Housing Work Group – Affordable Homeownership & Year-round Market Rate Housing

Meeting Notes of March 27, 2007, 4:30 pm, Martha’s Vineyard Commission

Present - Members: Richard Toole (Chair), Harvey Beth, Christina Brown, Allison Cannon, Candy DaRosa, Georgiana Greenough, Philippe Jordi, Rob Kendall, Jim Westervelt, David Vigneault

Present – MVC Staff: Mark London, Bill Veno, Christine Flynn

Meeting opened at 4:33 pm.

1. Welcome and Introductions:

Richard Toole welcomed the participants to the meeting. Mr. Toole introduced himself as a member of the Steering Committee and the Housing Work Group’s Liaison to the Steering Committee. Members then introduced themselves around the table.

2. Break-out Conversations:

Instead of the group breaking out into three conversations, the group decided to have a round table conversation. The following are summaries for each of the three topics. The bullets are points that were raised for further discussion or agreed to by the group.

A. Zoning & Permitting Incentives:

“There seemed to be a consensus at the first forum in November that it should be possible to increase residential density in addition to utilizing the existing housing stock for the purposes of creating both affordable homeownership and market rate opportunities.”

• It was agreed that condominium units should be looked at as a viable alternative to homeownership. Condo’s can be a stepping-stone to homeownership.

• It was suggested that the Vineyard could adopt a Nantucket by-law that allows for subdivision and conversion of guest houses to a condo by special permit on the condition that the condo unit (guest house) is sold to an affordable housing recipient.

• It was mentioned that the Vineyard is an aging population and that the development of condominiums could serve a growing market for empty nesters that want or need to downsize. There are not many options for those who no longer want or can physically maintain a home. It was suggested that there is a segment of the population that would downsize and preferably live in-town close to services.

• Condominiums allow for mobility to upsize or downsize depending on family needs. It also allows for owners to build equity.
• It was mentioned that the few condos on island are slowly catching up to the price of market rate homes. It was questioned how long before the asking price of a condo will be equal to a market rate home? And if condos were allowed by zoning what impact would condo complexes have on the real estate market? It was suggested that there would not be a substantial impact on the real estate market but would provide more options for potential buyers.

• It was noted that condo fees such as septic, water, common land, road and lawn maintenance can be expensive and sometimes a hidden cost for owners.

• It was suggested that if condominium complexes are allowed by zoning the units should be sold to year-round residents. It was mentioned that some towns in Massachusetts have banned condominium conversions so as not to reduce the number of rental units within the community.

• If there is a mix of condo units for both affordable units and market units. It was pointed out that the affordable units could be deed restricted in perpetuity up to 150% AMI without having any impact on the other units. It was suggested the affordable condos might need to be exempt from certain condo fees as outlined within a condo association.

• The Edgartown and Chilmark Demolition Delay By-law need to be tweaked. It was suggested that the demo – delay should be extended to 12 months (like Nantucket) instead of 30 days. There should be two evaluations: one to examine the feasibility of moving the building and second feasibility of reusing materials such as doors, windows, and flooring. It was suggested that there needs to be a viable business to handle tear downs because the housing groups do not have the means to respond to these potential opportunities. The process by which to move a home also needs to be smoother because it’s complicated, time consuming, and costly. It was suggested that land perhaps at the Martha’s Vineyard Refuse District be designated to store materials or potential homes (Land is not always available when a property owner wants to donate a home). It was also suggested that the tax incentive to donate a home should be utilized more frequently. Plus the cost to move or reuse materials could be less costly to the property owner than the tear down costs and dump fees.

• It was agreed that even though green buildings maybe more costly to build but overtime building maintenance and utility costs will be lower. It was suggested that energy efficiency and high performance construction should be encourage.

• The group agreed to items suggesting streamlining permitting for affordable housing projects but also encouraging funding mechanisms that establish island-wide cost sharing measures for infrastructure and services for development. (See meeting notes on 3/20/07)

B. Funding & Technical Assistance

How can we generate funding for the development costs of public and not-for-profit affordable housing projects:

• Since several funding items were discussed at last weeks 3/20/07 meeting, the group agreed to go to item C on the agenda.

C. Housing needs based on income thresholds, local preference, affordability restrictions, and rental versus homeownership

• Even though it is easier to build projects for income thresholds at 140% than 80% AMI, the greatest need for housing, particularly rental housing, is for individuals and families earning between 50% - 80% of the area median income. It was agreed that there should be greater
attention given to those earning under 100% AMI but not to the exclusion of those earning under 150% AMI. The group did not outline specified goals for each income threshold.

- It was pointed out that 2005 Needs Assessment update suggested that there be a 50 – 50 spilt between homeownership and rental projects. But the group agreed that there is more urgency for the creation of rental units. It was suggested that there be a ¾ efforts to rental and ¼ efforts to homeownership opportunities.

- It was suggested that towns and developers usually favor homeownership projects even though rental units are more effective. Homeownership options are more attractive for people to move to the Vineyard. But if individuals cannot afford to get into the housing market then the middle class will continue to diminish. And the island will not be able to attract and retain essential skilled workers.

- It was agreed that all affordable housing projects should be affordable in perpetuity.

- Regarding homeownership opportunities, it was pointed out that sweat equity, improvement or betterments are limited. Homeowners can make improvements but at their own financial loss.

- It was suggested that the Vineyard create its own 40B whereby density can be double or triple zoning provided that the development conform to smart growth principles in addition to universal design guidelines that meet energy efficiency and other design standards. It was pointed out that building affordable housing for the sake of building affordable housing might not be the best utilization of land.

Meeting adjourned at 6:08 pm.

The next Housing Work Group on Seasonal Workforce Housing on Tuesday April 3, 2007 from 4:30 – 6:00 pm at the MVC.

Notes prepared by Christine Flynn.