

The goal of this project is to provide new, high quality, Energy Star Plus Rated efficient, low maintenance, affordable to own and maintain, residential only housing to residents of Martha's Vineyard in an effort to help sustain the Vineyard economy. The project consists of 7 new 840 and 900 sq. ft. 2 bedroom units. Converting the existing buildings provides up to three more units, one or two of which will be 3 bedroom. Privacy is achieved in the new units by having no common sidewalls or floor/ ceiling connections and in the converted units there will be extensive sound deadening in the construction design.

The "no transient rental" policy in the master deed of the condo association reduces the value of each unit by \$50,000.00 to \$75,000.00. The target selling price for the two bedroom units is between \$325,000.00 and \$350,000, the one bedroom unit will be offered at around \$225,000 with the three bedroom unit around \$375,000.00. This becomes the major "OFFER" to the commission because I have already reduced the total profit of this project by \$500,000.00 to \$750,000.00.

This project will result in the only residential housing on the Island and probably in the state, with the exception of deed restricted subsidized housing, that will obey M.G.L. Chap. 59, Sect. 2a which restricts "Residential Property" to non-transient use and as such this property will not become part of our transient (say weekly) rental housing inventory.

Currently the average price of comparable but mostly 20 to 30 year old units is \$400,000.00 to \$485,000.00 and the transient rental fees for these three month plus vacation rentals ranges from \$1800.00 to \$2900.00 per week. This equals a seasonal income of \$25,000.00 to \$35,000.00 plus a winter rental and you quickly see how these units become valued at \$400,000.00 plus because a mortgage for \$400,000.00 would be around \$2,500.00 per month or \$30,000.00 per year.

The punishment for developing my property I choose, under the Commission's affordable housing guidelines, will be the second option to pay 20% of the assessed value of the property to the D.C.R.H.A. which I want allocated to the rental assistance program only. This will amount to \$100,000.00 unless I can convince the commissioners that I have bled enough by lowering my profit by around \$750,000.00 to create resident housing.

Thank You

Donald N. Muckerheide