50 Bailey Park/West Tisbury	2012, 2013, 2014	3/3-bedrooms	New construction and rehab of existing house/ Habitat houses	3 under 80% AMI
619 Edgartown Rd./ West Tisbury	2013	2/ 3-bedrooms	New construction CPA & Town's Housing Fund	2 under 80% AMI
20 State Road/ Aquinnah	2013	1/ 1-bedroom	New construction/ Town Homesite/ CPA	1 at 100% of median
<i>Total Ownership</i>		50		17 under 80% AMI 15 at 100% of median 1 at 110% of median 9 at 120% of median 8 at 140% of median
<i>Rental Property Halcyon Way/ West Tisbury</i>	2002	2/2-bedrooms	<i>New construction/ AHTF and DCRHA</i>	2 under 80% AMI
Total Units		52		19 under 80% AMI 15 at 100% of median 1 at 110% of median 9 at 120% of median 8 at 140% of median
Pipeline				
Dr. Fisher Road/ West Tisbury	2013/Ownership	2/3-bedrooms	New construction Private developer	2 at 120% AMI
Sepiessa II/ West Tisbury	2014/Rental	3/1 1-bedroom 1-2 bedroom 1 -3 bedroom	New construction CPA	3 at 60% AMI
6 Water Street/ Tisbury	Rental	4-6 1-bedroom	New construction CPA	60% AMI
Thimble Farm/ Tisbury	Rental	4/2-bedrooms	New construction IHT fundraising	60% AMI

¹⁰³ The Massachusetts Technology Collaborative (MTC) through the Cape Light Compact.

APPENDIX 4

Habitat for Humanity of Martha's Vineyard (HFHMV) Developments

Property/Town	Year Completed/ Purchased or 1 st Managed	# Units/Type of Units	Type of Project/ Financing
87 Weeks Lane/ Edgartown	2001	1/3-bedrooms	
6 Bennett Way/ Edgartown	2004	1/3-bedrooms	
10 Bennett Way/ Edgartown	2004	1/3-bedrooms	
148 Edgartown Road/ Oak Bluffs	2006	1/3-bedrooms	Ground lease with IHT
60 Andrews Road/ Vineyard Haven	2008	1/3-bedrooms	Ground lease with IHT
21 11 th Street	2009	1/2-bedrooms	Ground lease with IHT
47 18 th Street	2008	1/2-bedrooms	Existing house that was moved
Eliakim's Way at 250 State Road/ West Tisbury	2010	1/2-bedrooms	New construction/ Discounted Town-owned property/CPA Ground lease with IHT
49 Bailey Park/West Tisbury	2012	1/2-bedrooms	Housing Rehab/Existing house donated by MV Savings Bank/CPA Discounted Town-owned property/ CPA Ground lease with IHT
50 Bailey Park/West Tisbury	2013	1/3-bedrooms	New construction/ Discounted Town-owned property/CPA Ground lease with IHT
45 Bailey Park/West Tisbury	2013	1/3-bedrooms	New construction/ Discounted Town-owned property/CPA Ground lease with IHT
Total		11	

APPENDIX 5

Organizational Summaries

Organization	Number of Staff	Operating Budget/Year	Amount(s)/Type(s) of Operational Support	Amount(s)/Type(s) Program/Project Subsidy Support
DCRHA	3 plus legal	\$248,170 + \$10,000 legal work/2012 \$254,374 projected 2013 + 32,604 VHO rental, \$18,000 RAP admin.	Town CPA Aquinnah - \$7,122 Chilmark - \$26,380 Edgartown - \$78,474 Oak Bluffs - \$54,182 Tisbury - \$49,272 W. Tisbury - \$38,105	Town CPA for RAP Aquinnah - \$9,240 Chilmark - \$55,000 Edgartown - \$126,000 Oak Bluffs - \$132,000 Tisbury - \$90,000 W. Tisbury - \$86,000 + \$29,736 net property income
IEH	14	\$1,757,764/2012 \$1,962,565 projected 2013	Rents and rental assistance	HUD 202 and USDA Section 515 Program financing
IHT	1 full-time and 1 part-time staff plus 1 summer intern	\$160,000/2012 \$190,000 projected 2013	Project fees (\$75,000), donations and grants (\$111,000), and lease fees (\$27,000)/2012 Projecting \$74,000 in project fees, \$120,000 donations and grants, \$31,000 lease fees and \$10,000 prof. services	\$298,000 for Lake Street and \$39,000 for 619 Edgartown Road. Projecting another \$110,000 for Lake St., \$150,000 for 610 Edgartown Rd. and \$320,000 for Sepiessa II.
HFHMV	1 full-time + part-time bookkeeper and auditor + volunteers	\$103,000	Private donations, grants and fundraisers	Donated property, CPA, sweat equity, other donations, and sale proceeds
TCB/Morgan Woods	2	\$975,000 \$990,000 projected	Rents	Mix of financing including LIHTC (36 units) and project-based Section 8 (6 units)

APPENDIX 6

Sample Project Costs

Organization/ Project/Type of Project/Town/Year	TDC	Average TDC/ Unit	Acquisition Costs	Hard Costs -- Site/ Buildings	Soft Costs	Financing
DCRHA/ 118 Franklin/Purchase- Rehab/Tisbury/2006	\$1.415 million	\$157,222				\$975,000 mortgage, \$351,000 subsidy, and \$89,000 in rents
IHT/Lambert's Cove Rd./Tisbury/2010	\$1,365,512	\$341,378 (\$278.79 per square foot)	\$24,112; \$6,028 per unit	\$167,204; \$41,801 per unit/ \$989,396; \$247,349 per unit	\$184,800; \$46,200 per unit	\$250,000 CPA \$160,000 Town
IHT/Lake Street/Tisbury/2012	\$1,231,864	\$307,966 (\$267.33 per square foot)	\$9,824; \$2,456 per unit	\$199,500; \$49,875 per unit/\$865,536 ; \$216,384 per unit	\$157,004; \$39,251 per unit	\$384,000 CPA
IHT/Sepiessa II/ West Tisbury/2013	\$921,000	\$307,000				
IHT/Jenney Way/New construction with 1 existing market house/ Edgartown/2008	\$3,962,515	\$396,251 (\$330.76 per square ft.)	\$350,000; \$35,000 per unit	\$493,000/ \$2,456,515 + \$80,000 in solar; \$302,952 per unit	\$583,000; \$58,300 per unit	\$918,000 IAHF \$300,000 CPA \$156,000 other \$2,238,515 in sale proceeds
IHT/Eliakim's Way/ West Tisbury/2010	3,686,040	\$460,755 (\$350.38 per square ft.)	\$351,000; \$43,875 per unit	\$428,000; \$53,500 per unit/ \$2,104,000 + \$356,000 in solar; \$307,500 per unit	\$447,040; \$55,880 per unit	\$630,000 IAHT \$570,000 CPA \$533,000 in other plus sale proceeds
HFHMV and IHT/ 60 Andrew Rd./ Tisbury/2008	\$259,750	\$259,750 (\$225.48 per square ft.)	\$40,000	\$27,050/ \$181,200	\$11,500	\$68,500 CPA \$139,750 in kind \$40,000 other plus sale proceeds
HFHMV and IHT/ 21 11 th Street/Edgartown/ 2009	\$267,650	\$267,650 (\$248.28 per square ft.)	\$12,000	\$35,450/ \$194,400 + \$25,200 for solar	\$12,600	\$66,481 CPA \$116,660 in kind \$84,509 in sale proceeds

HFHMV and IHT/ Edgartown/Vineyard Haven Road (renovation)/Oak Bluffs/2012	\$284,350	\$284,350 (\$259.44 per square ft.)	\$120,000	\$28,150/ \$132,200	\$4,000	\$161,500 in kind and \$122,850 in sale proceeds
HFHMV and IHT/ Bailey Park Road	\$763,242	\$254,414	0	\$13,414/ \$165,000	\$76,000	in kind donations and sale proceeds
TCB/Morgan Woods/ New construction/ Edgartown/2006	14,125,061	\$235,418 (\$212.61/ square ft)	\$20,000; \$333 per unit	\$10,585,060; \$176,417 per unit	\$1,594,858 + \$1,925,143 other*; \$58,667 per unit	\$4,795,701 MassHousing mortgage, \$1,750,000 PDF, \$1.0 AHT, \$715,000 HSF, \$5.6 million in 4% and state tax credits, \$200,000 in deferred dev. fee
Town of Chilmark/ Middle Line Road/ Rentals/2011 ¹⁰⁴	2,877,450	\$479,575	\$250,000; \$41,667 ¹⁰⁵ per unit	\$254,448/ \$2,000,000; \$42,408/ \$333,333 per unit	\$373,000; \$62,167 per unit	\$937,750 Town CPA; \$1,787,444 Town General Funds;
Town of Chilmark/ Middle Line Road/ Homesites/2011	\$785,454	\$130,909	\$250,000; \$41,667 ¹⁰⁶ per unit	\$254,448; \$42,408 per unit (purchasers paid building costs)	\$281,052; \$46,842 per unit	\$937,750 State CPA match
Town of Oak Bluffs and TRI/Noyes Building (adaptive reuse)/2010	1,206,995	\$402,331 ** (\$402 per square ft.)	0	\$957,369; \$319,123 per unit	\$249,626; \$83,209 per unit	\$525,766 Town; \$375,000 DHCD; \$100,000 CDBG; \$195,000 MV Savings Loan

*Other includes the capitalized reserves plus the developer's fee and overhead.

** The developer indicated that they did not do much work in the pharmacy and so the per unit calculations are based on three (3) units but probably overestimate the costs somewhat.

¹⁰⁴ Costs on the homesites included the purchasers paying the Town \$20,000 each, Town funding per lot of \$77,765, and total state funding (the state match for CPA) per lot of \$53,144. Costs do not include the building costs that the purchasers invested nor the net value of the land (total assessed value minus the \$20,000 from each purchaser).

¹⁰⁵ From Town's purchase of two (2) properties divided by 2 (splitting the costs evenly between the homesites and rental component) divided by six (6) to get the per unit figure.

¹⁰⁶ From Town's purchase of two (2) properties divided by 2 (splitting the costs evenly between the homesites and rental component) divided by six (6) to get the per unit figure.

While the project information summarized above provides only a sample of developments, they do include some of the more recent projects and cover a broad range of development types. A couple of projects were developed a few years ago, the oldest being DCRHA's 118 Franklin Street that was completed in 2006 and Morgan Woods in 2007. Consequently, construction costs are lower than what can be expected today.

Based on this information, a number of conclusions can be reached concerning development costs including the following:

- *Little reliance on economies of scale:* Project sizes range from single Habitat for Humanity houses to the 60-unit Morgan Woods. Morgan Woods is the only large project as the others have less than a dozen units. IEH properties, that included several larger developments, were produced quite some time ago when greater amounts and sources of financing were available.
- *Economies of scale and higher densities are reflected in project costs:* The lowest average total development costs per unit was \$157,222 for 118 Franklin Street (which was a purchase-rehab and not new construction) and \$235,418 for Morgan Woods. Average per unit building costs were relatively low for Morgan Woods, although the project was completed six (6) years ago in 2007. TCB indicated that based on current construction costs they would expect per unit hard construction costs of over \$200,000 as opposed to \$176,417 or more than \$200 per square foot. Nevertheless, the development costs would still likely be considerably lower than some of the other new construction and adaptive reuse projects of more than \$350,000 per unit even with significant adjustments for increases in construction costs over the years. This speaks largely to the relatively greater affordability of higher density development and the ability to take advantage of some real economies of scale in numbers of units. Allowing greater density is in fact a way to subsidize development. The higher costs of some Island developments also reflect the integration of high performance energy efficiency standards, including solar panels, for several IHT developments that greatly reduce energy costs.
- *Donated or substantially discounted land prices have a substantial bearing on affordability, reducing the affordability gap significantly.* Acquisition costs ranged from zero for the Noyes Building, \$12,000 for one of the Habitat houses, \$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 market values for part of the parcel. Clearly nominal or substantially discounted acquisition costs is an important way to subsidize much needed affordable housing.
- *The integration of energy efficiency and energy generating benefits adds significantly to initial project costs but promotes long-term affordability and durability.* IHT's efforts to build eco-friendly houses, designed with high performance building standards, has added \$8,000 to \$44,500 per unit in solar electric systems, increasing project costs but resulting in net-zero energy usage (using as much

energy as they produce) and thus adding considerably to the ongoing affordability of units (Jenney Way and Eliakim’s Way). This is particularly important given such high utility costs on the Island that can approximate 30% of a household’s housing costs. IHT homes have been able to achieve HERs (Home Energy Rating) of less than 50 (on a scale of 1 to 100 with 100 being a code compliant house). This translates into energy usage that can be 80% less than typical code compliant houses or as little of \$50 per month for some IHT homeowners who have super insulated homes and no solar panels. Ratings are obviously higher for units with solar panels. The more recent IHT developments at Lamberts Cove Road and Lake Street have involved super insulated homes, but because they had limited land acquisition costs and no solar panels total development costs were lower at \$341,378 and \$307,966, respectively, as opposed to more than \$400,000. IHT has also been able to take advantage of subsidies from the Massachusetts Technology Collaborative through the Cape Light Compact.

- *Projects with little availability of infrastructure (sewer, water, roads, etc.) and/or tough site conditions (ledge, soil, slopes, wetlands, etc.) will involve higher site development costs.* Site development costs ranged from an average of \$13,414 per unit at Bailey Park (Habitat Houses with IHT) to more than \$40,000 per unit for Middle Line Road, Jenney Way and Eliakim’s Way. Both Middle Line Road and Eliakim’s Way, for example, were unable to tap into municipal sewer and water services.
- *Donations matter.* Not surprisingly, actual building costs were lower for the Habitat houses as they involved a substantial infusion of donated labor and materials. Such donations necessitate ongoing attention however, reaching out to the community on a regular basis and closely supervising those with little or no experience in home building. This focus on donations contributes to the low volume of new units produced but also to the high visibility and support for these efforts in participating communities.
- *Substantial and creative use of local financing is the norm.* As mentioned earlier in this report, with the exception of Morgan Woods, which used a myriad of state and federal subsidies, there has been a substantial reliance on local sources of financing for Island housing development including the IAHF, CPA and other Town commitments. This has been largely based on the relatively small size of local developments. Building larger projects will enable developers to access such state and/or federal financing, better leveraging local resources.

It can be instructive to review some off-Island projects to compare costs. A summary of project costs for five (5) development projects is included in the following table:

Project Costs for Sample Developments in Several Off-Island Communities

Project/Type of Project/Town	TDC TDC/Unit	TDC/sq. ft. (Total sq. ft.)	Financing	Type of Units
-------------------------------------	---------------------	------------------------------------	------------------	----------------------

Benfield Farms/Senior Rental Housing/Carlisle	\$9,811,906	\$377,381 (\$338 per square ft.) (\$220 per square ft. construction costs)	4% LIHTC, State tax credits, HOME, HSF, AHT, and CPA, MassHousing loan and Bank loan, dev. fee contribution	Mix of 17 one-bedrooms and 6 two bedroom units; 18 to those earning at or below 60% AMI and 8 for those earning up to median income
Choice Center at North Village/Senior Rental Housing/Chelmsford	\$9,281,443/\$250,850	\$293.31 (31,644 sq. ft.)	4% LIHTC, MassDev bond, HOME, HSF, AHT, HIF, FHLB AHP, CPA, private grants, dev. fee contribution	Units directed to those earning below 60% of AMI, some at 50% AMI and some at 30% AMI; 32 one-bedroom units (836 sq. ft.) and 5 two-bedroom units (975 sq. ft.)
Main Street Project/Family Rentals/Amherst	\$2,926,889/\$266,081	\$296.94 (9,857 sq. ft.)	MHP, HSF, HOME, CPA, CDBG, \$15,000 grant	Mix of four 1-bedroom units, five 2-bedroom units and two 3-bedroom units
Residences at 89 Oxbow/Condos/Wayland	\$5,335,832/\$313,965	\$266.79/ (20,000 sq. ft.)	CPA, HSF, AHT, Green Affordable Housing Initiative, dev. fee contribution, and private financing	Mix of 2-bedroom (982-1,082 sq. ft) and 3-bedroom units (1,302 sq. ft.); 11 units to those at or below 80% AMI and 5 for those earning 80%-100% AMI
Sachem's Path/Ownership/Nantucket	\$17,404,706/\$483,464	\$363 per square foot (\$264 per square foot in construction costs)	State AHT, CPA, Rebates and sale proceeds	Six 1-bedrooms, 11 2-bedrooms, and 19 3-bedrooms; 8 units for those within 80% AMI, 15 for those earning between 80% and 110% of median and 13 for those earning between 110% and 150% of median; an additional 4 houses will be built by Habitat for Humanity

Benfield Farms is a 26-unit senior rental housing development on a property the Town of Carlisle acquired by bonding \$2 million in CPA funding for a mix of uses including affordable housing, an athletic field and open space preservation. The 4.4-acre housing parcel is being developed by the Neighborhood of Affordable Housing (NOAH), which was selected through a Request for Proposals process. The project involved a “friendly”

comprehensive permit, and the groundbreaking is scheduled for May 2013. The Town allocated additional CPA funding for the project including \$25,000 for planning and \$425,000 as a gap filler to leverage additional public funds and make the project feasible. The Town further expects to provide another \$475,000 in CPA for the adjacent athletic field. The project reflects “green design” standards including solar panels, which added to project costs but will reduce ongoing operating costs. The almost \$10 million project was financed with Low Income Housing Tax Credits and a myriad of other public subsidy programs beyond the substantial CPA commitments. Total development costs per unit average \$377,381 and total costs per square foot are \$338 with \$220 per square foot in hard construction costs.

The Women’s Institute of Housing and Economic Development (WIHED) developed the *Choice Center at North Village* in Chelmsford, a 37-unit senior rental development, in partnership with CHOICE, Inc., the non-profit affiliate of the Chelmsford Housing Authority. Project costs were about \$251,000 per unit and \$300 per square foot. This was a Low Income Tax Credit project that also incorporated the typical stew of state subsidy programs plus local CPA funding.

Another project, *Main Street Affordable Housing*, was built in Amherst and included eleven (11) new rental units for families. The Amherst Housing Authority (AHA) purchased the 4.2-acre site with the help of \$75,000 in CPA funding and additional acquisition financing from CEDAC. The AHA issued a Request for Proposals and selected the Valley CDC to develop the parcel, building the units on the front of the site and leaving undisturbed wetlands as open space towards the rear.

The development received another \$155,000 in CPA funds to support predevelopment costs including environmental testing, legal costs, design and engineering costs and a survey. Moreover, an additional \$45,000 allocation of CPA funding helped leverage multiple state subsidies to finance the project including \$550,000 in state HOME funding, \$350,000 in CDBG, \$715,000 in Affordable Housing Trust Funds, and a \$15,000 grant from TD Banknorth. Six (6) of the eleven (11) units received Section 8 Project-Based Assistance, the remaining units developed through the HOME Program.

In regard to an ownership development, *The Residences at 89 Oxbow* (www.89Oxbow.com) involved that development of a former missile site. The Town acquired the site from the federal government and used CPA funding for affordable housing as well as open space (\$600,000 for acquisition, \$200,000 to close the missile silos, and another \$600,000 to subsidize construction). The project includes 16 homeownership units, 11 targeted to those earning at or below 80% of area median income and another five (5) to those earning between 80% and 100% of area median income. The developer and lender were averse to including market units given the risks involved in the condo market. In addition to CPA funding, the project received state subsidies through the Housing Stabilization Fund (HSF), state’s Affordable Housing Trust, and Green Affordable Housing Initiative.

Total development costs per unit were about \$314,000 about \$267 per square foot. Sales prices were \$161,834 for the “affordable housing” units and \$239,213 for the “community housing” units (the units for those earning between 80% and 100% AMI). The units were

clustered in three (3) farmhouse-style buildings, one with four (4) units and the others with six (6) units each. The project also incorporated Energy Star requirements and PV panels.

The Nantucket Housing Authority (NHA) obtained state legislative approval to develop property it had acquired a number of years ago for an affordable homeownership project, selecting the Housing Assistance Corporation (HAC) through a Request for Proposals (RFP) process. The project, called *Sachem's Path*, involves 36 units, but an additional four (4) homes will be built on site by Habitat for Humanity. There are three (3) income tiers with eight (8) units targeted to those earning within 80% AMI, 15 to those earning above 80% AMI but within 110% of median income, and the remaining 13 units to those earning between 110% and 150% of median income.

The Town has approved a “friendly” 40B comprehensive permit and the project will break ground this year. Total development costs per unit average \$483,464 and \$363 per square foot, without any costs related to site acquisition since NHA owned the property. Some of the higher costs per unit can be attributed to larger unit sizes as more than half of the units had three (3) bedrooms. The high costs are also likely related to somewhat higher construction costs on Nantucket given the necessity of bringing some labor and materials in from off-Island and the lack of infrastructure. The project also involved the inclusion of high performance building materials and energy efficiencies.

Conclusions

With the exception of the Nantucket project, the sample developments in the table above indicate total development costs of between \$250,000 and \$378,000 per unit or \$267 to \$338 per square. However, it is not uncommon for projects with significant acquisition costs and difficult site conditions to cost more, and the integration of high performance energy standards also adds to construction costs but reduces ongoing operating costs. Hard construction costs of about \$200,000 to \$250,000 per unit or \$200 per square foot are typical. 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.).

While the development costs of a number of Island housing developments are in line with these off-Island examples, such as Lake Street and Lamberts Cove Road, several Island developments reflect higher development costs of more than \$400,000 per unit given the following issues:

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

Higher costs and affordability gaps suggest the need for deeper subsidies. For example, a house that costs \$350,000 to build would be priced at about \$200,000 (assuming 95% financing through the Soft Second Program for example) 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 (assuming 80% financing), 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.

In regard to rentals, assuming the availability of some economies of scale and higher density, a 20-unit development with development costs of \$300,000 per unit would require approximately \$5 million in subsidy with \$6 million in total development costs to reach a range of household incomes, assuming for example 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 increases to more than \$6 million if the per unit costs were \$350,000 and more than \$7 million with \$400,000 per unit costs, with less reliance on density and economies of scale. 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.

MARTHA'S VINEYARD HOUSING NEEDS ASSESSMENT

Part 3
Recommendations for Addressing
Priority Housing Needs



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Part 3

Recommendations for Addressing Priority Housing Needs

1. Executive Summary of Part 3

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 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, for the most part, 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
- *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:

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 at the Town and regional levels of government
- *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.¹⁰⁷ 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

¹⁰⁷ 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)

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
8. Adopt fee waivers or reductions for affordable housing
9. Access additional state and federal subsidies

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. Such planning will involve closer working relationships between the Affordable Housing Committees and Planning Boards across the Island as well as the Martha's Vineyard Commission in supporting Island-wide planning efforts.

2. Recommendations

The recommendations included in this report are the cumulative result of prior work that has been accomplished as part of this Housing Needs Study. For example, Part 1 of this study – by documenting demographic, economic and housing characteristics and trends, affordability gaps, and priority housing needs – provided a statistical context for this package of strategies with projected production goals. This first report suggested a split of 80% of year-round rental units to 20% affordable homeownership with approximately 50 subsidized, deed-restricted units created annually. This production goal was based on serving the Island's most vulnerable populations, addressing the needs of an expanding workforce as part of the lower paying service economy, and reflecting the fact that almost all state and federal funding is for rental unit development.

This first report also identified two (2) major demographic trends that have emerged during the last couple of decades and suggested the need to focus on providing additional housing opportunities for both families and seniors. For example:

1. *Those ages 25 to 44, which include most of the young families, decreased by 224 residents, declining from 36.6% to 24.4% of the total population between 1990 and 2010, while the overall Island population grew by 42.1%. This group, largely the children of the baby boomers, simply do not have the economic wherewithal to afford housing in today's market, and as the figures indicate, many have left the Island. More housing oriented to attracting and retaining families on the Island is "critical to the lifeblood of our communities", stated one housing official.*
2. *Residents between the ages of 45 and 64 increased from 2,158 in 1990 to 5,645 by 2010, an increase of 162%. These residents, many of whom are part of the baby boom generation, comprised 18.5% of the population in 1990 but grew to 34.1% in 2010.*

Additional housing for the growing number of seniors is needed to enable them to remain in their homes for as long as possible and downsize to affordable housing that is more conducive to their current lifestyles and pocketbooks. An indicator of this need is that quite a few Housing Rehab Program participants have eventually sold their homes in order to downsize and have moved off-Island to do so. Greater consideration must also be made to integrate handicapped accessibility and supportive services into new development. While seniors need more affordable housing options, their financial assets, built-up equity in particular, may disqualify them from housing assistance programs.

Part 2 of this Housing Needs Assessment described a viable organizational structure on the Island that has the interest and capacity to continue to provide important housing and supportive services. The recommendations included in this third report build on the important work that has been accomplished by these housing providers, focusing on development opportunities, zoning changes, and potential new or increased resources for supporting housing initiatives.

In addition to the previous two parts of this study, these recommendations also emanate from a number of important sources including the following:

- Ongoing discussions as part of regular meetings of the Housing Needs Assessment Study Committee;
- Meetings with housing providers on the afternoons of February 13 and 19, 2013;
- Meetings with community representatives in the evenings of February 13 and 19, 2013;
- Individual interviews with Island stakeholders;
- Recommendations included in previous Plans including the *Island Plan* and *Preserving Community*;
- Research on what has worked in other communities with respect to affordable housing production; and
- The consultant's experience in other areas of the state, Cape Cod communities in particular.

2.1 Development Opportunities

It has been suggested that there is a strong sentiment on the Vineyard of the need to preserve a way of life, even if it might mean missing an important development opportunity. Like many places, there is comfort in the status quo and suspicion about change, particularly if that change implies new development in one's own neighborhood. Change, however, is an ongoing occurrence as Island communities continue to grow. How best to guide this growth and protect not only the Island's natural resources but also its essential workforce is both critical and challenging.

There is also a growing concern about how people will be able to afford to remain in their homes or on the Island at all. Given the high cost of living on the Vineyard, housing chief among them, there is certainly a broad recognition that there are huge gaps between what many current or new workers can afford and the housing that is available. Children who grew up on the Island are now facing the very likely possibility that they may not be able

to return to raise their own families locally. Young adults have few housing options, and are often doubled up with parents. Long-term residents, especially the elderly, are finding themselves spending far too much on their housing, less able to maintain their homes, but also hard-pressed to find alternative housing that better meets their current lifestyles and fixed incomes. The high costs of living in combination with unstable employment patterns, particularly during the winter, are threatening the security of families across the Island. Seasonal workers are particularly hard-pressed to find safe, decent and affordable housing in close proximity to their jobs despite the growing provision of employee housing by a number of Island employers.

More housing options are clearly required to address diverse local needs. Recommendations to boost housing production and meet production goals are summarized below but will also rely heavily on the ability to access new revenue streams for affordable housing development as discussed in Section 2.3. Also, in an effort to meet the needs of a population that is increasingly older and involves smaller households, this study recommends that the production of housing include a greater number of units that are smaller, incorporate handicapped accessibility and visitability¹⁰⁸ standards, as well as include supportive services for those with special needs.

2.1.1 Identify developable properties that are more conducive to higher densities and economies of scale.

Given the scale of the need, multi-family housing in appropriate locations and with economies of scale will be required. There is some precedence for higher density housing on the Island, including several Island Elderly Housing (IEH) projects and Morgan Woods. While federal and state funding sources to subsidize housing have experienced cutbacks and are becoming more competitive, they do exist and could be accessed for new development.

As was brought up during a meeting of housing providers, there tends to be a greater tolerance for change and growth in areas outside of the Vineyard. The typical scale of rental development on Cape Cod is in the 24 to 40-unit range, which is generally reflective of what works best with available subsidy programs. The Boston area frequently encounters even larger developments while on the Vineyard most projects are less than ten (10) units. The predisposition towards smaller development has been strong on the Island, however economies of scale are important in producing affordable housing. As documented in Part 2 of this Housing Needs Assessment, higher density projects that were able to take advantage of some economies of scale, such as Morgan Woods and some off-Island examples, had a number of benefits:

- Less costly per unit on average;
- Able to access more traditional state and/or federal housing subsidy programs that substantially leveraged local resources; and

¹⁰⁸ “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.

- Addressed a range of incomes including units for extremely low and very low-income households.

This report recognizes that larger sites are more difficult to come by and are likely to generate more substantial political pushback given the predominant Island predilection towards smaller-scale housing production, single-family homes in particular. However, it is also acknowledged that some towns have larger parcels available that are likely to be suitable for some clustering of housing, including affordable housing, through use of the “friendly 40B” process or rezoning (see Section 2.2.1). For example, a sizable parcel in an ideal location in Oak Bluffs may become available as part of negotiations with the Land Bank on a land swap.

It certainly makes sense to concentrate multi-family housing development in areas with existing infrastructure to minimize negative impacts to natural resources, especially water quality. However towns with sewer services should not have to bear the burden of housing development that will benefit residents Island-wide. Regional efforts to support such developments should be pursued including some mechanism to do effective cost sharing (schools, and infrastructure: water, wastewater, and roads) for such projects (see strategy 2.3.3).

It should be noted that other larger developments, such as the Bridge Housing project for example, have become targets of opposition, often from abutters. The Martha’s Vineyard Commission, which reviews these projects as part of its Development of Regional Impact (DRI) process, has spent hundreds of thousands of dollars in legal fees in its defense of several affordable housing projects including Bridge Housing. *Continued advocacy for worthwhile projects, including support from local leaders, will be crucial to effectively direct housing resources to appropriate locations in the future.*

Model: Lake Street Affordable Housing

Chatham provided CPA funds (\$17,000 in predevelopment funding and \$300,000 in gap financing) to help leverage state funding to increase the affordability of a “friendly” Chapter 40B project on an approximately seven-acre parcel on Lake Street. The parcel included about 5.4 acres owned by the Chatham Housing Authority (CHA), next to an existing affordable homeownership development (Chatham Homeownership Opportunities), and a one plus acre lot owned and donated by the Town to the project. The development includes 47 rental units developed by The Community Builders (TCB), and another three (3) new homes built by Habitat for Humanity of Cape Cod. All of the units are affordable and are included in the Subsidized Housing Inventory. The TCB rental development includes three (3) units for those earning at or below 80% of area median income, and the remaining units were targeted to several income tiers below, including those earning at 30%, 50% and 60% of area median income. TCB manages the property and CHA is responsible for any resales of the Habitat houses, the first that was resold in 2011.

2.1.2 Continue to respond to development opportunities as they arise

Development organizations have responded to opportunities to build affordable housing as they arose, which have largely been properties that have been donated or offered at

discounted prices. As indicated in Part 2 of this study, these projects often involved the following characteristics:

- Small, scattered site developments
- Sites often included existing structures that were expensive to rehabilitate and manage
- Use of local subsidies such as the IAHF, CPA, and donated or discounted property
- Higher average development costs than larger projects
- Creative collaborations of organizations
- Less abutter interference due to the smaller scale development
- Insufficient ongoing operating costs built into projects that have become more problematic with increasing unit turnover¹⁰⁹

Given the limited availability of developable property, particularly property that can be acquired at little or no costs, this more reactive approach to affordable housing development will continue. However, this report suggests that these smaller development opportunities include the following key components:

- Provide properties at nominal cost, which represents a significant project subsidy given the high property acquisition costs on the Island (some of the higher costs associated with IHT projects have related to the need to cover some acquisition costs).
- Support sufficient subsidy levels to adequately cover ongoing maintenance costs (the costs associated with small scattered projects throughout the Island are understandably higher).
- Take advantage of site conditions to maximize the number of units while developing units that remain harmonious in design to the surrounding neighborhood and adhere to Title V requirements. Minimize wastewater treatment costs by locating projects in non nitrogen-sensitive watersheds or in areas served by Town sewers.
- Adopt deed restrictions through IHT's ground lease for all subsidized units to insure long-term affordability of this valuable housing inventory (affordability restrictions protect taxpayer and community investments yet still allow the purchaser to build some wealth and realize financial gain at a rate of return greater than if they had invested in the stock market or a ten-year Treasury bond with lower rates of delinquency and foreclosure.)¹¹⁰
- Focus on providing rental units to those earning at or below 60% AMI with at least 10% and up to 25% of the units targeted to those earning at or below 30% AMI (see 2.1.3 below).

¹⁰⁹ Most state and federally-funded rental housing has come with ongoing operating funds that subsidize the limited rents that lower income households can afford.

¹¹⁰ Thaden, Emily, "Stable Home Ownership in a Turbulent Economy: Delinquencies and Foreclosures Remain Low in Community Land Trusts", 2011 Lincoln Institute of Land Policy; and Temkin, Kenneth, Brett Theodos and David Price, "Balancing Affordability and Opportunity: An Evaluation of Affordable Homeownership Programs with Long-term Affordability Controls, Urban Land Institute, October 2010.

- Focus on providing homeownership units to those earning at or below 80% AMI with up to one-third of the units directed to those earning within median income (see 2.1.3 below).

2.1.3 Provide deeper subsidies to reach lower income residents

There has been some sentiment on the Island that some “affordable housing” is not really affordable as it is too expensive for many residents. As documented in Part 2 of this study, DCRHA-owned rental units typically rent in the 60% to 75% AMI range. While these units provide important below market, year-round rental units, they 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 based on the findings of Part 1 and the waitlist summarized in Table 2-3 of Part 2 of this study. It should be noted that DCRHA’s Rental Assistance Program has been demonstrating some real success in reaching those in the 40% to 54% AMI range, and thus increased funding for this Island-wide initiative is proposed in this report (see strategy 2.1.4).

Without ongoing rental subsidies, such as project-based Section 8 assistance, or deeper subsidies in project development, some households simply do not have enough income to access affordable housing opportunities when they become available, for both homeownership and rental. For example, Morgan Woods has provided eight (8) affordable units to those earning at or below 30% AMI but most of the other units are still well beyond the means of many low-income residents. Also, DCRHA has experienced greater recent unit turnover because tenants have lost jobs or income and can no longer afford to rent at even the Housing Authority’s subsidized rent levels. Young adults are also finding it very difficult to find housing and many must still rely on their families for support. There are plenty of stories about families living in garages, workers using privately owned homes during the winter without permission, unscrupulous landlords gouging workers for high rents under substandard and overcrowded conditions, etc.

Deeper subsidies are needed to assist those who have very limited financial means, in fact those with the greatest needs. Part 1 of this study estimated that at least 200 rental units are needed for those earning below 30% AMI with another 200 for those earning between 30% and 50% AMI. The report suggested that deeper subsidies are needed to target at least 50% of new rental units to those earning at or below 60% AMI with 10% to 25% for those earning below 30% AMI. This will be an expensive undertaking and additional housing resources will be required, which are proposed in Section 2.3 of this report.

In regard to rentals, assuming the availability of some economies of scale and higher density, a 20-unit development with development costs of \$300,000 per unit would require approximately \$5 million in subsidy with \$6 million in total development costs to reach a range of household incomes, assuming for example 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.

Rental: 40 units per year

Estimated distribution of units by income level

10 units for those earning at or below 30% AMI

10 units for those earning between 30% and 60% AMI

20 units for those earning between 60% and 80% AMI

Cost implications: Gap of about \$9 million per year (\$225,000 per unit) assuming total development costs of \$12 million (\$300,000 per unit) with rental income of about \$330,500 and operating costs of approximately 60% of rental income.

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.

Higher costs and affordability gaps in addition to wait lists suggest the need for deeper subsidies for homeownership units as well. For example, a house that costs \$350,000 to build would be priced at about \$200,000 (assuming 95% financing through the Soft Second Program for example) 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 (assuming 80% financing), 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.

Homeownership: 10 units per year

Estimated distribution of units by income level

2/3 or 7 at or below 80% AMI

1/3 or 3 between 80% AMI and median income

Cost implications: \$150,000 per house to get down to the 80% AMI level and \$75,000 for the median income. Assume two-thirds at 80% level or \$1,050,000 per year and \$225,000 for the community housing units for a total of \$1,275,000 per year.

Totals (Rental and Ownership): 50 units per year

Estimated distribution of units by income level

10 units for those earning at or below 30% AMI

10 units for those earning between 30% and 60% AMI

27 units for those earning between 60% and 80% AMI

3 units for those earning between 80% AMI and median income

Cost implications: \$10,275,000 per year in total gap financing required, of which a substantial portion should be able to be covered by state and/or federal financing and other locally-raised funding (see strategies 2.3.9 and 2.3.3).

Plus ongoing rental subsidies

RAP = \$500,000 + and about 80 served

Rental subsidies (HAC) = 32 units (from federal and state government)

If more homeownership units were created for those earning up to median income or even above median income, the amount of subsidy required would be reduced correspondingly. Similarly, if fewer rental units were created at the lowest income levels, such as 10% instead of 25% of units for those earning below 30% AMI, there would be significantly less

subsidy required. Also, the two-family, owner-occupied house should be considered for homeownership to promote greater affordability (see strategy 2.2.3).

2.1.4 Explore more regional collaboration and additional Island-wide housing programs

In a spirit of true collaboration, the Towns and housing providers have been creative in forming partnerships to produce affordable and community housing units and provide supportive services. A list of some of these collaborations is included in the introductory section of Part 2 of this Housing Needs Assessment.

There has also been some significant precedence for regional collaborations on the Island. For example all Island communities support staff costs and the Rental Assistance Program administered by the Dukes County Regional Housing Authority. This organization has also taken on a host of other activities in support of Town programs including the management of wait lists and lotteries, West Tisbury's accessory apartments, homesite efforts, and Noyes Building property management to name a few. Moreover, Island-wide efforts have been further implemented through TRI's Housing Rehabilitation Program and childcare funding through the Community Development Block Grant (CDBG). There are also joint meetings of representatives from each community through the All-Island Board of Selectmen meetings, the Joint Affordable Housing Group, the Martha's Vineyard Commission, the Dukes County Commissioners, and the Study Committee overseeing this Housing Needs Study for example.

In an effort to continue to work together towards common goals, there are a number of other measures that the Island communities might consider including:

- Promote joint meetings of the Towns' Housing Committees and Planning Boards to discuss housing issues and work together to promote efforts to address local and regional housing needs, particularly in regard to zoning changes (see Section 2.2).
- Adopt a more holistic approach involving collaborations between housing advocates and other service providers and conservation interests to promote affordable housing opportunities that are sensitive to the environment. There are examples of conservation-based affordable housing on the Island that DCRHA and IHT have been involved with over the years that offer useful models. For example, IHT is working with the Island Grown Initiative to develop farm worker housing at the recently acquired Thimble Farm.
- Engage potential partners such as the hospital, schools, and other large private employers to promote the housing agenda, including making land and funding available to create and sustain affordable housing solutions.
- Increase communication and cooperation between HAC's Weatherization Program and TRI Housing Rehab Program.
- Other opportunities to share resources through special funding programs are discussed in Section 2.3.3.

There has also been a strong sentiment during the course of this study that specific housing initiatives should originate at the local level. This has in fact been the case with any number of new housing efforts as some localities pioneered special programs such as Edgartown's Buy Down Program, West Tisbury's accessory apartment program, and resident homesite opportunities in several communities. These communities should justifiably be proud of their homespun initiatives.

It may now be time to consider some further regionalization of various housing programs. With additional operational support, Island housing providers could extend their services and partner with the Towns on some of the effective local initiatives on an Island-wide basis. This would provide a number of benefits including:

- Reduce amount of time and oversight needed by each community in program operations;
- Provide cost efficiencies through a centralized approach;
- Reduce confusion regarding varying program terms and conditions as all communities would work with DCRHA or other organizations on common program requirements; and
- Enable communities to share resources and pool CPA or other funding commitments towards achievable goals (see strategy 2.3.3).

In fact, the *Island Plan* recommends that an Island-wide application process be established for all affordable and community housing initiatives, administered by the Dukes County Regional Housing Authority. DCRHA would also implement Island-wide local preference standards that include those who live and work on the Island as opposed to any particular Town.

Such extended responsibility for housing initiatives could possibly include the following programs:

- *Additional Rental Assistance*
Given the success of DCRHA's Rental Assistance Program and the current waitlist, this report suggests expanding program funding. This is particularly important in light of the program reaching lower income households in the 40% to 54% AMI range.

As described in strategy 2.3.5, another option would be to introduce a special program to help qualifying households access rental housing in the private market. The Town of Harwich established a Rental Assistance Revolving Loan Program to provide qualifying households with first, last and/or security deposits for rental units through CPA funding. The introduction of such a program on an Island-wide basis should be explored with DCRHA taking the lead in administering the program with sufficient operating support.

- *Homesites*
All towns have some form of homesite or youth lots bylaw, each with their own set of requirements, that have resulted in four (4) homesites in Chilmark, six (6) in Aquinnah, and 26 in Edgartown. IHT has recently been involved in providing ground leases for the homesites in Aquinnah and Edgartown, and DCRHA has

provided assistance with many resales. Purchasers have been left to determine what they can afford to build, to select a builder, and to access necessary financing. While some purchasers have fared fairly well with the Town's Housing Committees that have provided important guidance, other program recipients have encountered difficulties and significant delays in building their homes.

The individual communities that remain interested in pursuing resident homesite development might consider a couple alternatives in program implementation:

- Convey identified property to HFHMV for development.
- Work with IHT on establishing Island-wide program requirements, with IHT providing the selected purchasers who would chose a home based on several specific design models. IHT would also work with the purchaser to bid the work, select the contractor, and conduct inspections before progress payments are made. DCRHA would be involved in the lottery for selecting the purchasers, including any resales in the future.
- Provide a specific amount of CPA subsidy per house model to insure affordability.
- Use lots for a House Moves Program, providing the property that is necessary to reuse structures that are slated for demolition. IHT or HFHMV could potentially be involved in overseeing the actual move and property improvements with DCRHA coordinating the selection of occupants and potentially managing the property if it was determined to maintain the property as rental. Funding would be required for the move, improvements and program administration (see below) by the Town or the seller, including the costs of the foundation. It would be unlikely that IHT or HFHMV would be willing to accept the responsibility and liability for coordinating the house moves unless they were in control of the projects.
- Consider the development of even smaller lots for development as long as they meet Title V requirements.
- Consider for the introduction of a two-family dwelling type that includes an owner's unit and a year-round rental unit (see strategy 2.2.3).
- Reduce income eligibility to median income or less.
- Apply the IHT ground lease to all homesites.
- Consider the development of several rental units on the homesites to be developed by IHT and managed by DCRHA.
- Explore the use of such sites for the tiny houses shown in strategy 2.2.3.

All of the work provided by the entities identified above would have to be appropriately compensated, which would include overhead and out-of-pocket expenses.

- *House Moves*
The Towns of Edgartown and West Tisbury have demolition delay bylaws that present opportunities for the reuse of existing structures for affordable housing. Edgartown's bylaw requires notification to DCRHA and a notice in a local newspaper of any applications to demolish a house. HFHMV has also been involved in moving houses and has the interest to accept more such homes.

However, without places to move an existing home or funding to support the move, much less improvements and administrative costs (for overseeing the move, rehab and the selection of occupants), this program has worked only marginally. HFHMV has however been able to strip houses that were slated for demolition, using some of the materials on their builds.

Model: Nantucket’s House Moves Program

Nantucket’s program provides significant subsidies of approximately \$220,000 per move to support its program, largely through CPA funding. All houses will ultimately be renter-occupied for those earning between 60% AMI to median income. The homes are moved onto scattered sites that have been largely owned by the Town and conveyed to Housing Nantucket (a non-profit organization that is an offshoot of the Nantucket Housing Authority) through a Request for Proposals (RFP) process. The Town provides the land at nominal costs. Housing rehab has averaged about \$210 per square foot with an additional \$60,000 for utility hook-ups.

While efforts to move houses that will be demolished present obvious opportunities to create affordable housing, existing provisions are not facilitating such development. Surmounting the logistical challenges will take resources – both land on which to move the properties and funding to make the necessary improvements and oversee occupancy. IHT’s experience in moving and renovating houses has resulted in costs of approximately \$350 per square foot, which is more costly than new construction and largely without the possibility of achieving the level of desirable energy efficiency. At a minimum, as suggested in the *Island Plan*, it is worth exploring options for more effectively salvaging house components, which largely depend on space to store building materials, an additional and significant cost item.

- *Accessory Apartments*
As noted in strategy 2.2.3 and 2.2.4, all Island towns have provisions for accessory apartments, but only West Tisbury has made significant progress in promoting these units. While accessory apartments are unlikely to meet all of the state provisions for inclusion in the Subsidized Housing Inventory (SHI), they still meet a pressing need for smaller, year-round rental units. An Island-wide initiative to encourage these units might be explored, perhaps based on the program that has been implemented in Wellfleet (see Section 2.2.4 for more details). As DCRHA has been an effective partner with West Tisbury on their accessory apartment program, it is the likely entity to potentially coordinate an Island-wide program with additional administrative support.
- *Buy Down Program*
Edgartown introduced a *Buy Down Program (BDP)* that provides a subsidy of \$200,000 to moderate-income purchasers to “buy down” the purchase price of existing homes on the market. All subsidies involve accompanying deed restrictions to keep the homes affordable in perpetuity based on the Town’s own covenant. After subsidy mortgage financing varied from \$150,000 to \$225,000. Additional costs averaging \$18,996 per participant that included legal fees, management costs,

repairs, etc. The Town has invested \$1 million in the Program thus far, the subsidy resulting from negotiations related to the Field Club luxury development in lieu of affordable units that included \$1.8 million for three (3) lots.¹¹¹

With housing prices increasing, the costs of this program might be becoming prohibitive, however, some discussion of its applicability to other communities should be explored.

- *Emergency Assistance*
Emergency funding to support the homeless or those at risk of homeless should also be administered on an Island-wide basis and is discussed in strategies 2.3.5 and 2.3.6.

2.2 Zoning and Regulatory Opportunities

Islanders have a predilection for stand-alone, single-family homes on large lots, which is not an efficient and economic way to provide housing much less affordable housing. Regulations that once allowed half-acre, three-quarters acre or even single-acre lots have been changed to require ones of up to three (3) acres. Only the affluent are now able to access new housing opportunities unless the units are substantially subsidized given the exorbitant values of these sizable properties.

In order to more effectively meet diverse local housing needs, promote smart growth development principles, and offer greater efficiency and benefits in project permitting, the following regulatory strategies are recommended. It should be mentioned that it would be prudent for each community to regularly evaluate the effectiveness of their zoning bylaws every several years.

2.2.1 Allow multi-unit affordable and community housing in appropriate areas

The *Island Plan* recognized the shortage of multi-family housing on the Island and suggested zoning changes in identified growth areas that are in or in proximity to towns, services and infrastructure as long as additional units beyond the base zoning include some affordable and/or community housing units. Currently less than 10% of the Island's housing stock involves housing with more than a single unit, and zoning permits multi-family housing in very limited areas.

The Towns of Aquinnah and Chilmark have no provisions for multi-family housing, but Edgartown has a bylaw that allows such development in all residential districts by special permit but with a limitation of four (4) dwelling units per building as part of a cluster development. Conversion of a one, two, or three-story building to a multi-unit development is allowed by-right in Oak Bluffs but new multi-family unit development projects are not allowed by zoning. New multi-family development is allowed by-right in the mixed-use business district and by special permit in rural and village residential districts in West Tisbury. Tisbury allows this development by special permit only after the Planning Board has found that it meets a need and is consistent with public policy. West Tisbury also allows the development of two-family dwellings as-of-right in commercial

¹¹¹ The decision to allow cash in-lieu of affordable units came through negotiations as part of the Martha's Vineyard Commission's DRI review of this development proposal.

zoning districts and by special permit in residential districts while in Edgartown two-family homes are allowed in certain residential and commercial districts by special permit. Aquinnah and Chilmark allow the creation of two-family dwellings with certain provisions for affordable housing. Oak Bluffs allows the conversion of a pre-existing single-family unit by special permit but the creation of a two-family unit is not allowed by zoning.

Zoning should be changed to allow multi-family housing development, including duplex and apartment buildings, in appropriate areas, with incentives for doing so through density bonuses and potentially some tax advantages for properties with year-round rental units (see strategy 2.2.4). It should be noted that only West Tisbury has zoning that allows for density bonuses in affordable housing development, which should also be considered by the other communities.

Provisions to allow the clustering of units to preserve some open space on sites should also be included in local zoning, including density bonuses for the inclusion of affordable housing. While all Island towns except West Tisbury have some form of this cluster/flexible zoning, only Oak Bluffs includes affordability requirements.

2.2.2 Permit the development of smaller and nonconforming lots (or remainder lots) for affordable housing

Zoning changes that reduce the minimum square foot lot requirement under certain conditions or in certain locations, as well as other dimensional requirements, should be considered to allow the development of smaller homes on smaller lots when there is some inclusion of affordable housing. Such development is consistent with building patterns that prevailed earlier in the last century that led to the construction of housing that was more broadly affordable. This smaller-scale development also encourages the creation of more walkable neighborhoods. And when linked to open space preservation requirements, this development reduces sprawl and protects much of the Island's semi-rural character – goals consistent with affordable housing production.

While all towns have some form of zoning for smaller lots, largely for homesites, the reduction from three-acre to single-acre zoning still represents large-lot development that should be further reduced in appropriate locations.

2.2.3 Promote nontraditional forms of housing to meet diverse needs

The Vineyard has a saturation of single-family dwellings with few other alternatives. No single housing model can work for all individuals and families. The Island requires an array of housing types to accommodate diverse housing needs of the young and the old alike. These diverse housing types will necessitate zoning changes however, unless the “friendly” 40B process is used.

There is some precedence for more nontraditional housing approaches such as the cohousing model¹¹² and accessory apartments in West Tisbury as well as some dormitory style housing for seasonal workers. Other housing configurations that should be explored and allowed through rezoning or 40B include the following:

- *Transitional housing:* There were two (2) transitional housing units on the Island that were supported by CACCI and unfortunately lost due to funding cutbacks

¹¹² Co-housing in West Tisbury was approved through a comprehensive permit that included a commercial component, which is fairly unusual.

some time ago. Since then the economy has not greatly improved for those lower wage earners who are living paycheck to paycheck and particularly vulnerable to fluctuations in employment and any other family crisis. Island service providers note that about 150 families have applied for services without documented addresses, and there were about 15 families at risk of becoming homeless. Temporary housing options for these individuals and families are needed to enable them to regain stability and access permanent units. There has been some resistance to the Rapid Rehousing/Housing First Programs that have been successful in other parts of the state as a way of providing permanent rental housing for the homeless with accompanying support services. Such funding should be further explored for use on the Vineyard.

- *Assisted living options:* More assisted living options are needed, particularly those that incorporate some affordability. Service-supported housing is required for seniors along the full range of income and required level of care. Windemere is the only assisted living option that will accept residents who rely on Medicaid for their payments. It is desirable that this housing is located in proximity to public transportation routes to enable occupants to remain connected to the community and in-town locations would be preferable. Assisted living provisions are included in Edgartown and West Tisbury zoning bylaws but have not been utilized to date.
- *Other congregate settings:* Congregate housing can take many forms and other names for such housing have included supported housing, life-care homes, boarding or rooming houses, Sober Houses, congregate retirement housing, congregate senior communities, residential care, sheltered housing, enriched housing, single room occupancy (SRO) housing, enhanced single room occupancy (ESRO), safe havens,¹¹³ etc. Cohousing and group homes also share elements of congregate living as well. Other than assisted living options mentioned above, these housing types can be effective in meeting the needs of an increasingly older population and those with special needs.
- *Dormitory-style housing:* Housing for seasonal workers is especially needed on the Vineyard, and employers have sponsored such development under various models that are summarized in Section 2.4 of Part 2 of this study. Other opportunities to encourage such housing should be pursued with the private sector taking the lead. Dormitory housing could be provided in new or existing structures, and the *Island Plan* even suggested the possibility of using an old cruise ship if dock space could be secured. Edgartown and Oak Bluffs have dormitory housing provisions in their bylaws, and only Edgartown addresses staff apartments. Opportunities to utilize properties owned by the Towns, School District, and Hospital for attracting and retaining essential workers should also be explored.
- *Two-family dwellings:* The owner-occupied two-family house that includes a rental unit is an exceptionally affordable form of housing as it provides the owners with a stream of rental income that is calculated as part of mortgage underwriting criteria

¹¹³ Safe Haven Programs are directed to providing service-enriched housing for the chronically homeless mentally ill.

(lenders generally consider about 75% of projected rental proceeds in mortgage calculations), making the home more affordable and also including much-needed year-round rental units. Design guidelines can be developed to insure that these units resemble single-family homes and new zoning could allow these units as-of-right. The proposed tax exemption included in strategy 2.2.4 below should provide some incentives for producing these units (see strategy 2.2.1 above for information on existing zoning provisions related to two-family homes).

Model: The More Affordable Two-family House

It should be noted that this report strongly recommends the construction of two-family homes with *both an owner's unit and year-round rental unit*. Because of the ability to include rental income in underwriting calculations for mortgage financing (lenders typically include about 75% of the projected rent), this type of housing is much more affordable, reaching a lower income purchaser. For example, the affordability analysis that is included in Appendix 1 of Part 1 of this study indicates that the median priced single-family home of \$535,000 would require an income of \$103,500 with 80% financing, but a purchaser with the same income could afford a two-family home for \$569,500. Conversely, a \$535,000 two-family house would be affordable to a purchaser earning about \$68,850 with 80% financing.¹¹⁴ These houses can also resemble single-family units in outward appearance and should be promoted through zoning and tax relief (see Section 2.2 for more information).

- *Cottage-style or bungalow-type housing clusters*: This type of housing has been popular in the West Coast of the country where there is an intense focus on smart growth development principles and increasing numbers of smaller households. The model involves the development of small cottages or bungalows that are clustered around a community green space. This housing type targets empty nesters, single professionals, and young couples. Such development provides opportunities for the ownership of small, detached dwellings within or on the fringe of existing neighborhoods, often enhancing affordability while simultaneously encouraging the creation of more useable open space for the residents through flexibility in density. A similar approach, with somewhat larger houses, was used in the pocket neighborhoods of Jenney's Way and Eliakim's Way through the Island Housing Trust.
- *Tiny homes*: In the context of an increasing number of smaller households on the Island, including individuals who are living alone, and a growing micro-housing movement, some consideration should be given to the introduction of what are being referred to as "tiny houses". There are companies that are building very small homes that can be easily moved with up to approximately 144 square feet. These units are well designed and priced very affordably, although financed as personal property rather than real estate.

¹¹⁴ Figures based on interest of 5.0%, 30-year term, annual property tax rate of \$5.36 per thousand for Dukes County (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), rental income of \$1,000 per month (\$750 in calculations), and the owner paying no more than 30% of its income on housing.

The version pictured below is priced at around \$60,000 or even \$25,000 for a “build it yourself” version. It includes a small bedroom and sleeping loft. These cottages could also potentially provide decent and affordable housing for those most affected by the Island Shuffle, if locations for siting them could be identified with appropriate zoning. One recommendation was to locate them, at least temporarily, on “flood lots”, areas of town that have become suddenly affordable because they are uninsurable. They would have to include camper-potties instead of septic systems so as to not contribute to the nitrogen-loading of coastal areas. Given an impending storm, the units would be unhooked, transported, and secured in designated safe areas to wait out the storm.



- *Accessory apartments:* All Island towns have provisions for accessory apartments, but only West Tisbury has made significant progress in promoting these units. While accessory apartments are unlikely to meet all of the state provisions for inclusion in the Subsidized Housing Inventory (SHI), they still meet a pressing need for smaller, year-round rental units. Efforts to revisit and revise zoning provisions for accessory apartments and potentially create an Island-wide initiative should be explored (see strategies 2.1.4 and 2.2.4 for more details on promoting this type of housing).
- *Mixed-use, “above the shop” type housing:* The *Island Plan* recommends that development be directed to town and village areas to reinforce compact, mixed-use and walkable areas. Mixed-use development that incorporates affordable housing was effectively pursued by the Town and TRI through the Noyes Building in Oak Bluffs. Apartments in the upper floors of mixed-use buildings are allowed by-right in Tisbury’s mixed-use business district and by special permit in Tisbury. Provisions that incentivize affordable housing in village areas should be pursued.

- *Adaptive reuse:* Adaptive reuse involves the conversion of nonresidential properties – such as institutional, commercial and even industrial properties – into housing. Examples of adaptive reuse projects include the conversion of the Old Rectory at 45 Franklin Street to three (3) units of affordable housing by DCRHA as well as the conversion of the Oak Bluffs Town Library/Noyes Building into a mixed- use building with (3) units of affordable housing and (1) retail unit for a pharmacy. This type of development should also be encouraged on the Island as it holds to smart growth principles of redeveloping existing property and may even be an avenue for reclaiming historic properties.
- *Live-work space:* Live-work space, sometimes referred to as zero commute housing, are spaces where artists or other workers combine their residence with their work area, typically in an open floor plan offering large, flexible work areas. This type of housing, with new zoning to fit the Island context, might be explored.

**Model: Old Ann Page Way in Provincetown
(Mix of Rentals and Studio Space)**

Community Housing Resource Inc. (CHR) developed Old Ann Page Way, a project that includes 18 rental units for households earning at or below 60% of area median income with pricing of rentals based on 40% and 50% of median income. The development also includes ten (10) non-residential artist studios available for rent to the general public. The project involved the redevelopment of a former supermarket site held by A&P after they relocated to another location in Provincetown. Rumors about asbestos that deterred interest in the site were proven false by site inspection and the testing of samples. CHR purchased the site and started initial site work in 1999, including some demolition, and construction was completed in 2002.

The project was among the first on Cape Cod to be financed with Low Income Housing Tax Credits. In addition to the tax credit equity investment, the project used Barnstable County HOME funds, state HOME funds, and the Affordable Housing Trust Fund, for a total public subsidy of more than \$3 million. The tax credit equity investment was syndicated through MHIC's¹¹⁵ Equity Fund. MHIC also provided the construction loan as part of the One Source Program that includes permanent financing from the Massachusetts Housing Partnership (MHP).

- *RV's and campground facilities:* A reality of the Island Shuffle has been that any number of individuals and families has opted for camping during the summer as opposed to other housing options (commuting from off-Island, doubled-up with friends and families, living in unsafe housing, paying more than they can afford for seasonal rentals, etc.). However, zoning has restricted this alternative form of safe and temporary housing during the summer, which should be addressed.

¹¹⁵ Massachusetts Housing Investment Corporation, a private, non-profit corporation which provides loans for affordable housing equity funds for low-income housing tax credit developments, and loan guarantees for lead paint removal.

2.2.4 Offer incentives for year-round rental housing

Martha's Vineyard certainly needs much more affordable housing, but given that 54% of the Island's housing stock is for seasonal or occasional use, more year-round housing is needed as well. The Towns should consider adopting a couple of options to promote year-round housing units, rental units in particular.

First, towns might adopt a new taxing policy for year-round rentals, modeled after Provincetown's policy for exempting landlords from real estate taxes that are rented year-round to eligible tenants at rents that do not exceed HUD limits. This exemption was approved in May 2003. While this exemption would not result in an increase of SHI units, it would still serve a pressing local need for more year-round rental units that are relatively affordable. Another option would be to consider adoption or amendments to the homesite bylaws, and allow a second unit to be created on the lot if it is developed for year-round use without necessarily any affordability restrictions.

Model: Provincetown's Year-round Rental Housing Tax Exemption

- The portion of the property that qualifies under the Program as affordable rental housing is exempt from the property tax. "The amount of the exemption is equal to the tax otherwise due multiplied by the square footage of the units set aside for affordable housing purposes divided by the total square footage of the structure."¹¹⁶
- The exemption is available only to owners of year-round rental property.
- No deed restrictions are required.
- Property owners must apply for the exemption on an annual basis, applying to the Board of Assessors.
- The Town's Principal Assessor determines eligibility under the Program by reviewing the lease as well as tenant's income information verified by the previous year's tax return or a copy of one monthly bank statement showing the electronic transfer of Social Security payments.
- Property owners must have a lease in place for the entire fiscal year, and the lease must conform to income limits for low-income households earning at or below 60% of area median, adjusted for household size and determined annually by HUD. Owners may not charge rents, including utilities, which exceed allowable rent levels for qualifying tenants based on the tenants paying no more than 30% of their income for rent/utilities. If the owner does not pay utilities, then an allowed utility allowance must be subtracted from the allowed rent.

Additionally, zoning changes to better promote accessory apartments, such as the one included in West Tisbury's zoning bylaw, provide another approach for increasing year-round rental units with a number of important benefits including:

- Enable homeowners to capture additional income, which is particularly important for elderly homeowners or single parents where such income may be critical to remaining in their homes. Also, some young families or moderate-income households might be able to afford homeownership if they could count on income from an accessory apartment.
- Provide appropriately sized units for growing numbers of smaller households.
- Offer inexpensive ways of increasing the rental housing stock at lower cost than new construction and without loss of open space, without significant impact on the

¹¹⁶ Town of Provincetown, FY2007 Affordable Housing Property Tax Exemption for Owners of Affordable Year-round Rental Housing, website www.provincetowngov.org.

surrounding neighborhood, and without additional Town services such as streets or utilities.

- Provide companionship, security and services for the homeowner, from shoveling the sidewalk for an elderly owner to babysitting for a single parent.
- Offer good opportunities for keeping extended families in closer contact.
- Generate tax revenue in a locality because accessory units add value to existing homes.

While all communities have some zoning provisions for accessory units, it may be useful to revisit and revise existing bylaws to make it easier for property owners to create such units. Moreover, the Towns might consider provisions for accessory apartments that have been adopted by Wellfleet. This Program does not require deed restrictions nor does it include mandates for tenants to be selected from a pre-qualified Ready Renters List as dictated by state requirements for including accessory apartments in the Subsidized Housing Inventory. Consequently the units, although affordable based on specified income and rent limits, would be ineligible for inclusion in the Subsidized Housing Inventory. Wellfleet also offers a loan program for assisting owners in creating these units, provides tax relief to owners with accessory units, and is conducting a design competition for detached accessory apartments.

Model: Wellfleet’s Accessory Apartment Program

- Property owner applies for a special permit.
- Building Inspector and Board of Health visit and inspect the unit to determine if there are any health and safety violations that must be corrected prior to the owner obtaining the special permit.
- Those owners whose incomes are below 100% of area median are eligible for participation in Wellfleet’s Affordable Accessory Dwelling Unit Loan Program that provides no interest loans to support necessary improvements.
- The ZBA reviews the application and the reports submitted by the Building Inspector and Board of Health, holds a public hearing, and grants the special permit.
- The Building Inspector issues a Certificate of Occupancy prior to the unit being occupied.
- Prospective tenants must submit income information to the Assistant Town Administrator that documents that they qualify for the units. Once qualified, property owners will be officially notified of the monthly rent they are able to charge based on HUD Fair Market Rents. A list of qualified tenants is available to property owners, or owners may be able to select their own.
- The Town Assessor issues a tax abatement to the property owner based on a specified formula, without the need for the owner to submit to a separate application process (this requires state legislative approval).
- The property owner annually submits forms that document the continued eligibility of the tenant and use of HUD Fair Market Rents.
- If a property owner decides at some point to opt out of the special permit, they must inform the Building Inspector and remove the kitchen in the accessory unit. They are allowed to convert the space to other uses such as a “private guest house” or office.

2.2.5 Revisit MVC’s Affordable Housing Policy

As discussed in Section 2.5 of Part 2 of this study, the Martha’s Vineyard Commission (MVC) adopted an Affordable Housing Policy in 1986 with several subsequent amendments. The Affordable Housing Policy serves as a guide for DRI applicants to mitigate a project’s potential impact on affordable housing using an inclusionary zoning approach for proposed residential developments (including a certain percentage of affordable units in the development or a cash in-lieu of units based on a percentage of the

assessed value) and a linkage approach for nonresidential development (providing fees based on the square footage of the proposed development to be used to subsidize affordable housing on the Island).

Over the years further revisions of this important Policy have been discussed particularly related to increasing the level of fees relative to the per square foot of new commercial construction and intensity of use. Prior to introducing any changes, MVC was advised to do a nexus study to study the relationship between nonresidential property development of regional impact and the need for affordable housing. This study was completed in 2003 by John Ryan of Development Cycles and offered a number of options to insure that the Policy would meet the legal requirement that fees should be proportional to impacts and some flexibility in responding to specific applications.

MVC then drafted some changes to the Affordable Housing Policy in 2006, however, these changes were put on the back burner while the organization focused on the *Island Plan*. Now that the *Island Plan* has been successfully revised and adopted, this report suggests that the draft changes to the Affordable Housing Policy be revisited, revised as appropriate, and submitted for review and approval. Possible changes include increasing the mitigation for commercial development to offset its impact on the need for affordable housing.

2.2.6 Use IHT ground leases on subsidized permanent housing units

As suggested in strategy 2.1.2, all subsidized housing units that are created as permanent year-round housing should use deed restrictions through the IHT's ground lease to insure long-term affordability of this valuable housing inventory. These affordability restrictions protect taxpayer and community investments for as long a period as possible yet still allow the purchaser to build some wealth and realize financial gain at a rate of return greater than if they had invested in the stock market or a ten-year Treasury bond with lower rates of delinquency and foreclosure.¹¹⁷ Additionally, the national community land trust model, adopted by IHT, is Fannie Mae approved and provides homebuyers with potentially more competitive and advantageous mortgage financing.

Another important result of the ground lease is that it provides a mechanism that helps ensure the success of homeowners through ongoing stewardship. This active stewardship has been shown to significantly lower rates of delinquency and foreclosure. IHT has adopted a database called HomeKeeper to manage property information and legal documents for all of its properties which helps it identify and intervene as necessary when there are signals that homeowners are confronting problems, such as when they miss paying their monthly ground lease fee.

Long-term stewardship is critical to the sustainability of the Island's affordable housing stock. There have been nearly a hundred Town deed-restricted resident homesite properties that have lost their affordability over the past 20 years, and there are more that

¹¹⁷ Thaden, Emily, "Stable Home Ownership in a Turbulent Economy: Delinquencies and Foreclosures Remain Low in Community Land Trusts", 2011 Lincoln Institute of Land Policy; and Temkin, Kenneth, Brett Theodos and David Price, "Balancing Affordability and Opportunity: An Evaluation of Affordable Homeownership Programs with Long-term Affordability Controls, The Urban Land Institute, October 2010.

are not being actively monitored. IHT has entered into contracts with the Towns of Tisbury, Oak Bluffs, and Aquinnah to conduct an affordable housing inventory of all Town deed-restricted resident homesite properties using its HomeKeeper database. A regional HomeKeeper database should be implemented for proper stewardship and management of these important and significant community investments in permanently affordable housing.

It is worth noting that while HFHVMV has used IHT's ground lease for a number of its houses, it has maintained the flexibility to use its own deed restrictions, as have a number of Towns with respect to local initiatives. There should be some weighing of the benefits for adapting IHT's ground lease to better standardize Island practices given the benefits of IHT's model, including a regional database for monitoring ongoing affordability.

2.2.7 Expedite permitting for affordable housing development

It is essential that every municipality have a local regulatory process that protects the community from development that is not in the best interest of its citizenry but also reduces unnecessary red tape. Some municipalities have attempted to make the permitting process easier to navigate, providing greater guidance to applicants on requirements and more predictability in the process.

As suggested in the *Island Plan*, the Island communities might explore whether there is a need to fine-tune the review and approval of housing developments that involve affordable housing including the potential of expediting permitting at the local and regional levels for such projects. Guidelines that articulate the Towns' priorities and other written materials that better clarify the regulatory process might be developed. The Martha's Vineyard Commission as well as the Joint Affordable Housing Group may be the logistical vehicles for these discussions. It is useful to note that the Cape Cod Commission has been recognized as doing a commendable great job in streamlining permitting processes at the regional and town levels.

2.3 Access New or Increased Resources for Housing

More resources are needed to support affordable housing, particularly given the loss of the Island Affordable Housing Fund (IAHF) that proved to be an effective vehicle for raising private donations for a number of years, providing approximately \$800,000 to \$1 million annually to a number of organizations and projects as well as substantial cutbacks in federal and state funding for affordable housing. The present local funding sources have been strained but crucial and include the following:

- All Island towns passed the *Community Preservation Act (CPA)* in 2006, which has represented an important resource that has included vital operating support to DCRHA as well as its Rental Assistance Program in addition to key predevelopment funding and gap fillers for local housing development.
- Five of the six Island communities also have *Affordable Housing Trusts* that have dedicated additional funding for local affordable housing efforts.

- *Community Development Block Grant (CDBG) funding* has been a very important funding source on the Island in support of housing rehabilitation, childcare services and special projects.

During the course of this study, the issue of funding has continued to be raised as the major stumbling block in the Island's ability to adequately address the full range of pressing housing needs. It has been pointed out that those donors who contributed to IAHF are still largely on the Island, at least from time to time, and more potential donors exist given the continued growth in seasonal units and second homes. There is broad recognition that there are plenty of resources on the Island to support affordable housing and the results of IHT's initial fundraising provide some more recent evidence of such potential. The message of community preservation through affordable housing development is a compelling one for those who care about the Island.

Some options that have been discussed or pursued in the past have turned into political "hot potatoes", and have gone nowhere. Others have come close to approval but have been stymied by political opposition while others have worked effectively and must be continued. Potential or ongoing funding sources that have been suggested are listed below.

2.3.1 Continue to donate publicly owned property for affordable or community housing

The conveyance of Town-owned or other publicly owned property for affordable housing development is an important means of addressing housing needs. While such property is limited, the *Island Plan* included extensive mapping of Town-owned properties that are included as Appendix 1 of this report. The provision of such properties, whether land or buildings, has been key to housing production to date, providing each community with the opportunity to control development by establishing the terms and conditions for specific projects. Some such properties are currently under discussion by various Town boards and Island housing organizations. For example, Tisbury is donating land for four (4) units at Lamberts Cove Road and another six (6) at Lake Street. Edgartown has a nine-acre site in Meshacket that could accommodate an estimated 54 bedrooms. Also, Island Elderly Housing has property that could be developed but must resolve problems related to wastewater, which will be expensive to address.

It is also important that the properties be conveyed for nominal amounts, signaling an important local investment on the part of the community to leverage other funding sources and providing a vital subsidy as the gaps between project development costs and what qualifying occupants can afford are so large. Moreover, all affordable or community units should be permanently restricted to insure their long-term affordability through IHT's ground lease (see strategy 2.2.6).

2.3.2 Recapitalize DCRHA units

As emphasized in Part 2 of this study, DCRHA is unlike most housing authorities which rely on state and federal funding to support the development and management of public housing units. DCRHA financed only one of its properties, Lagoon Heights, through state public housing financing (Chapter 689 Program for the development of special needs housing), and this project was small in comparison to most public housing developments with only eight (8) units. While

most housing authorities are supported by ongoing state or federally funded operational subsidies and funding for capital improvements, DCRHA obtains all of its operating funding from rents and Town CPA funding. The higher management costs associated with small projects scattered across the Island, higher rates of recent unit turnover due to unstable economic conditions, and high costs in maintaining properties that were acquired as part of specific projects, have led to an inventory of units that are undercapitalized with too much debt.

DCRHA has been working hard to lobby for additional state subsidies to refinance projects and/or obtain ongoing project-based rental assistance, particularly for those projects with relatively high levels of debt and low margins of income to expenses. The continued viability of this very important housing stock needs to be a priority in the years ahead, and local leaders as well as state lenders and funders need to rally in support of DCRHA's efforts. *Coordinated advocacy for state support should become an Island-wide priority to safeguard this important housing inventory.*

Given the Governor's interest in regionalizing public housing agencies across the state into about a half-dozen mega-agencies, it has been suggested that it may be prudent to pass on DCRHA's only state development to another agency, for example the Falmouth Housing Authority, and try to opt-out of any extensive reorganization. Also, if state resources are not forthcoming, it may be necessary for the Island communities to provide an infusion of additional funding to refinance existing projects, potentially from resources derived from strategies 2.3.3 and 2.3.4 below.

2.3.3 Explore additional taxes or special fees

More than two-thirds of the new housing stock developed between 1990 and 2010 was for seasonal or occasional use, which has pushed housing prices beyond the means of most year-round residents and has driven the need for more affordable housing. The growth in seasonal housing has also been the driving force behind the expanding service industry whose workers often experience poor pay and housing conditions.

It has also been recognized that seasonal rentals and second-home owners subsidize the Towns' tax bases without utilizing the most costly of services, education. However given that Island communities have some of the lowest property tax rates in the Commonwealth, other opportunities to raise funding from temporary residents and landlords should become priorities. One Island resident observed, "There's some low-hanging fruit that hasn't been properly utilized." Certainly the implementation of fees or taxes on seasonal rentals will take strong political will in addition to special funding to wage a concerted effort. It will also need a few champions leading the cause.

Options to tap into different funding streams that have been raised as part of this study include the following:

- Reinvigorating the campaign to capitalize a Housing Bank based on the proceeds from real estate transfer tax for sales over a certain amount. Modeled on the Island's effective Land Bank, a concerted effort with Nantucket was organized in 2005 to obtain the necessary state legislative approval to create a Housing Bank, financed by a 1% fee on the portion of property sales over \$750,000. This proposal was stalled and ultimately defeated, largely by off-Island real estate interests.

Model: Aspen's Sources of Housing Revenue

Over the past 30 years, approximately 2,600 employee-housing units have been created in Pitkin County through the Aspen/Pitkin County Housing Authority. A 1% real estate transfer tax (RETT), a portion of the 0.45% housing/day care sales tax, and Pitkin County's housing impact fee have generated approximately \$12.2 million in annual revenue to support this development. Projections suggest that even this amount of funding will not keep pace with the continued loss of employee-occupied free-market housing in Aspen as well as the diminishing workforce housing units associated with the escalating prices of down-valley housing.

This type of revenue source has been effectively implemented in other locations to support affordable housing. For example, Aspen has adopted a 1% real estate transfer tax, and Vermont has a two-tier tax rate for seasonal versus year-round units.

Model: Vermont Real Estate Transfer Tax

Vermont has adopted a 1¼% real estate transfer tax on sales of properties. However, the first \$100,000 in the sales price is exempted for principal residences with the remaining amount taxed at ½%. If the property has been financed by the State's Housing Agency, the first \$110,000 is exempted from the tax and the remaining amount is taxed at 1¼%. The state has raised approximately \$10 to \$13 million per year, half of which is passed on to the state's housing agency, the Vermont Housing and Conservation Board, to fund its Affordable Housing Trust Fund and the other half supporting the state's regional planning agencies.

- Requiring fees or an occupancy tax on seasonal rentals that would be dedicated in support of affordable housing development have worked in other places, the Outer Banks for example (3% of total rental, collected by the real estate broker). The *Island Plan* suggests a possible Room Tax that would be shared with the state, a Town's business tax, or a fee to property owners who rent their units on a weekly basis following a required rental registration process.
- Modeling a property tax exemption after Provincetown's policy for exempting landlords from a portion of real estate taxes for units that are rented year-round to eligible tenants at rents that do not exceed HUD limits (see more details in Section 2.2.3).
- Collecting fees on any home over a certain size, such as 4,000 square feet.
- Allocating a percentage of sewer capacity for affordable/community housing projects and extending water and sewer infrastructure where possible as was done successfully with the Jenney Way and Morgan Woods projects in Edgartown. Such offsets of infrastructure costs are another way of subsidizing new affordable development.
- Finding ways to undertake regional private-public collaborations by sharing resources through some Island-wide funding mechanism or agreement to support important housing initiatives. For example, regional Housing Trust Funds have been established in Montgomery County, Maryland; Santa Clara County, the Napa Valley, San Mateo County, and Sacramento City and County in California, as well

as Columbus and Franklin County in Ohio and the Lowcountry in and around Charleston, South Carolina.

Model: Housing Trust Fund of Santa Clara County, California

The Housing Trust of Santa Clara County, California is a private-public partnership that has established a revolving loan fund and grants to complement and leverage other housing resources throughout the Silicon Valley. The Fund has raised more than \$20 million during the past few years, largely through area employers, but has also been supported by local government revenue. The Trust Fund has focused on providing resources for predevelopment loans to non-profit housing organizations, gap financing for housing development, and homebuyer assistance.

While IAHF provided an important Island-wide funding mechanism for a number of years, a similar regional vehicle for supporting a range of housing programs and projects is worth exploring, *including both public and private funds*. While it is likely that the down-Island communities will continue to experience the most development, all Island towns will benefit from the new housing produced and some regional financial support makes sense. If a project was being built in one community, a policy could be put in place that the other Island towns contribute to project financing through some equitable formula with contributions channeled through this regional Trust Fund.

- Using regional applications for CPA funding based on the premise that housing that is developed in one community is likely to benefit residents of the other communities as well.

2.3.4 Reach out to private donors

As noted in Part 2 of this study and above, the loss of the Island Affordable Housing Fund (IAHF) leaves a big gap in resources for housing. 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 much less what will be needed based on this report.

There is an active philanthropic community on the Vineyard that supports an estimated 120 non-profit organizations. Outreach to secure private donations for affordable housing should be pursued. It has also been suggested that there may be some seniors without heirs and might consider donating their properties for affordable housing or selling them for some discounted amount. One participant at a community meeting suggested that there were a lot of people benefiting from the Island's real estate market and that it would be a huge benefit to the Island communities if property owners would consider sacrificing some of these benefits to dampen some of the rampant speculation in support of affordable housing initiatives. This type of recommendation might be considered "pie in the sky" but opportunities to continue to raise awareness on the importance of affordable housing to the economic well-being and preservation of the Island community can be communicated through fund raising efforts.

An Island-wide public-private Housing Trust Fund, as described in strategy 2.3.3 above, should be considered as a vehicle for depositing private donations and funding housing development.

2.3.5 Establish an Emergency Fund for those at risk of homelessness

The Association of Martha's Vineyard Island Clergy has worked as a convener of the Island's faith communities in promoting social justice and supporting the needs of the homeless or those at risk of homelessness in particular, often in concert with the Dukes County Associate Commissioner for Homelessness. Since 2008, they have been instrumental in raising and distributing more than \$20,500 in emergency funding for those at risk of homelessness. The Association has formed The Island Community Task Group for the Homeless that will be approaching each of the towns and other donors to support a discretionary fund to help prevent homelessness. This effort deserves significant support.

Model: Homeless Prevention Council

The Homeless Prevention Council¹¹⁸, based in Orleans, raises funding and awareness of the issue of homelessness on the Lower Cape Cod. With an annual budget of approximately \$360,000, the organization applies for small grants and donations to provide emergency assistance to those at risk of homelessness. They have achieved success from direct mailings, grant proposals from foundations and church endowments, and special programs directed to children (back pack donations in the September and adopt a child's three wishes in December).

Another potentially complementary option to the Emergency Assistance Fund and DCRHA's Rental Assistance Program would be introduce a special program to help qualifying households access rental housing in the private market by paying some of the upfront costs involved in lease-up. The Town of Harwich has established a Rental Assistance Revolving Loan Program to provide qualifying households with first, last and/or security deposits for rental units.

Model: Harwich Rental Assistance Revolving Loan Program

Supported by CPA funding, the Rental Assistance Revolving Loan Program provides participants with a voucher in the form of a loan, the amount of which is based on their income, expenses, and rent level and which is paid directly to the landlord. This amount is ideally repaid by the Program participants in monthly installments and deposited into the Program's Revolving Loan Fund and thus available for further lending to other eligible participants, although it has been difficult for participants to make these payments and many of the loans have effectively become grants. Moreover, each participant must enroll in a Budgeting Class within six (6) months of receiving the voucher/loan and are encouraged to attend first-time homebuyer classes.

2.3.6 Obtain Dukes County funding for its Associate Commissioner for the Homeless position

The Dukes County Advisory Board, that includes a representative from each of the Towns' Board of Selectmen, approves all County funding allocations. This Advisory Board should

¹¹⁸ The organization is also known as the Interfaith Council for the Homeless of Lower Cape Cod.

consider providing funds in support of its Associate Commissioner for Homelessness, currently an unpaid position. This person has been the “go to” contact on the Island for those who are homeless or are at risk of homelessness, providing ongoing support, including financial assistance (largely through donations) and referrals, to the most financially vulnerable of Island residents. By at least partially funding this position, the County sends a signal that preventing homelessness on the Island is indeed important.

2.3.7 Secure special funding for CDC’s

As was noted in Part 2 of this study, the Island Housing Trust (IHT) has obtained designation as a Community Development Corporation (CDC), among the 60 CDC’s in the state and the 4,600 or so across the country. These organizations are typically involved in building and reviving neighborhoods including improving the housing stock, producing affordable housing, creating a safe environment, building the economic base, and promoting resident leadership. Through its inclusion in the network of CDC’s, IHT will be able to access new resources in support of both rental and homeownership development on the Island.

One of these resources includes the Community Investment Tax Credit (CITC), also known as the Community Development Partnership Act (CDPA), which was introduced by the Patrick Administration in 2012. It is part of a larger economic development bill involving a strategic, market-based approach that leverages private contributions and builds strong local partnerships. Through this initiative, CDC’s develop multi-year business plans for community development with the potential of receiving up to \$150,000 in Community Investment Tax Credits per year for three (3) years that the local CDC will use to attract up to \$300,000 per year in private investment, providing flexible seed capital for new programs. IHT has submitted a proposal to participate in this new initiative.

2.3.8 Adopt fee waivers or reductions for affordable housing

The waiver or reduction of regulatory fees is an area where the Towns have some additional capability to directly affect project costs and affordability, particularly when combined with expedited permitting (see Section 2.2.7). As part of an ongoing policy, the Towns should consider waiving or reducing by some amount permit fees to support projects that serve a public benefit such as affordable housing. For example, the waiver or discounting of sewer fees related to the development of IEH property for additional senior rental housing would have a substantial impact on project feasibility as it has been a major obstacle to moving ahead with development. Such waivers or reductions in fees might also be covered on an Island-wide basis for projects that will likely benefit residents from all or most of the Island communities.

2.3.9 Access additional state and federal subsidies

Some Island developments have received state and federal financial support including Community Development Block Grant (CDBG) funding through The Resource, Inc. (TRI) for housing rehab and other initiatives; financing for a number of Island Elderly Housing (IEH) and Tribal Housing projects and the Morgan Woods development; as well as some rental housing vouchers through the Housing Assistance Corporation (HAC) for example. Despite funding cutbacks, state and federal resources remain available to support housing production, particularly for rental projects that are targeted to those earning at or below 60% AMI and are larger in scale than more recent housing developments on the Island

with the exception of Morgan Woods. Such funding would enable communities to leverage their limited local resources while meeting local needs and production goals. A description of these potential funding sources is included in Appendix 4 of Part 1 of this Housing Needs Assessment.

Another federal source that is worth pursuing is HOME Program funding. HUD created the HOME Program in 1990 to provide grants to states, larger cities and consortia of smaller cities and towns to do the following:

- Produce rental housing;
- Provide rehabilitation loans and grants, including lead paint removal and accessibility modifications, for rental and owner-occupied properties;
- Offer tenant-based rental assistance (two-year subsidies); and/or
- Assist first-time homeowners.

The Barnstable County HOME Consortium, administered by the Cape Cod Commission, makes this funding available to all municipalities in Barnstable County. Typically, in order to join a HOME Consortium a community must be geographically adjacent to an existing participating municipality and go through a prescribed application process. Perhaps it can be argued that the fact that there is a body of water between Dukes County and the Cape should not eliminate the Island from possible participation, particularly since Gosnold is located only a stone's throw from Woods Hole in Falmouth.

3. 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:

3. Development of properties that are more conducive to higher densities and economies of scale
4. 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:

8. Cluster development of small starter housing
9. Development on smaller, nonconforming lots
10. Development of two-family, owner-occupied housing
11. Incentives for year-round rental units and special fees for seasonal units
12. Accessory apartments
13. 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.)
14. 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.

4. Conclusions

While the recommendations that are summarized above 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 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 are referenced in Section 2.2.
- 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 or other organization that works with others to develop and manage real estate.
- Donate land or a house for moving.
- 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.
- Provide infrastructure such as water, wastewater, and utilities for affordable housing projects.
- Consider Island-wide cost sharing for infrastructure and services needed for affordable housing projects.
- Streamline the local and regional review process for affordable housing projects.
- 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 Housing Needs Assessment 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.

APPENDIX 1

Map of Town-owned Properties



**MARTHA'S VINEYARD
HOUSING NEEDS ASSESSMENT**