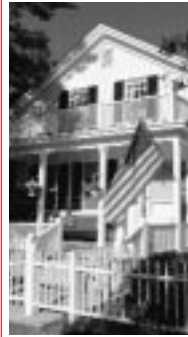


MARTHA'S VINEYARD

PRESERVING COMMUNITY

An Island-wide Housing Needs Assessment



JOHN J. RYAN
DEVELOPMENT
CYCLES
for the
ISLAND
AFFORDABLE
HOUSING FUND
November 2001



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Martha's Vineyard Housing Needs Assessment



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Amherst, Massachusetts

November 2001

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Executive Summary

Affordable housing for year-round residents has been a lively topic of conversation and debate on Martha's Vineyard for the past few years. But who are the households that are really feeling the pinch? How many households are affected and in what ways? These nagging questions continue to stymie efforts to translate housing concerns into a plan of action to address local needs.

To answer these open issues and help develop an effective response, the Island Affordable Housing Fund engaged consultant John Ryan of Development Cycles to do a housing needs assessment. The purpose was to evaluate the housing needs — both rental and ownership — for the 15,000 year-round residents of Martha's Vineyard. This study does not address the separate problem of housing the estimated 5,500 seasonal workers who are employed on the Island during the summer.

The following Executive Summary provides a synopsis of the assessment, answering basic questions and pointing the way toward Island-wide solutions.

METHODOLOGY

The consultant interviewed a broad cross section of Islanders and relied heavily on 386 responses to a renter survey. Other sources include the U.S. Census, the Massachusetts State Data Center (MISER), the Martha's Vineyard Commission, and CACI, a private demographic service. The study also drew from housing data provided by the *Martha's Vineyard Times*, LINK Real Estate data service, and the Warren Information Group; employment information from the Department of Employment and Training; and additional data provided by the Steamship Authority and the National Association of Home Builders.

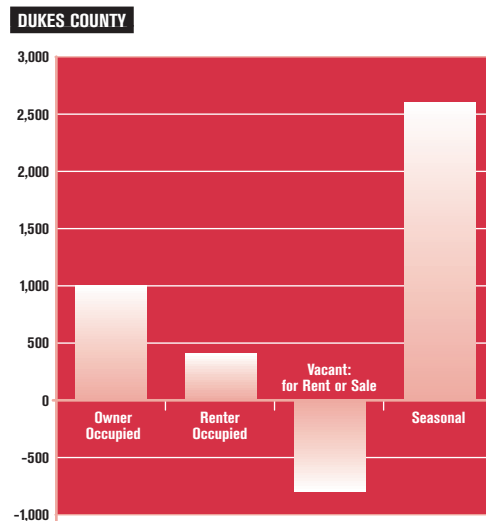
KEY FINDINGS

In the 1990s, Martha's Vineyard added 2,700 seasonal and part-time homes and 1,000 owner-occupied homes but built fewer than 50 new, year-round rental apartments and distributed less than 20 youth lots for affordable homeownership. During the same period, local employers added more than 1,500 relatively low-paying service and retail jobs. Here are some numbers that illustrate the imbalance between Island housing costs and wages: high home prices 85 percent above the statewide median; high rents at least 30 percent over the statewide median; and low wages 27 percent below the statewide average.

Island Renters

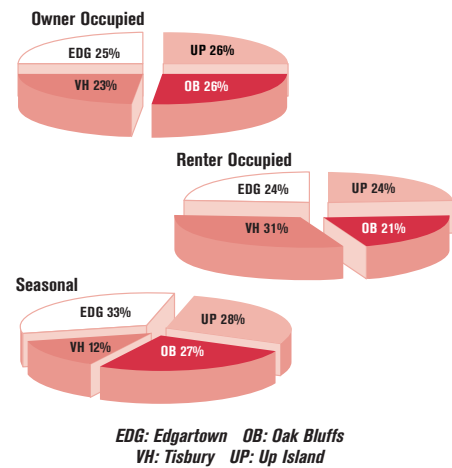
Seventy percent, or roughly 1,300 Island renter households, are composed of adults only. This is typical of renters elsewhere in Massachusetts. Fifty-eight percent live in one- and two-person households. This is also typical. What is atypical is the scarcity of multi-family rental dwellings. According to census data, only about nine percent of renters live in single family homes statewide, whereas in Dukes County more than 75 percent of renters live in such housing. The mismatch of housing types with the size of renter households

Changes in Number of Island Households, by Housing Type, 1990-2000



Sources: US Census, 1990, 2000

Share of Overall Housing, 2000



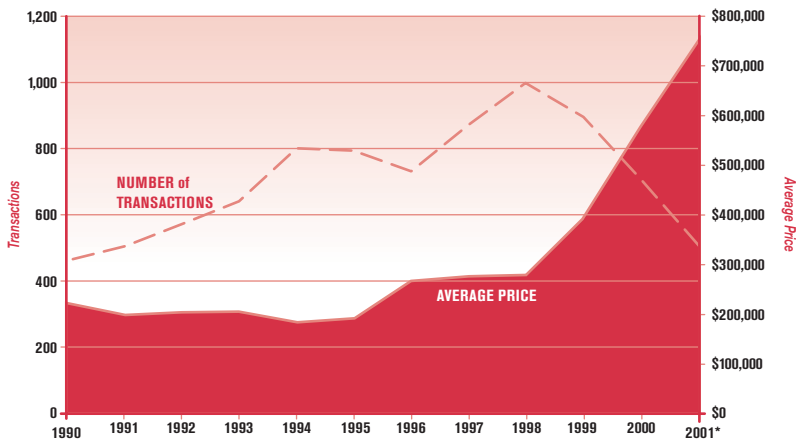
may be a major factor contributing to the housing shortage.

Lower-income renters have a particularly difficult challenge. An estimated 53 percent, or 977 renter households, earn less than 80 percent of the Island's median household income. One-third of all lower-income respondents to the renter survey lack secure year-round housing. A quarter of these renters experience overcrowding. Sixty-two percent of lower-income households pay more than 35 percent of their income for rent. This means that roughly 600 households, or a third of all renters, are currently struggling to pay for rent, food, and other essential items of life. The percentage of renters struggling has grown worse since 1990 despite a decade of economic growth.

The survey revealed that single parents with dependent children are at particularly high risk. To solve just this problem, the Island would need to provide immediate housing solutions for at least 76 families.

Changes in Real Estate Activity, 1990–2001

DUKES COUNTY



Source: Martha's Vineyard Times

*2001 transaction information was available only through June 30 and has been projected through the end of the year.

Note: The data includes arms-length sales of residential and commercial, and improved and unimproved land made in the six Island towns and recorded in the Dukes County Registry of Deeds. Partial interests, condominiums, time shares, beach lots, unbuildable lots, and foreclosures are not included.

Homeownership Opportunity

The current median single-family home price is \$375,000, nearly double that of a decade ago. The past two years have seen the virtual disappearance of homes sold for under \$200,000.

In today's market, there is nothing the median-income renter can buy. Even the year-round family earning the median income of \$56,000 would find nothing to purchase without the equity from an existing home. In the past year, the 1,228 renter households earning less than \$50,000 had to compete with off-Island buyers for the chance to purchase one of just nine homes that sold Island-wide for under \$175,000, the highest price these renters could normally afford.

Single-family Homes Sales, Dukes County, 2000–2001

	2000	2001 (through Oct. 10, 2001)
Total Transactions	430	250
Median Sale Price (\$)	325,000	375,000
Sales <\$200,000	35	9
Sales \$200,000–\$249,999	47	30
Sales >\$1 million	46	35

Implications

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. Traditionally a problem limited to young households, single parents, new arrivals, and those with limited employment skills and aspirations, it has grown to include a significant portion of the long-term population. 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.

Wealth is concentrating here at an accelerating pace. The forces driving this are likely to increase in the decade ahead as the baby boomer population reaches its maximum earning potential and approaches retirement age. The influx of wealth drives up housing prices, fuels demand for lower-paying service and retail jobs, and decreases year-round housing availability.

Today, the core of the Island's economy consists of longtime residents who earn ordinary incomes but own homes with a high market value. The crux of the problem is that there will likely remain an off-Island market for the high-priced homes but the buyers will not fill the essential jobs that the previous owners held. As these essential jobs turn over, the local economy will face three choices: 1) pay extraordinary salaries commensurate with housing costs; 2) rely on off-Islanders willing to commute to jobs here; or 3) provide a pool of moderately-priced housing that cannot be "scooped up" by wealthy buyers who choose to relocate to the Vineyard in the years ahead.

The third choice clearly provides the best long-term solution. This study recommends a goal of 100 to 150 homes per year divided evenly between year-round rental housing and affordable homeownership. This does not necessarily mean new housing, but it does require that the housing be dedicated to serve long-term affordability. If sustained at even the 100-unit level for the eight remaining years of this decade, it would bring the number of affordable homes on Island to at least ten percent of the year-round total. More importantly, it would be a tremendous legacy from current residents of the Island to future generations.

Estimate, Affordable Housing Need, Renters, 2001

RENTING RESIDENTS EXPERIENCING SERIOUS RENTAL PROBLEMS

DUKES COUNTY				
Household Income Income, % of Median	Total Renter Households	*Experiencing Critical Problems		
			%	
<80	977	190	19	
80-99	321	28	9	
100-139	235	12	5	
≥140	311	0	0	
TOTAL	1,844	231	13	

* Paying more than 35% of rent and lacking year-round housing.

RENTAL HOUSING NEEDED TO ADDRESS CRITICAL PROBLEMS

DUKES COUNTY				
	Below Market		Below-market Rents (\$ per month)	Maximum Market Rents (\$ per month)
	Market	Market		
One Bedroom	65	15	450-470	800
Two Bedrooms	79	15	625-750	1,000
Three-plus Bedrooms	46	10	750-900	1,200
TOTAL	190	40		

Source: Development Cycles, October 2001

Estimate, Affordable Housing Need, Homeowners, 2001

FIRST-TIME HOMEOWNERSHIP, LONG-TERM ISLAND RESIDENTS

DUKES COUNTY					
Income Range (\$)	Price Range (\$)	Qualified Renters with 10+ Years on Island	% Served by Market	Qualified Residents Needing Help to Buy	
40,000-49,999	150,000-179,999	114	2	112	
50,000-59,999	180,000-224,999	66	3	64	
60,000-74,999	225,000-299,999	77	21	61	
TOTAL		257		237	

OVERALL UNITS OF HOUSING NEEDED, BY TOWN

DUKES COUNTY				
	Below- market Rental	Market Rental	Ownership for Qualified 10-year Residents	TOTAL
Aquinnah	6	0	24	30
Chilmark	12	2	45	59
Edgartown	48	14	47	99
Oak Bluffs	48	12	40	100
Tisbury	56	10	61	127
West Tisbury	20	2	20	42
TOTAL	190	40	237	467

Source: Development Cycles, October 2001

ADDRESSING THE NEED

Among current renters, there are an estimated 230 households that are: 1) paying more than 35 percent of their income for rent; and 2) renting a home with no year-round housing option. These represent the renters in most critical need. To provide secure, affordable, year-round housing for these most critically affected renters would require 190 dwellings priced below-market rents, and another 40 at market. Adding this number of protected rentals over the next three to five years would make a significant difference for ordinary Island renters. Moreover, sustaining that pace throughout the decade would go a long way toward ensuring secure housing options for Island teens as they form new households.

On the ownership side, the study suggests that there are 237 renter households that earn between \$40,000 and \$75,000 and have lived on Martha's Vineyard for a minimum of ten years. For more than 90 percent of these long-term residents, homeownership is not an option in the current market. To make such an option available to these long-term residents would require developing between 50 and 75 ownership opportunities per year over the next three to five years. Sustaining this effort to ensure affordable homeownership throughout the decade would begin to address the long-term issue of providing for the turnover of essential Island jobs.

Key Actions

The study has identified a number of existing and new program approaches to address the scale of housing need. These actions and programs would result in a diversity of housing options that would be widely scattered and appropriately scaled for the Vineyard. They are summarized along with an estimate of their cost in the table printed on the opposite page.

Proposed Programs and Estimated Costs for Addressing Housing Need, 2001–2005

RENTAL HOUSING *GOAL: To provide 190 below-market and 40 market-rate housing units to serve rental households in critical need.*

OPTION	Per Unit Subsidy Needed		Source of Subsidy	Total Subsidy Needed (\$)	Description
	Units	(\$)			
Summer rental conversions	25	6,000 annually	IAHF Fund-raising	3,000,000 endowment	Pay landlords to convert summer rentals to year-round market and below-market rents
Rental Rehab	20	40,000	IAHF Fund-raising/ MHP/State Programs	800,000	Rehab rundown properties for owner in exchange for long-term affordable rent contract
Purchase Existing Rental Properties	20	80,000	MHP/Municipal Bonds/IAHF/ Other Local Funds	1,800,000	DCRHA purchases existing rental properties and manages
Dedicated Housing for Essential Service Employees	30	60,000	School Department, Towns, Hospital/ MHP/State Programs	1,800,000	New mixed ownership and rental development on land already owned by essential service employers
New, Subsidized, Mixed-income Developments	60	60,000	LIHTC/Other Public and Private	3,600,000	Appropriately sited, designed, and screened multi-unit (12–24 per site) projects
New Rental Clusters (locally funded)	45	80,000	IAHF/ CPA/Municipal Bonding	3,600,000	Small infill rental housing projects
Zoning Support for Supplementary Apartments	30	0	Private Market	0	Craft second dwelling and supplementary apartment zoning to promote year-round rental
TOTAL	230	\$59,130		\$13,600,000	

OWNERSHIP HOUSING *GOAL: To provide 237 affordably priced homes for long-term Island residents.*

OPTION	Per Unit Subsidy Needed		Source of Subsidy	Total Subsidy Needed (\$)	Description
	Units	(\$)			
Soft Second Mortgages	40	15,000	IAHF/CPA/ Other Local Funds	600,000	Provide \$15,000 down-payment assistance as 1% loans
House Moves	10	65,000	IAHF/CPA/ Other Local Funds	650,000	Provide expense money to move existing houses slated for demolition
Subsidize Home Purchase	40	80,000	IAHF/CPA/ Other Local Funds	3,200,000	Provide average \$80,000 to buy down existing homes
Expanded Resident Homesite Effort	27	100,000	IAHF/CPA/ Other Local Funds	2,700,000	Reinvigorate local efforts to provide resident homesites through public/private donation
Dedicated Housing for Essential Service Employees	30	60,000	School Department, Towns, Hospital/ MHP/State Programs	1,800,000	New mixed ownership and rental development on land already owned by essential service employers
Foreclosure and Tax Taking	10	50,000	IAHF/CPA/ Other Local Funds	500,000	Purchase and resale of foreclosed properties and properties taken for taxes (subsidy covers legal, write-down costs)
Infill Pocket Developments	50	80,000	IAHF/CPA/ Other Local Funds	4,000,000	Land acquisition for future housing, 10 parcels
Zoning Support for Substandard Lots	30	0		0	Craft zoning to promote small lots dedicated to affordable housing
TOTAL	237	\$63,000		\$14,950,000	

Why Act Now?

Over the course of this study, both year-round and part-time Islanders expressed a sense of imperative about acting on this problem now. Key reasons include the following:

Preserve the Community. For the first time, the vast majority of renters face the prospect that they will never find a stable rental or be able to buy a home on the Island. Many of these renters are long-term Island residents who play a crucial role in the Vineyard's economic, civic, social and cultural life. A concerted effort to develop affordable homeownership and year-round rental opportunities would provide security, hope, and alternatives to leaving the Island.

Sustain Quality of Life. Many of the Island's essential community values are at risk. It is the very capacity of a place to provide continuity of culture and livelihood that makes it possible to preserve these values. Providing secure affordable housing is as important to preserving these values as efforts to conserve open space and other critical resources.

Attract Key Professionals. The Island's capacity to attract professionals who provide essential services — health, educational, municipal and skilled trade workers — is declining just as the retirement rate for these jobs begins to climb. Addressing housing issues now will help avert a crisis later.

Maintain Continuity of Generations. Over the course of the next decade, more than 1,000 current Island teens will leave the nest. Providing secure, year-round, rental housing opportunities will help the Vineyard retain more of its children. On the other end of the spectrum, additional housing options are needed for senior citizens. This would also serve to free up existing homes for the next generation.

Protect Investment. The combined asset value of all Island housing is approaching \$6 billion and has been growing at the rate of nearly \$500 million per year over the past five years. It would take less than one percent of the Island's housing valuation to fund affordable housing initiatives for the rest of the decade. This would be a wise investment which would protect existing investments and help to avoid economic decline.

Solve Our Own Problems. As an Island, we have made meaningful progress in historic preservation, open space protection, and public transportation; the new challenge is affordable housing.

CONCLUSION

An Island-wide consensus sees housing as a critical community issue that can no longer be ignored. A broad effort is underway to begin solving the housing crisis. To effectively address this problem over the course of the next decade, the effort will need to build on values that are currently shared by the community. These include:

- a deep appreciation for the Island's natural beauty and heritage
- a history of tolerance and respect for the individuals who live here and their unique contributions to Island life
- a tradition of crafting Island solutions for Island problems
- the small town value of knowing one's neighbors
- the desire for a slower and more balanced pace of life
- a heritage of easy social mixing among people of different incomes and educational and social backgrounds
- a preference for Vineyard-style design and scale

All six towns, Island employers, seasonal and year-round residents, and the several organizations dedicated to housing must act now and must act together if progress is to be made toward solving this debilitating crisis.



Introduction

PURPOSE OF STUDY

The Island Affordable Housing Fund (IAHF) engaged housing consultant John Ryan of Amherst, MA to evaluate the Island’s year-round housing needs. The first question might well have been “what’s to study?” During several months of listening to and reading the comments of hundreds of Island residents, the consultant failed to come across anyone who did not believe there was a serious problem related to the cost and availability of year-round housing on the Island for ordinary people. This is important information in and of itself. An Island-wide consensus has somehow emerged and it recognizes that housing is an essential community problem that can no longer be overlooked. There is clearly a community will to tackle this problem. At the same time there is frustration and confusion and — among those most directly affected — a sense of despair. It is as if residents are saying “we are willing to address this problem, but how do we get our arms around it?” In the face of this community response, the consultant’s task was not just to collect data, but to provide direction for action.

The questions this study attempts to answer are the same ones many thoughtful Islanders have been asking themselves:

- How serious is the problem? Is it really getting worse?
- What are the forces driving this problem? What do we need to do differently in order to address these forces?
- Who is being affected directly?
- What is the scale of the problem? How many affordable homes and apartments would it take to improve conditions to a meaningful degree?
- What are the implications for the Island of not making a concerted effort to address this problem now?
- What actions make the most sense given the scale of the housing need?

The consultant heard a number of other areas of consensus among residents involved in this study. Respondents voiced remarkably consistent agreement about what makes the Vineyard special. These qualities include the following:

- a deep appreciation for the Island's natural beauty and heritage;
- a history of tolerance and respect for the individuals who live here and their unique contributions to Island life;
- a tradition of crafting Island solutions for Island problems;
- the small town value of knowing one's neighbors;
- the desire for a slower and more balanced pace of life;
- a heritage of easy social mixing among people of different incomes and educational and social backgrounds;
- a preference for Vineyard-style design and scale.

These commonly held values are essential to an understanding of the Island's housing needs. They provide a context for effective action. Island residents express a remarkable willingness "to roll up their sleeves" and act with generosity and selflessness if those actions promote essential community values. Some of those values — the willingness to tackle problems locally and the ease of interaction between diverse groups — are the very means by which solutions will develop. And, more importantly, Islanders are beginning to see that many of these essential values are at risk! The very qualities that drew life-long residents to the Island, that have sustained them and made this a wonderful place to live and raise children, are fading. Respondents reported:

*Friends and children moving away....
Early morning ferries increasingly filled with
off-Islanders commuting here to work....
Costs that seem to dictate busier,
more hectic lives....
More strangers living here with each
passing year...
Fewer and fewer new residents who
"understand" what the place is all about.*

It is crucial to understanding this report that one appreciate the connection between the Island's values and the need for a reasonable supply of affordable, year-round housing. It is the capacity of a place to provide continuity of life and livelihood that makes it possible to preserve community values. Without seeing the relationship between housing and a desire to protect the Island's heritage or a commitment to know one's neighbor, the numbers presented in this report are just numbers. They will not move the Island to action.

To understand this study fully, it is also important to acknowledge that how one looks at the Island's housing need is perhaps most strongly influenced by whether one is already a homeowner. For the majority of the Island's year-round residents who do own — especially those who have owned their home for more than five years — the housing problem actually has its rewards. In the past five years alone, the owner's equity in a median-priced home has increased by more than \$150,000. The same housing appreciation that provides a nest egg for homeowners (though only if they move away) represents a fading hope for those who do not already own a home.

This study largely addresses the situation for the roughly 2,000 year-round Island households who are currently renters. For these residents, effective solutions to housing problems may mean the difference between their continuing to live here and leaving; between providing a stable home for their children and just "getting by." A remarkable number of renters have lived on Island for ten or more years and in many ways are more closely tied to the community than the influx of new homeowners. Their comments in the renter survey were often passionate about the sense of loss, as one put it, "of community values sacrificed to the laws of supply and demand." For renters, the problem is direct and personal. They would probably embrace the most immediate solutions and be more willing to challenge accepted notions of what can work on the Island.

For owners, the situation is more complex. Those who are parents may be wondering how their children will be able to stay on Island when they

grow up. Those with businesses may be finding it harder to attract new workers. Others may be saddened by the exodus of friends or worried about who will do the Island's essential work when those who do it now retire. Still others may simply be experiencing the greater than usual inconvenience of finding a plumber or waiting in check out lines. But it is largely these owners, those who live here in summer and those who live here year-round, who will be asked to raise private funds, donate land, restructure zoning regulations, and publicly support endeavors they may have once opposed. They will need to lead the charge to ensure for others what they already have. Recognizing at the outset the different perspectives of each of these essential partners in the life of the Island may make it easier to identify solutions that work for all.

SCOPE OF WORK

The Needs Assessment that follows divides into four sections. The first section highlights demographic and economic data about the Island that helps explain the current housing situation. It describes trends in population, employment, income, and housing, and conveys the thoughts of Island leaders and ordinary citizens about how these trends affect the day-to-day housing experience. The second section focuses on the demand for secure year-round rental housing as articulated in a survey of Island renters that elicited nearly 400 responses. The third section is devoted to home ownership, still the dream of most Island renters. This section looks at the widening gap between renter incomes and the cost of homeownership, compares costs here to options renters have off-Island, and considers how this affects providing the Island's essential services. The fourth section looks at what is currently being done and what has already been achieved in the effort to address housing needs. It suggests two scenarios for what Island housing might look like in 2010. It attempts to quantify the scale of housing need and proposes a range of actions to address that need. Finally, it suggests the costs required to address the needs identified.

METHODOLOGY

A wide range of approaches were used to collect the information for this report. Appendix A provides a list of Islanders interviewed for this study. To an important degree, the study reflects the thoughts, concerns and creative solutions of those residents with whom the consultant had the good fortune to discuss these issues. The consultant relied heavily on 386 thoughtful responses to a written survey for Island renters. Other sources of information include demographic data from the U.S. Census, the State Data Center (MISER), the Martha's Vineyard Commission, and CACI, a private demographic service. Housing data provided by the Martha's Vineyard Times, LINK real estate data service and the Warren Information Group; employment information from the Department of Employment & Training; and data provided by the Steamship Authority and the National Association of Home Builders.

LIMITATIONS

The study has a number of key limitations to consider when reviewing the findings and recommendations provided:

The study assumes that relatively stable conditions will persist over the period under consideration. Specifically, it assumes that neither Massachusetts nor the United States will suffer a major decline or depression.

The study bases all dollar amounts on the 2001 value of the dollar unless otherwise noted. In order not to overstate the available levels of opportunity, the projections are not adjusted to reflect the effects of future inflation.

The information, estimates, and opinions contained in this report were derived from sources considered reliable. The consultant assumes the possibility of inaccuracy of individual items and for that reason relied upon no single piece of information to the exclusion of other data, and analyzed all information within a framework of common knowledge and experienced judgment.

Perhaps the most significant limitation focuses on the renter survey. In May 2001, IAHF distributed a written survey to year-round renter households

through inclusion in both Island papers, pick up and drop off sites in several well-visited locations Island-wide; specific outreach through schools, employers, and social service agencies; and a Portuguese-language version aimed at Brazilian residents. The survey generated 386 completed responses or 21 percent of the 1,844 renter households reported by the 2000 U.S. Census. This represents an extraordinarily high response rate for a survey of its kind. The number of responses from the three larger towns exceeds the “long form” sample size used by the Census Bureau in preparing renter information from the 2000 Census. As with any survey based on voluntary responses there is the potential for bias. In the most extreme case, only those with housing problems might choose to respond. Imputing the character of non-respondents is always an issue to be han-

dled with care. This is especially so for the data provided in the smaller communities of Aquinnah, Chilmark and West Tisbury. In an effort to quantify the scale of housing need, the consultant extrapolated from the responses given. The U.S. Census data regarding renter households will be available sometime in 2002. That data will provide a test of the validity of the information collected from the renter survey and it will be analyzed and appropriate adjustments to this study will be made, if necessary.

Finally, the purpose of the study was to evaluate the housing needs — both rental and ownership — for the 15,000 year-round residents of Martha’s Vineyard. It does not address the separate problem of housing the estimated 5500 seasonal workers who are employed on the Island each summer.



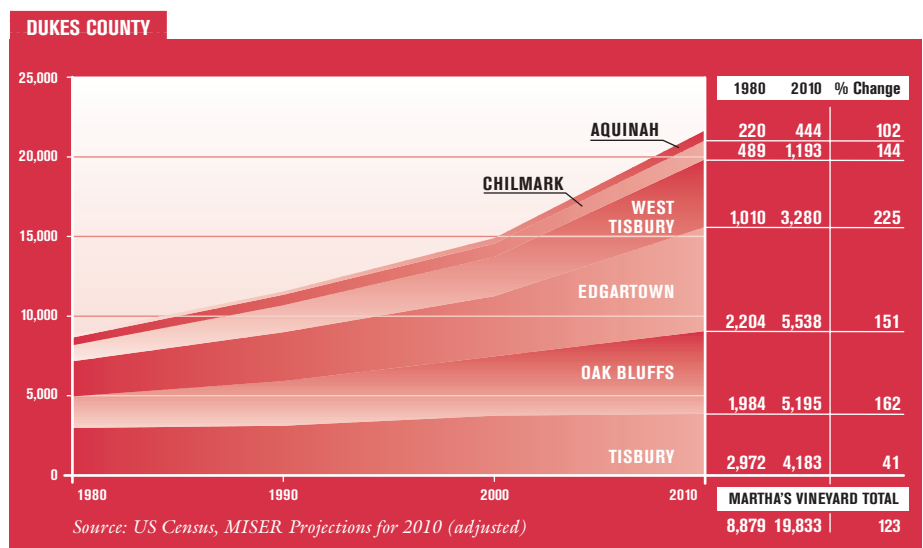
Demographic & Economic Overview

Change happens. With every passing decade Martha's Vineyard loses something of what it once was and becomes something different. There has probably never been a decade when some "old timer" did not bemoan the loss of the Island's way of life. Is that what is happening now or is something more changing? What were some of those changes in the last decade? How is the Island different than it was ten years ago? The following section looks at some key indicators of demographic and economic change, especially as they relate to the availability of housing for ordinary residents.

POPULATION

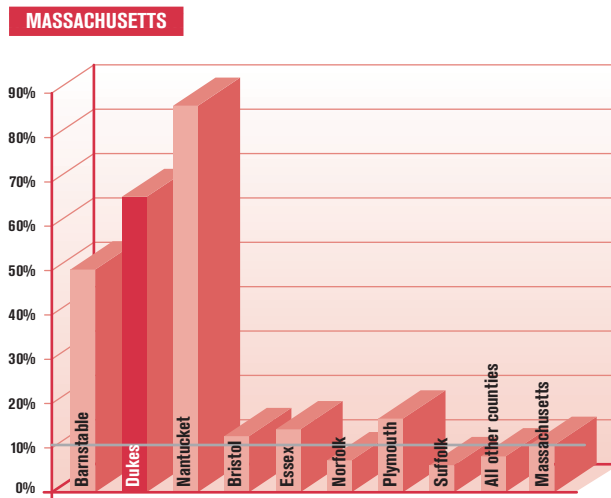
A growing population hardly represents change for the Vineyard. In the '90s, the Island's year-round population grew by 29 percent. In the '80s it grew by 30 percent; in the '70s it was 46 percent. The 29 percent growth in the '90s is the largest numerical growth in the Island's history: the population grew by 4,500 year-round residents. In 1999, the State Data Center (MISER)

II.1 Changes in Population, Year-round Residents, by Community, 1980-2010



made a mid-level projection of the county's population in 2010. It predicted, based on aging and migration patterns, that the Island's population would grow by another 6,750 residents in the next ten years. After looking at the actual 2000 Census and considering the availability of housing (especially for young residents), the consultant adjusted that projection downward. Still, there is likely to be another 30-percent increase in population in the decade to come. When Islanders review the previous decade in 2010, there will be roughly 20,000 residents. A key question to consider now is "who will they be?"

II.2 Percent Change in Population, by County, 1980-2000

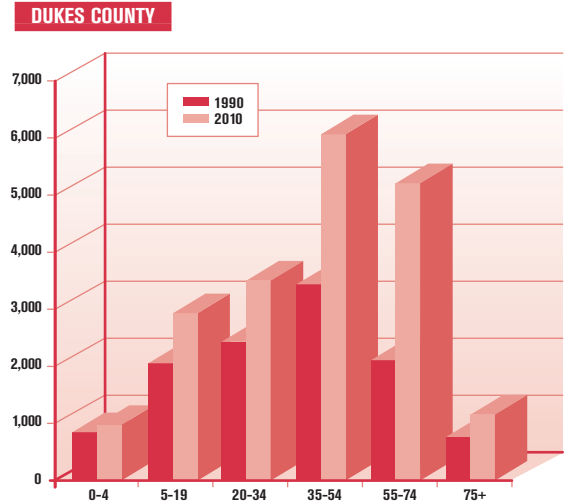


Source: US Census

All Island towns grew over the last ten years, ranging from Tisbury at 20 percent to Aquinnah at 71 percent. In the 30 years from 1980 to 2010, every town but Tisbury will at least double in population, and West Tisbury will more than triple in size. At this point in time, the Island's population divides neatly into four identical quarters, with Edgartown, Oak Bluffs, Tisbury, and the three up-Island communities each housing 25 percent of the Island's year-round residents.

AGE DISTRIBUTION

II.3 Changes in Population, Year-round Residents, by Age Distribution, 1990-2010



Source: US Census, MISER Projections for 2010 (1999), adjusted by the consultant based on 2000 census data.

The Vineyard shares a characteristic with the rest of the Commonwealth; its population is growing older. In 1990 the Island's median age was 37.1 years. Today it is 41.5 years compared to 37.2 for the state. In the last decade, the Island's 55-and-over population grew by 23 percent Island-wide, compared to a growth statewide of just six percent for this segment. From the perspective of housing need, the key age groups to watch are those between 20 and 34 years old and those aged 55 to 74.

The children of the baby boom generation have begun forming their own households. Islanders with older children are watching those children struggle to find housing on Island as they compete with wealthier new residents and existing renters unable to purchase a home. These Island children are only the beginning of a much larger segment of young adults. In 1999, MISER calculated the number of Island children born between 1975 and 1984, and tracked the migration patterns of young adults. MISER projected that from 2000 to 2010 Martha's Vineyard's 20- to 34-year-old population would more than double, adding 2,376 young adults to the Island year round.

The core of the Island's economy consists of long-time residents who earn ordinary incomes but own homes with a high market value. The crux of the problem is that there will likely remain an off-Island market for the high priced homes, but the people who buy them will not fill the essential jobs held by the previous owners.

That is what would happen if Martha's Vineyard functioned as a typical Massachusetts community. But, in fact, where would all those new households live? To recognize the inability of the Island to accommodate these young adults, the consultant adjusted the projected population of young adults downward by over 1,000. We might well ask how many of those "lopped off" by this adjustment represent teenagers living here now?

Even if no young adults chose to move to the Island for ten years, there would still be a problem serving those who already live here. There are roughly 2,000 children between the ages of 10 and 19 living on the Island today. That is a 35-percent increase in this age group in 10 years. In another ten years, they will be 20 to 29 years old. How many will be able to stay here? The reality is that there is only enough year-round rental housing to serve newly forming Island households if two conditions were to exist: 1) no new renters moved to the Island and 2) half those renting currently leave or find homes to own. Neither condition has much hope of being fulfilled. While many young Islanders will undoubtedly decide to live elsewhere, the prospects for those who choose to stay or return are dim.

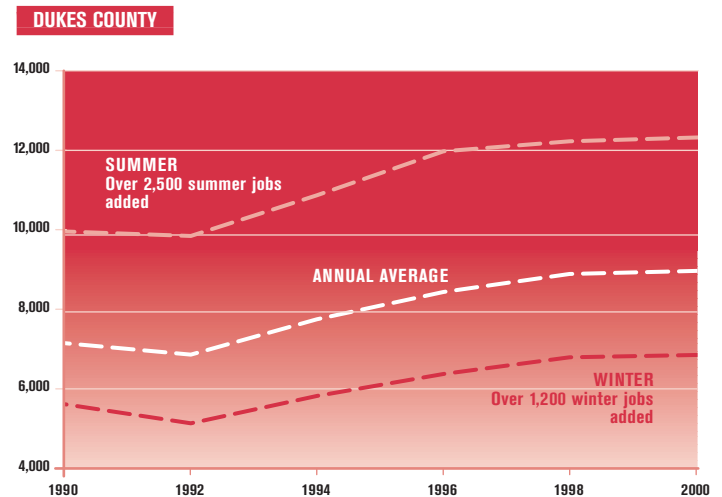
Then there is the issue of the aging baby boomers themselves. At present, only a small percentage of the Island's work force retires each year. Based on age and labor force participation rates, no more than 100 to 125 residents will retire from Island jobs this year. By the end of this decade that number will have doubled, and will double again in the decade after that. That prospect concerns Superintendent of Schools Kriner Cash.

Within three years, he expects to see professional retirements from the Island school system increase from an average of three per year to 10 to 15 per year. At the same time, he has already seen qualified applicants drop from 30 or 40 per pro-

fessional opening to two or three. Without addressing the housing needs of those earning teachers' salaries, he wonders how the system will continue to function as more and more teachers reach retirement age. This trend will eventually affect all of the essential services: health care, government, building trades and service workers. The core of the Island's economy consists of long-time residents who earn ordinary incomes but own homes with a high market value. The crux of the problem is that there will likely remain an off-Island market for the high priced homes, but the people who buy them will not fill the essential jobs held by the previous owners. As these essential jobs turn over, there appear to be three options: 1) pay extraordinary salaries commensurate with housing costs; 2) rely on off-Islanders willing to commute to jobs here; or 3) provide a pool of moderately priced housing that cannot be "scooped up" by the growing pool of retirees and second home owners who will be considering the Vineyard as a place to relocate in the years ahead.

JOBS & WAGES

II.4 Changes in Island Employment, Year-round Residents, 1990-2000



Source: Massachusetts Division of Employment and Training

Both the Island's year-round and summer employment grew rapidly over the past ten years. During the decade, midwinter (February) employment grew by 22 percent from 5,621 to 6,838 employed residents. By comparison, midsummer

(July) employment grew by 24 percent to 12,331. Summer employment adds roughly 5,500 seasonal workers to the economy on top of the year-round base of about 7,000 employed residents.

II.5 Changes in Number of Island Jobs, 1990–1999

BY INDUSTRY

DUKES COUNTY				
	1990	1995	1999	% Change 1990–99
Wholesale & Retail	1,657	1,956	2,394	44
Services	1,118	1,729	1,934	73
Government	929	1,047	1,114	20
Construction	368	356	485	32
Fin./Ins./R.E.	300	277	324	8
Trans./Comm./Util.	482	304	314	-35
Agr./Fish./For.	112	152	235	110
Manufacturing	119	110	104	-13
TOTAL	5,085	5,931	6,904	36

BY TOWN

DUKES COUNTY				
	1990	1995	1999	% Change 1990–99
Aquinnah	59	117	83	41
Chilmark	152	249	285	88
Edgartown	1,451	1,663	1,901	31
Oak Bluffs	1,210	1,700	1,840	52
Tisbury	1,971	1,875	2,255	14
W. Tisbury	221	292	524	137
TOTAL	5,064	5,896	6888	36

Source: Massachusetts Division of Employment and Training

II.6 Persons Employed and Average Annual Wage, by 10 Largest Job Classifications, 1999

DUKES COUNTY					Maximum Housing Cost per Month (\$)*
	February Employment	July Employment	Average Employment	Average Annual Wages (\$)	
Eating & Drinking Places	412	1,916	954	19,917	498
Educational Services	599	332	544	31,652	791
Health Services	492	536	509	31,971	799
Hotel & Lodging	199	567	412	22,607	565
Food Retail	295	572	397	20,209	505
Other Retail	257	611	395	21,708	543
Special Trade Contractors	240	274	263	33,684	842
Construction	208	240	221	42,004	1,050
Amusement & Recreation	60	534	221	18,331	458
Municipal Workers (non-educ.)	170	304	215	19,472	487
TOTAL	2,932	5,886	4,131	25,365	634

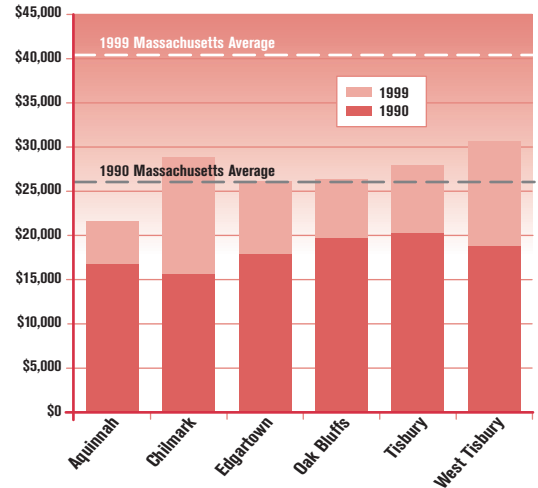
* The maximum affordable housing cost represents 30% of income.

Source: Massachusetts Division of Employment and Training

Overall, the average number of local jobs (as distinct from employed residents) increased by 36 percent, also to 7,000 during the 1990s. Virtually all of the net growth, both summer and winter, has come in the service and retail trade industries.

II.7 Change in Wages, by Community, 1990–1999

DUKES COUNTY & MASSACHUSETTS



Source: Massachusetts Division of Employment and Training

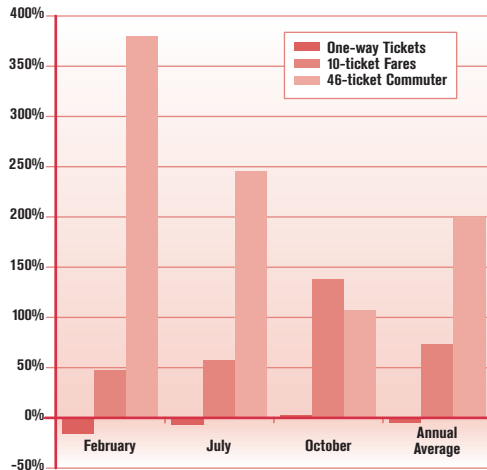
During the past ten years, the average wage for Island jobs increased by 43 percent to \$27,600. With a focus on service and retail, however, the average job on Martha's Vineyard pays only 73 percent of the state average. High home prices (85 percent above the statewide median), high rents (at least 30 percent over the statewide median) and low wages (27 percent below the statewide average) describe the Vineyard affordable housing problem.

The average Island job pays a monthly wage of \$2,300. By this measurement, the average Island worker would need to earn 45 percent more in order to pay for a median-priced apartment with 30 percent of his or her income. Even with two adults earning the average wage, their combined income would have to double to allow for the purchase of a median-priced home. Perhaps more importantly, that median home price is rising much more rapidly than are wages.

II.8 Changes in Island Early Morning Ferry Ridership, 1990-2000

WOODS HOLE TO MARTHA'S VINEYARD

All ferries arriving at MV by 8:30 AM



Source: The Steamship Authority

High home prices (85 percent above the statewide median), high rents (at least 30 percent over the statewide median) and low wages (27 percent below the statewide average) describe the Vineyard affordable housing problem.

Most Island observers have noticed the large increases in early morning “commuters” on the ferry from Woods Hole. Steamship Authority records show a nearly four-fold increase in early morning riders using the 46-ticket commuter fare. Though still constituting less than 10 percent of the work force, off-Island workers do indeed represent a growing share of Island jobholders. At the same time, the fact that local jobs match local employment suggests that the number of residents whose work takes them off-Island is roughly the same as the number that commute year-round to the Vineyard for work. Driven by

dramatic changes in technology and transportation systems, the Island’s geographical barriers no longer mean that everyone who lives here works here as well. At the upper end of the economic scale, the Vineyard is quietly becoming a bedroom community for the global economy.

HOUSEHOLD INCOME

The U.S. Census Bureau plans to release 2000 household income information for Vineyard residents in the summer of 2002. In the meantime, Figure II.9 provides HUD’s estimated median household income for Vineyard households in 2001. Data provided by CACI, Inc., a private demographic firm, and the information obtained from the Island Renter Survey, suggest an overall increase of 63 percent in the median household income from \$32,000 to \$52,000 over the past decade. For homeowners, the increase was roughly 60 percent from \$35,000 to \$56,000. The Island Renter Survey suggests that renter income grew by 66 percent from \$24,150 to \$40,000. While these median household incomes represent only preliminary estimates, they suggest that 1) renter income has indeed kept up with increases in rental costs; and 2) since 1998, housing prices have increased more than five times faster than household income. It is important to recognize that the problem of rental housing is somewhat less an issue of cost than of year-round availability, whereas for first-time ownership housing, cost is everything.

II.9 Median Household Income, 2001

Income, % of Median	HOUSEHOLD SIZE					Total # of All Renter Households	% of All Renter Households
	1	2	3	4	5 or more		
<80	0-31,900	0-36,500	0-41,500	0-45,600	0-49,250	977	53
80-99	31,900-39,900	36,500-45,600	41,500-51,900	45,600-57,000	49,250-61,550	321	17
100-139	39,900-53,600	45,600-61,300	51,900-68,900	57,000-76,600	61,550-82,750	235	13
>140	53,600+	61,300+	68,900+	76,600+	82,750+	311	17
TOTAL						1,844	100

Source: HUD, 2001 Renter Survey

In the 1990s, Martha's Vineyard added 2,700 seasonal and part-time homes and 1,000 owner-occupied homes, but built fewer than 50 new year-round rental apartments and distributed less than 20 youth lots for affordable homeownership. During that same period employers added more than 1,500 relatively low paying service and retail jobs to the local economy.

HOUSING TRENDS

II.10 Housing Stock, Martha's Vineyard, 2000

Owner Occupied Homes	4,577
Renter Occupied Homes	1,844
Seasonal/ Vacation Homes	7,995
Vacant, All Types	420

Source: US Census, 2000

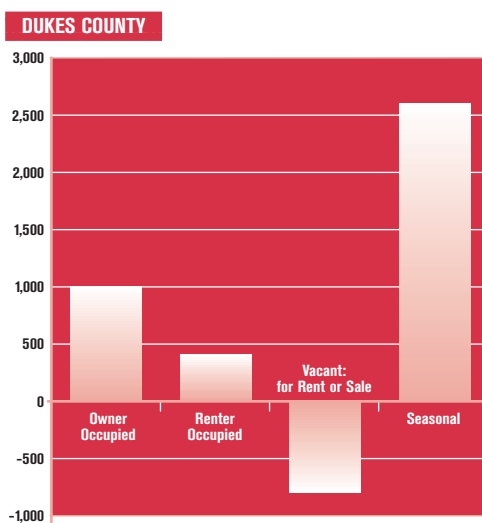
From the perspective of affordable housing the following speaks volumes. In the 1990s, Martha's Vineyard added 2,700 seasonal and part-time homes and 1,000 owner-occupied homes, but built fewer than 50 new year-round rental apartments and distributed less than 20 youth lots for affordable homeownership. During that same period employers added more than 1,500 relatively low paying service and retail jobs to the local economy.

Most Islanders recognize that tourism and part-time homeowners are the engines driving the local economy. Similarly, the presence of more year-round and second-home owners generates the demand for a wide range of service and retail jobs. The missing link is that these additional year-round and part-time homes generate a need for rental housing for the workers who will fill those service and retail jobs.

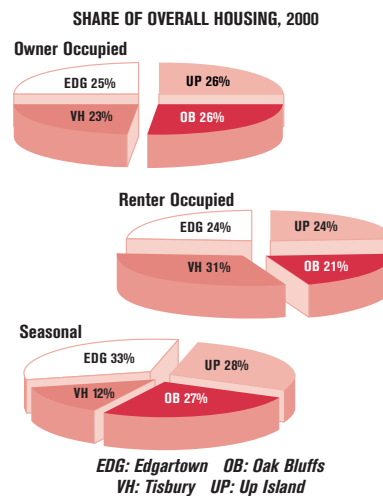
So where do all these new jobholders live? In 1990, the Census reported a relatively large stock of 1,211 vacant housing units on the Island. We can assume that this category of housing includes houses for rent or sale at the time of the Census, those houses condemned or sufficiently substandard to be unfit for occupation, and investor-owned summer rentals. The Census identified them differently from homes used primarily or exclusively for vacation purposes. During the decade this stock of vacant housing declined by two-thirds. What seems clear from the changes in housing use is that half of these vacant units were eventually occupied by new homeowners and the rest provided housing for most of the 400 new rental households that formed. By the 2000 Census, the number of vacant houses had declined to 420. It appears that much of the stock that provided the Island's least expensive housing has been absorbed. So newly forming and relocating households will require additional housing or the conversion of seasonal housing to year-round use.

Each Island town is unique. In the 1990's Edgartown experienced staggering growth in the construction of seasonal and part-time homes — over 1,100 seasonal homes in ten years. But changes in Edgartown's occupied year-round ownership and rental housing were lower than in other parts of the Island. The greatest changes in year-round growth, both ownership and rental, occurred up Island. About half of the net growth in renter households occurred in West Tisbury, Chilmark and Aquinnah. Those three towns also recorded more than a third of the growth in owner-occupied homes. In all, Tisbury added just 14 percent to its housing stock; Oak Bluffs 20 percent; up Island towns 39 percent; and Edgartown 43 percent. Today, Tisbury is home to 585 of the Island's renter households, followed by Up Island, 443; Edgartown, 435; and Oak Bluffs, 381.

II.11 Changes in Number of Island Households, by Housing Type, 1990-2000



Sources: US Census, 1990, 2000





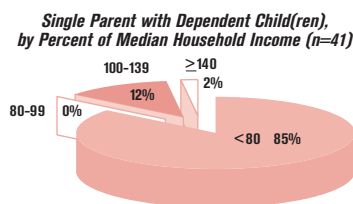
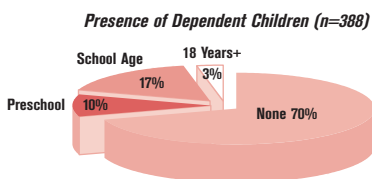
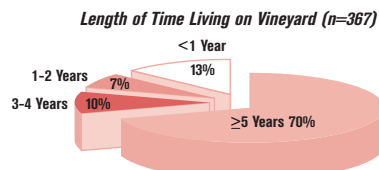
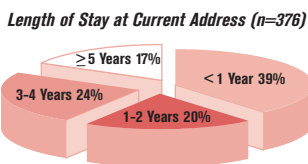
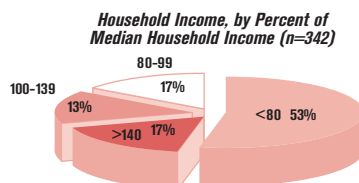
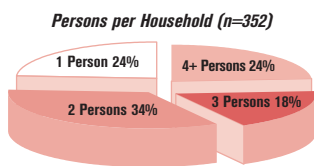
Rental Housing

This section of the Needs Assessment looks at the cost and availability of year-round rental housing for Vineyard Residents. The census information currently available tells us that there are 1844 renter households on the Vineyard. The census information that profiles these renters will not be

available until summer 2002. In the meantime, this study used information from the renter survey described in section I.4. The information in the section below is derived from the 386 responses to that survey.

III.1 Profile of Renters, 2001

DUKES COUNTY



Sources: 2001 Renter Survey

PROFILE OF ISLAND RENTERS

Responses from the renter survey provide a profile of the current Island population. Some of these characteristics are illustrated in Figure III.1. Town profiles are provided in Appendix B.

In many respects, Island renters are similar to renters everywhere. They are poorer, younger, and more mobile than their home-owning neighbors. They live in smaller households and are less likely to have children. The ways in which Island renters differ from renters elsewhere point to several issues of housing need.

The survey suggests that the median-income for renters is \$40,000, or about 77 percent of the median for home-owning households. The difference between the incomes of year-round renters and owners is smaller than in most Massachusetts communities. It highlights the higher cost of living on the Island and the fact that Vineyard

renters remain renters longer. It is equally important to recognize that (as elsewhere) more than half of all renters earn less than 80 percent of the county's median household income and 30 percent fall below 60 percent of median. These roughly 1,000 lower-income households represent the overwhelming number of households experiencing serious and critical housing problems. Those earning between 80 and 100 percent of median-income account for 17 percent of all Island renters. Those earning between 100 and 139 percent represent 13 percent and those earning 140 percent or more account for 17 percent.

Vineyard renters are not a transient group by choice. A remarkable 70 percent of survey respondents have lived on Martha's Vineyard for at least five years and nearly 47 percent for ten or more years. By comparison with their counterparts statewide, Island renters show tremendous loyalty to place. At the same time, they do move a lot. Forty percent of Island renters moved in the past year. Given their willingness to stay on the Island, it is reasonable to assume that the lack of year-round housing is the overwhelming reason for the high rate of renter mobility.

Vineyard renters are older than their counterparts statewide. Based on this survey, only 25 percent of the county's renting householders are under 35 years of age. Thirty percent are 35 to 44 years old; and another 30 percent are between 45 and 54. The limited supply of affordable ownership housing may well account for much of this older-age composition. The high cost and limited availability of rental housing may also be making it more difficult for young households to form.

Most Island renters do not have children. Seventy percent, or roughly 1,300 Island renter households are comprised of adults only. This is typical of renters elsewhere in Massachusetts. Fifty-eight percent live in one and two-person households. This is also typical. What is atypical is the scarcity of multi-family rental dwellings. Statewide only about nine percent of renters live in single family homes, whereas in Dukes County more than 75 percent of renters live in such housing. The mismatch of housing types with the size of renter households may also be a major factor contributing to the housing shortage.

Of the 550 renter households with children, 36 percent (or roughly 190) are single parent households. A third of all households with children have pre-school age children and two-thirds, school age or older. Ten percent of renter households with children have dependents 18 or over living at home.

RENTAL HOUSING COSTS

III.2 Median Gross Monthly Rents, 1990 & 2001 and Their Percent Change, 1990-2001, by Community and by Number of Bedrooms

DUKES COUNTY			
STUDIO	1990 (\$)	2001 (\$)	% Change 1990-2001
Edgartown	400	640	60
Oak Bluffs	550	625	14
Tisbury	n/a	625	-
Up Island	575	675	17
TOTAL	510	625	23

ONE BEDROOM			
	1990 (\$)	2001 (\$)	% Change 1990-2001
Edgartown	515	825	60
Oak Bluffs	585	800	37
Tisbury	435	750	72
Up Island	560	810	45
TOTAL	530	800	51

TWO BEDROOM			
	1990 (\$)	2001 (\$)	% Change 1990-2001
Edgartown	773	1,040	35
Oak Bluffs	652	975	50
Tisbury	571	1,028	80
Up Island	674	1,000	48
TOTAL	647	1,000	55

THREE BEDROOM			
	1990 (\$)	2001 (\$)	% Change 1990-2001
Edgartown	810	1,000	23
Oak Bluffs	875	1,128	29
Tisbury	755	975	29
Up Island	745	1,480	99
TOTAL	805	1,025	27

Source: US Census, 1990; 2001 Renter Survey

The prices paid by year-round renters vary dramatically. Based on survey information, as many

as three percent have informal barter arrangements that involve no cash. At the other end of the spectrum, some renters report costs as high as \$3,500/month on a year-round basis. The median gross rent (including utilities) is currently \$625/month for a studio apartment; \$800/month for one-bedroom; \$1,000/month for two-bedrooms; and \$1,025/month for three-bedrooms. Rents from town-to-town are variable but generally remain relatively close. For the most part, respondents pay similar rents in both summer and non-summer seasons. Though a few examples of summer rents were exorbitant, only six percent reported summer rents at least 20 percent higher than for non-summer. Over the last decade, rents have not increased as rapidly as renter income. Median-rent increases vary significantly by bedroom size. Studio and three-bedroom apartments have increased by 23 to 27 percent, while one- and two-bedroom units have increased by 51 to 55 percent. This compares to a 66-percent increase in median renter income.

III.3 Rent Affordability, Distribution of Rentals, by Household Income, 2001

This table also includes information on suggested affordable monthly rents for each income group, the number of year-round renting residents on the Island within each income range, and their percent of the total year-round Island population

DUKES COUNTY				
Income Range (\$)	Affordable Monthly Rent at this Income Level (\$)	Number of Island Renters	% of Island Renters	% of Rentals in This Cost Range
0-19,999	0-499	300	16	16
20,000-29,999	500-749	346	19	22
30,000-39,999	750-999	300	16	22
40,000-49,999	1,000-1,249	282	15	17
50,000-59,999	1,250-1,499	129	7	12
60,000-74,999	1,500-1,749	247	13	7
75,000+	1,750+	241	13	5
TOTAL		1,844	100	100

Source: 2001 Renter Survey, Martha's Vineyard Realtors LINK

Generally, housing professionals suggest that renters can pay a maximum of 30 percent of their income for rent and utilities. Rent that requires more than 35 percent of one's gross income is regarded as an indicator of significant hardship. This percentage seems particularly high for lower-income Island renters given what is clearly 20 to 25 percent higher costs for many other essential

goods and services. That said, 47 percent of Island renters pay at least 30 percent of their income for rent and 36 percent pay over 35 percent. In 1990, 44 percent paid 30 percent and 36 percent of renters paid at least 35 percent of their income for rent. Even with the easing relationship of income to rents, close to a majority of current renters are still paying at or above the maximum level for affordable rents. Despite the increases in median renter income, those earning less than 80 percent of median are clearly struggling to get by.

RENTAL HOUSING PROBLEM AREAS

The following summarizes key data about the most substantial rental housing problems: the absence of year-round housing; the high percentage of household income needed for rent; lack of availability; overcrowding; and substandard conditions.

Nearly every Island renter has had housing problems at some point. Eighty-four percent of survey respondents reported that they have experienced problems finding secure, affordable rental and/or home-ownership housing while living on Martha's Vineyard. This includes a substantial majority of all age and income groupings, all household types, and all lengths of Island residency. The survey indicated that people will endure remarkable hardship to live here such as: moving 18 times in 11 years (from a household earning \$90,000/year); living in cars (quite common); renting a cot in a basement with no running water for \$700/month; living with 15 adults in a two-bedroom apartment that doubled as a day-care center. Nearly every survey and every interview included a story. The widespread difficulties can not help but have a tremendous impact on work productivity, school performance, social behavior and relationships. Edgartown Police Chief Paul Condlin observed that the high cost and insecurity of housing is at the heart of the majority of criminal cases his department deals with including truancy, drugs, theft and domestic abuse. Local educators concur regarding problems in the local schools. The social costs of the housing crisis remain largely invisible to most. For many long-term residents, the "summer shuffle" in its

multitude of expressions is viewed as a “rite of passage,” a way of earning the privileges of Island life. But is “passage” really possible for the majority of renters living here today?

Even for those who have lived on the Island for at least five years, rental housing problems represent a significant fact of life: 23 percent still do the “summer shuffle,” 37 percent pay more than 35 percent of their income for rent, and 79 percent have experienced problems securing housing on Island. Fewer than 15 percent of renters who have lived here for at least five years can afford an 80-percent mortgage on a \$250,000 home and this price represents the vanishing bottom end of the real estate market.

Lower income renters face particularly difficult challenges. An estimated 53 percent, or 977 renter households, earn less than 80 percent of median household income. Nearly half of all lower-income respondents to the renter survey lack secure year-round housing. Seventeen percent of these renters experience overcrowding. Sixty-two percent of lower-income households pay more than 35 percent of their income for rent. This means that roughly 600 households, or a third of all renters, are currently struggling to pay for rent, food and other essential items of life. This percentage of renters struggling has grown worse over the past decade despite the economic growth that has occurred.

III.4 Rental Housing Problems, 2001

DUKES COUNTY					
	Moved during the Past 12 Months (%)	No Year-round Lease (%)	Paying 35% or More of Household Income for Rent (%)	Overcrowding: Two or More Persons per Bedroom (%)	Personally Affected by Affordable Housing Shortage (%)
All Renter Households	41	41	36	25	84
Age of Householder					
<35	54	44	33	36	86
35-44	34	45	32	27	89
45-54	30	30	39	13	90
≥55	19	31	33	12	74
% of Median Household Income					
<80	43	48	62	17	89
80-99	39	35	14	43	84
100-139	30	32	6	38	89
≥140	42	42	0	17	88
Years of Household's Presence on Martha's Vineyard					
< 1	100	39	17	35	83
1-2	69	63	50	44	94
3-4	53	30	30	27	77
≥5	34	41	37	21	90
Presence of Children, Number of Parents in Household					
None	39	42	30	20	80
Child(ren), Two Parents	23	34	31	33	93
Child(ren), Single Parent	44	44	59	21	90
Presence of Brazilian Immigrants within Household					
	66	24	74	42	58

Source: 2001 Renter Survey.

The survey revealed that single parents with dependent children are at particularly high risk. There are an estimated 190 single parents renting on the Island, or ten percent of total renter households. Eighty-five percent earn less than 80 percent of median income. Fifty-nine percent pay more than 35 percent of their income for rent. Eighty-five percent have lived on the Island for at least five years. Forty-four percent lack secure, year-round leases and have moved in the past 12 months. To solve this problem alone, the Island would need to provide immediate housing solutions for at least 76 families.

Moderate (80 to 140 percent of median) and even higher income renters (140 to 200 percent of median) enjoy far fewer options than their off-Island counterparts. Only one third of the roughly 918 renter households who fall within these income groupings can hope to finance 80 percent of a

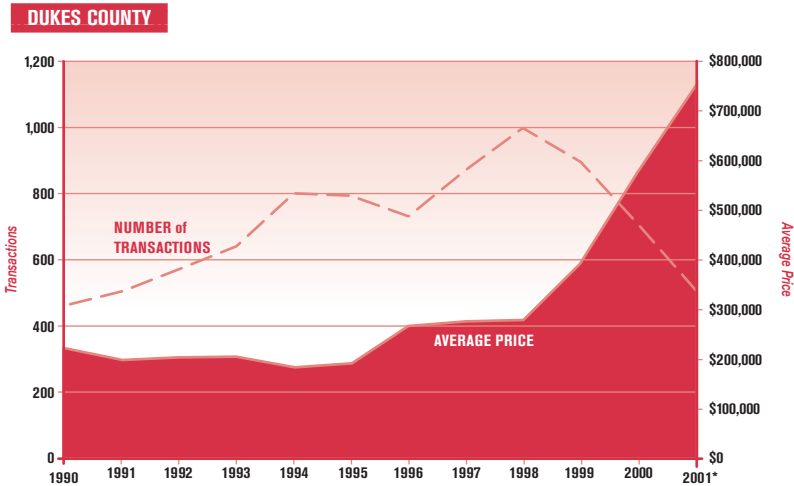
home priced at \$250,000. Remarkably, 78 percent of renters earning more than \$70,000/year said they have had problems securing rental housing and/or affordable homeownership.

Based on these surveys, at least 25 percent of all Island renters lack secure, year-round housing. These respondents report a range of housing problems that include winter and seasonal homes without year-round options, weekly rents, housing/work exchanges, and short-term leases. If these respondents are representative of the Island as a whole, at least 450 renter households are doing some form of the “summer shuffle” annually. Roughly half of these are likely experiencing critical housing problems. As indicated above, many of these renters have lived on the Island for over five years and many earn less than 80 percent of median household income.



Homeownership

IV.1 Changes in Real Estate Activity, 1990–2001



Source: Martha's Vineyard Times

*2001 transaction information was available only through June 30 and has been projected through the end of the year.

Note: The data includes arms-length sales of residential and commercial, and improved and unimproved land made in the six Island towns and recorded in the Dukes County Registry of Deeds. Partial interests, condominiums, time shares, beach lots, unbuildable lots, and foreclosures are not included.

HOUSING COSTS

The *Martha's Vineyard Times* has tracked monthly real estate transactions for more than a decade. Figure IV.1 shows a market gone out of control over the past two-and-a-half years. The average real estate price exceeded \$750,000 for the first half of 2001. This represents a near tripling of average prices in less than three years and nearly a fourfold increase since 1994. While average prices are distorted by the growing frequency of multi-million dollar sales, these trends are startling even by Island standards.

An analysis of median single-family home sales tells a similar if less dramatic story. Based on single-family home sales tracked by the Warren Information Service and LINK (a local real estate marketing service), the median home sold in 2001 (through October 10th) was \$375,000. This is up 27 percent from \$295,000 in 1999 and 90 percent from \$197,400 in 1989. Figure IV.2 shows that the number of affordable homes (below \$200,000) sold has become very small.

Arms length, single-family home sales priced under \$200,000 dropped from 35 to nine from 2000 to 2001. Those selling for less than

IV.2 Single-family Homes Sales, Dukes County, 2000-2001

	2001 (through Oct. 10, 2001)	
	2000	2001
Total Transactions	430	250
Median Sale Price (\$)	325,000	375,000
Sales <\$200,000	35	9
Sales \$200,000-\$249,999	47	30
Sales >\$1 million	46	35

IV.3 Distribution of Single-family Home Sales, by Community, 2000 & 2001

DUKES COUNTY	2000				2001 (through 10/10)			
	Transactions	Median Price	Under \$200,000	\$200,000-\$249,999	Transactions	Median Price	Under \$200,000	\$200,000-\$249,999
Aquinnah	7	900,000	0	0	7	800,000	0	0
Chilmark	26	913,000	0	0	14	885,000	0	0
Edgartown	116	468,000	13	13	91	450,000	3	4
Oak Bluffs	113	276,000	7	21	72	278,500	2	3
Tisbury	118	300,000	10	9	48	352,500	1	7
W. Tisbury	50	360,000	5	4	18	564,000	0	0
TOTAL	430	325,000	35	47	250	375,000	6	14

Source: Martha's Vineyard Realtors LINK.

\$250,000 dropped from 82 to 39. During the last two years there have been 81 single-family homes purchased for over \$1 million and just 44 for under \$200,000.

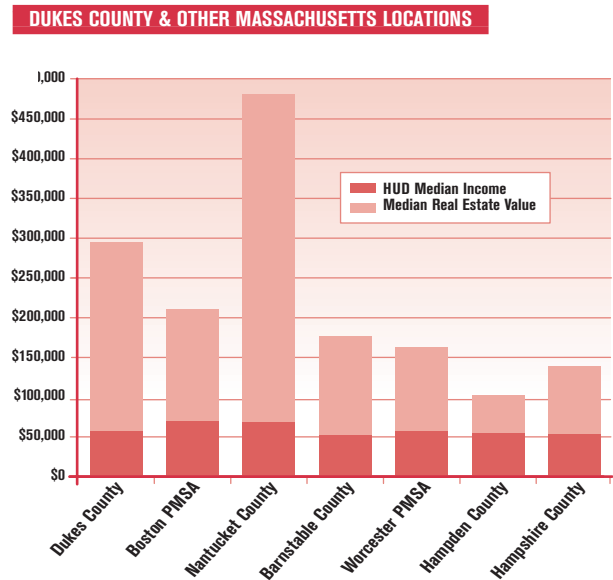
In today's market, there is nothing the median-income renter can buy. Even the year-round family earning the median owner's income of \$56,000 would find nothing to purchase without the equity from an existing home. The oft-repeated anecdote that few Islanders could afford to purchase their own home today, is borne out by the numbers. It is reasonable to estimate that only about one year-round Island homeowner in ten could mortgage 80 percent of the cost of their own home with their current income.

An assessment of quarter-by-quarter sales in each community suggests that the market "topped out" late in 2000 or early this year. As prices have risen dramatically, transactions have declined (creating the

classic X curve shown in Figure IV.1). The next year or so may bring some declines in home prices. This could provide a window of opportunity for some of those renters priced out of the current market. What is important to note is that the demographics of wealth and the aging of households point to continuing pressure on Island housing in the decade ahead. A slowdown in economic growth could hurt the buying power of Island renters more than it affects the capacity of off-island retirees and seasonal buyers.

Figure IV.4 compares the relationship of Island income and housing costs to other areas of the Commonwealth. In parts of Western Massachusetts, the ratio of home price to income is close to the national ratio of 2:1. In the Greater Boston Area and much of the state, the ratio is 3:1. Even the Cape is only slightly higher at 3.4:1. On the Vineyard it is at least 5:1 and rising. Only on Nantucket (where aver-

IV.4 Comparison of Real Estate Costs and Household Income, 2000



Source: HUD, Banker and Tradesman

Note: Real Estate Value includes homes, condominiums, and land sales. It is included to provide a consistent comparison. HUD Median Income is for a family of four.

age home price this year exceeded \$1 million) is the ratio of housing cost to income higher. If Vineyard residents want to see where the housing situation is headed, they need only look at their island neighbor, Nantucket. Vineyard renters have long had more options for ownership if they moved off-Island; now the gap between what the Island can offer and what is available elsewhere is growing.

In today's market, there is nothing the median-income renter can buy.

THE AFFORDABILITY GAP

Through most of the 1990s, renters actually began to make a little headway in their efforts to purchase homes on the Island. It appears that renter income actually grew at a faster rate than either owner households or even housing prices until at least 1998. At that point, the median income renter had access to at least a handful of homes that sold each year for under \$150,000. But price escalations in the last two years have eliminated that option. Despite a 66-percent increase in renter income over the last decade, the median home is still priced two-and-a-half times what the median renter household can afford. At this point, only about a third of renters can hope to purchase even the least expensive home on the market. Only the few high-income renters (10 to 13 percent) who can afford to pay at least \$300,000, begin to have any range of choice in their housing.

Homeownership is an important Island value. It remains an aspiration for 85 percent of those renters surveyed. Over 70 percent of those who said they hoped to own a home on Island, however, remarked that it was “only wishful thinking.” Given the current housing market, even that assessment is optimistic. Figure IV.5 compares renter income to what that income can buy and what is available to buy. In the past year, the 1,228 renter households earning less than \$50,000 had to compete with off-Island buyers for the chance to purchase one of just nine homes that sold Island-wide for under \$175,000, the highest price these renters could normally afford.

Another group of renters (roughly 375 renter households) earns between \$50,000 and \$75,000/year. In many communities, they would represent the prime, first-time homebuyers. At the upper-income end, these Island renters might “stretch” to \$300,000. But even if they had the market to themselves, only about a quarter could have purchased an affordable home this year. And they certainly do not have the market to themselves. The frustration of competing for housing with second-home owners and off-Islanders bringing home equity with them represents the source of greatest despair for survey respondents. No matter how hard they sacrifice and save, there always seems to be an off Islander able to pay more.

IV.5 Home Sale Affordability, Distribution of Home Sales, by Household Income, 2001

This table also includes information on suggested affordable home cost for each income group and number of year-round renting residents on Island within income range

DUKES COUNTY				
Income Range (\$)	Affordable Home Ownership at this Income Level (\$)	Number of Island Renters	Number of Sales in Past 12 Months in this Price Range	% of sales in Past 12 Months in this Price Range
0-19,999	0-60,000	300	0	0
20,000-29,999	60,000-104,999	346	1	0
30,000-39,999	105,000-149,999	300	4	1
40,000-49,999	150,000-179,999	282	4	1
50,000-59,000	180,000-224,999	129	19	5
60,000-74,999	225,000-299,999	247	66	19
75,000+	300,000+	241	262	74
TOTAL		1,844	356	100

Source: 2001 Renter Survey, Martha's Vineyard Realtors LINK

IV.6 Sales History, 2 Young Street, Edgartown

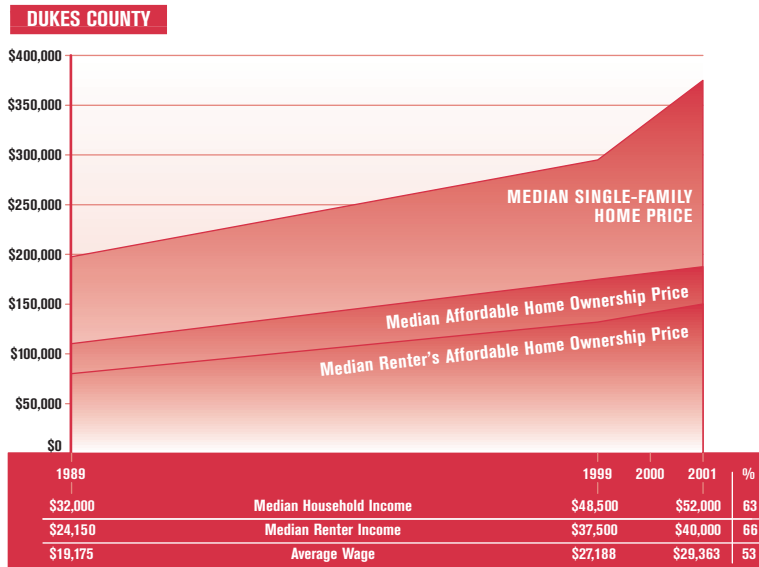
DATE	Sale Price (\$)	Appreciation from Previous Sale (%)
October 1994	138,000	
April 1998	178,000	29
March 1999	219,000	23
June 2001	341,750	92

The available houses at these prices is another major area of concern. Most realtors acknowledge that the quality of housing at the lower end is grim. Many homes are purchased for their land value and razed or substantially renovated. The cost of these renovations can push even the lowest-cost home beyond the means of Island renters. According to one real estate investment analyst,

in the last few years the low end of the market has been competing with waterfront property for the fastest appreciation. The example shown in Figure

IV.6 provides an illustration of how quickly a relatively marginal property can become unaffordable to even higher income renters.

IV.7 The Affordability Gap, 1989–2001



Note: Affordability based on buyer paying no more than 28% of gross income for principal, interest, and taxes; 30-year, fixed-rate mortgage for 80% of purchase price; 6.75% interest rate; 1% of purchase price for taxes.

Sources: Sales Price — 1989 MV Commission; 1999 Banker & Tradesman; 2001 LINK through 10/10/01. Median Household Income — 1989 US Census; 1999–2001 CACI, Inc., adjusted by consultant. Median Renter Income — 1989 US Census; 2001 Renter Survey



Where Do We Go From Here?

THE SCALE OF THE PROBLEM

There is no objective yardstick for determining need. There is no “model,” no typical community that all others should emulate. The amount of housing needed depends on a wide range of community judgments. How valuable is it to provide housing for the next generation of young adults? How important is it to the local economy to provide stable year-round rents or affordable homeownership? What if any responsibility does a community have to provide secure, decent housing for those who live and work there? How long does one need to “fend for oneself” before that responsibility applies?

The key issue is balance. After a decade that witnessed the creation of 3,700 non-affordable new seasonal and year-round homes and fewer than 70 new rental units or affordable homeownership opportunities coupled with the creation of over 1,500 relatively low-paying jobs with few places to house those workers, that balance has been lost. The need for housing is clearly significant.

Figure V.1 attempts to quantify some of the need. Among current renters, there are an estimated 230 households that are: 1) paying more than 35

percent of their income for rent; and 2) renting a home with no year-round housing option. These represent the renters in most critical need. To provide secure, affordable, year-round housing for these most critically affected renters would require 190 dwellings priced below market rents, and another 40 at market. Adding this number of protected rentals over the next three to five years would make a significant difference for ordinary Island renters. It would mean developing between 50 and 75 new or converted rental units per year for three to five years. Moreover, sustaining that pace throughout the decade would go a long way toward ensuring secure housing options for Island teens as they form new households.

On the ownership side, the consultant estimates that there are 257 renter households that earn between \$40,000 and \$75,000 and have lived on Martha’s Vineyard for a minimum of ten years. For more than 90 percent of these long-term residents, homeownership is not an option in the current market. To make such an option available to these long-term residents would necessitate dedicating 112 homes priced between \$150,000 and \$174,999, 64 between \$180,000 and \$225,999, and 61 homes priced between \$225,000 and \$299,999 for this purpose. It

V1. Estimate, Affordable Housing Need, Renters, 2001

RENTING RESIDENTS EXPERIENCING SERIOUS RENTAL PROBLEMS

DUKES COUNTY				
Household Income Income, % of Median	Total Renter Households	*Experiencing Critical Problems		
			%	
<80	977	190	19	
80-99	321	28	9	
100-139	235	12	5	
≥140	311	0	0	
TOTAL	1,844	231	13	

* Paying more than 35% of rent and lacking year-round housing.

RENTAL HOUSING NEEDED TO ADDRESS CRITICAL PROBLEMS

DUKES COUNTY				
	Below Market		Below-market Rents	Maximum Market Rents
	Market	Market	(\$ per month)	(\$ per month)
One Bedroom	65	15	450-470	800
Two Bedrooms	79	15	625-750	1,000
Three-plus Bedrooms	46	10	750-900	1,200
TOTAL	190	40		

Source: Development Cycles, October 2001

Estimate, Affordable Housing Need, Homeowners, 2001

FIRST-TIME HOMEOWNERSHIP, LONG-TERM ISLAND RESIDENTS

DUKES COUNTY				
Income Range (\$)	Price Range (\$)	Qualified Renters with 10+ Years on Island	% Served by Market	Qualified Residents Needing Help to Buy
40,000-49,999	150,000-179,999	114	2	112
50,000-59,999	180,000-224,999	66	3	64
60,000-74,999	225,000-299,999	77	21	61
TOTAL		257		237

OVERALL UNITS OF HOUSING NEEDED, BY TOWN

DUKES COUNTY				
	Below- market Rental	Market Rental	Ownership for Qualified 10-year Residents	TOTAL
Aquinnah	6	0	24*	30
Chilmark	12	2	45*	59
Edgartown	48	14	47	99
Oak Bluffs	48	12	40	100
Tisbury	56	10	61	127
West Tisbury	20	2	20	42
TOTAL	190	40	237	467

* Limited statistical basis.

would require developing between 50 and 75 ownership opportunities per year over the next three to five years.

Sustaining this effort to ensure affordable homeownership throughout the decade would begin to address the long-term issue of providing for the turnover of essential Island jobs. While the definition of “essential service jobs” is subject to differing interpretations, there are at least 800 professional educators, hospital workers, municipal employees, and skilled trades workers employed on Island today. Employers of these workers report that turnover, while still low (three to five percent annually), will surely rise in the years ahead. At today’s rates, that means 25 to 40 essential Island jobs need filling each year, with that number doubling by the end of the decade. Even if not all initiatives dedicate housing for these jobs, annual Island turnover of essential service jobs may provide one meaningful benchmark for improving the balance of affordable homeownership available.

This study recommends a goal of 100 to 150 homes per year divided evenly between year-round rental housing and affordable home ownership. This does not necessarily mean new housing, but it does require that the housing be dedicated to serve long-term affordability. If sustained at even the 100-unit level for the eight remaining years of this decade, it would bring the number of affordable homes on Island to at least ten percent of the year-round total. More importantly, it would be a tremendous legacy from current residents of the Island to future generations.

WHAT IS ALREADY BEING DONE?

This effort to provide for affordable rental and ownership housing is already underway. The IAHF, the Regional Housing Authority, the towns and their housing committees, and a number of other organizations are responding to the challenges. A brief description of just some of the activities generated by these groups includes:

- The Island Affordable Housing Fund (IAHF) recently launched its capital campaign and got substantial commitments

in the first season. IAHF's Business Initiative for Housing Solutions raised over \$500,000 over five years to fund operating expenses for the IAHF and DCRHA.

- IAHF has received an \$800,000 private commitment to subsidize a 10-unit cluster development for homeowners. It is facilitating moving and recycling several donated homes for use on affordable lots. IAHF secured pro bono legal services to develop a model deed rider for use by housing organizations, developers, town affordable housing committees. It is also launching a pilot Revolving Loan Fund to be used to finance down payments and closing costs.
- The DCRHA established the Vineyard Housing Office (in partnership with IAHF and with the support of many who donated their time and money) to provide a place where housing groups could meet and work together and focus on housing issues. The DCRHA has begun two new programs — funded by IAHF — to convert existing housing into year-round rental housing through conversion from summer-only rental and through low interest loans for rehabilitation of substandard housing stock. DCRHA has plans underway for creating and buying more year-round rental housing.
- The Community Preservation Act passed in Aquinnah and Chilmark and efforts may be made to secure its passage in all Island communities.
- The Edgartown Affordable Housing Committee is actively considering both ownership and rental housing developments on town owned sites dedicated for affordable housing.
- The Town of Oak Bluffs is embarking on an effort to address the issue of Chapter 40B housing proactively.
- The Chilmark Housing Committee is working with several town committees, including the Community Preservation Act Committee, to make use of town-owned property for affordable housing.

- The Tisbury Home Site Committee awarded two new lots in 2001.
- A new citizen's group, the Secure Housing Action Committee, formed to draw attention to and advocate for solutions to the problems of year-round housing.
- Bridge Housing is a non-profit development entity with a mission to help provide mixed income housing for Island residents. The organization is currently helping towns as they plan for affordable housing developments that utilize town-owned land.
- Island Elderly Housing continues to provide for the housing needs of low-income seniors and disabled Islanders. This year will see occupancy in 27 new elderly apartments in phases II and III of Woodland Village in Oak Bluffs. IEH will also complete the renovation of the Margaret C. Love House in Vineyard Haven as five efficiency apartments for seniors.
- The Vineyard chapter of Habitat for Humanity finished construction of their first home in the spring of 2000 and hopes to build two more homes this year.

It is also important to recognize the large but unquantified contributions made by individual Island residents who rent rooms, apartments or cottages at below-market prices, by those many individual businesses that rent or purchase housing for their employees and by seasonal residents who provide year-round housing for caretakers and other employees. Beyond these efforts, it is essential that the community coordinate and, in some cases, consolidate these activities to conserve limited resources and operate at maximum effectiveness.

Figure V.2 summarizes the various types of affordable housing already present in each of the Island towns. There are a total of 273 housing units or just under five percent of the year-round stock that was initially developed as affordable housing. Rental housing for seniors makes up about half of the affordable housing stock. This provides subsidized housing for about 90 percent of low-income elderly Island renters. By contrast, the 46 subsidized family units provide housing for about

V.2 Affordable Housing Inventory, by Town, 2001

DUKES COUNTY							
	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury	Martha's Vineyard
Subsidized Rental for Families	18	0	8	0	16	4	46
Subsidized Rental for Elderly	8	0	0	72	56	0	136
Special Needs Housing	0	0	0	8	0	0	8
Youth Lots/Resident Homesites	3	25	16	no info	2	8	54
Other Ownership							
FmHA Self-help	0	1	4	4	6	2	17
Mutual Help (Rent-to-own)	7	0	0	0	0	0	7
Habitat for Humanity	0	0	1	0	0	0	1
Island Co-housing	0	0	0	0	0	4	4
TOTAL	36	26	29	84	80	18	273
Family Rental (all types)	18	0	8	0	16	4	46
Ownership (all types)	10	26	21	4	8	14	83
Elderly Rental	8	0	0	72	56	0	136
Special Needs	0	0	0	8	0	0	8

Source: DCRHA, Local Resident Homesites, October 2001

five percent of low-income, non-elderly renters. As many as 83 affordable home ownership opportunities have developed through the Resident Home Site Committees and Farmers' Home Administration programs in years past. For most of these homes, there are only temporary limits on resale or restrictions on the incomes of subsequent buyers.

WHY ACT NOW?

Over the course of this study, both year-round and part-time Islanders expressed a sense of imperative about acting on this problem now. Key reasons include the following:

- **Preserve the Community.** For the first time, the vast majority of renters face the prospect that they will never find a stable rental or be able to buy a home on the Island. Many of these renters are long-term Island residents who play a crucial role in the Vineyard's economic, civic, social and cultural life. A concerted effort to develop affordable homeownership and year-round rental opportunities would provide security, hope and alternatives to leaving the Island.

- **Attract Key Professionals.**

The Island's capacity to attract professionals who provide essential services — health, educational, municipal and skilled trade workers — is declining just as the retirement rate for these jobs begins to climb. Addressing housing issues now will help to avert a crisis later.

- **Maintain Continuity of**

Generations. Over the course of the next decade, more than 1,000 current Island teens will leave the nest. Providing secure year-round rental housing opportunities will help the Vineyard retain more of its children. On the other end of the spectrum, additional housing options are needed for senior citizens. This would also serve to

free up existing homes for the next generation.

- **Protect Investment.** The combined asset value of all Island housing is approaching \$6 billion and has been growing at the rate of nearly \$500 million per year over the past five years. It would take less than one percent of the Island's housing valuation to fund affordable housing initiatives for the rest of the decade. This would be a wise investment which would protect existing investments and help to avoid economic decline.
- **Sustain Quality of Life.** Many of the Island's essential community values are at risk. It is the very capacity of a place to provide continuity of culture and livelihood that makes it possible to preserve these values. Providing secure affordable housing is as important to preserving these values as efforts to conserve open space and other critical resources.
- **Solve Our Own Problems.** As an Island, we have made meaningful progress in historic preservation, open space protection, and public transportation; the new challenge is affordable housing.

OPTIONS FOR ACTION

The creation of 100 to 150 units per year of affordable rental and ownership housing can seem daunting and it will indeed require the concerted efforts of many individuals and groups. The following represents a number of potential actions that will increase the supply of stable year-round rental housing and affordable homeownership. Given the scale of the problem at hand, they represent the type of actions most likely to succeed within the framework of community values and conditions.

Rental Housing

- **Expand Rental Conversion Program.** Using funds raised by IAHF and its “Houses On The Move” project, the DCRHA has launched a plan to encourage landlords to convert summer rentals to year-round, market rate rentals. Incentives for participation include cash subsidies as well as management and marketing support.
- **Provide Rental Rehab Assistance.** This represents another DCRHA approach aimed at creating affordable year-round rental housing without building new housing stock. With funds raised by IAHF, the Regional Housing Authority is negotiating with owners of sub-standard rental housing to exchange property-improvement grants for rent limits on properties for a fixed period of time.

2010: A Tale of Two Islands

Perhaps fanciful, perhaps not; the following provides alternative glimpses of Martha’s Vineyard in 2010.

“The Gated Island”

High-speed commuter ferries from Woods Hole and New Bedford, airport expansion, and continued labor shortages mark home life for Islanders as the new decade passes. Labor shortages are most acute in the health care sector where access to home health and hospital care has reached crisis proportions for the Island’s oldest residents. Concerns over continuity of care have the region’s growing retirement population looking elsewhere, according to area realtors, and that finally spells a drop in housing prices. The Massachusetts General Court has rejected still another town’s request for a higher tax rate for seasonal homes. With Prop 21/2 still in place and homes under \$500,000 a thing of the past, there seems no way to keep up with skyrocketing costs for teachers and municipal workers. And with a turnover of nearly 40 percent of its residents in the past decade, Dukes County not only has the highest percentage of new residents statewide, it has the unusual distinction of seeing household income rise even as local jobs decline. “The new Islanders bring both their jobs and wealth with them,” says the new MVC Director, herself a commuter. “What matters for these residents are more commercial flights, more open space, and room to house their help.”

Community Rekindled

The pressures on housing costs continue of course. Martha’s Vineyard remains a wildly popular destination for seasonal owners, retirees, and tourists alike, but there’s a different spirit in the air. More members of this year’s tenth year high school reunion class sport Island addresses than at any time in the last 20 years. More and more native sons and daughters are filling the essential jobs their parents and relatives once filled. The connection between the young and old, wealthy and not so wealthy, feels more like it did in the ’70s than it did ten years ago. The community’s willingness to face the task of housing its residents head-on is paying dividends as those who have benefited begin to give back to the community that not only raised them but made room for them to stay.

- **Develop Dedicated Housing for Essential Service Personnel.** Both the hospital and the regional school system are looking at ways to develop housing aimed specifically at attracting and retaining professional staff. Part of this housing may be structured as rental, part as ownership.

- **Sponsor Tax Credit Development.** Perhaps the most heavily utilized financing program to create new affordable rentals, Low Income Home Tax Credits create a pool of equity to write down the cost of development in return for maintaining affordable rents for residents earning less than 60 percent of median household income. Roughly 600 Island renters would qualify for tax credit housing.
- **Provide Zoning Support for Apartments.** This strategy would provide a way for private property owners to help address the shortage of affordable rentals. Towns might be willing to loosen conditions for creating supplemental apartments and secondary structures in exchange for assurances of affordable year-round rents, as West Tisbury has successfully done.
- **Purchase Existing Rental Properties.** DCRHA has plans underway to purchase and manage additional rental housing.
- **Develop New Locally Funded Rental Clusters.** With funds from IAHF, CPA, and other local sources including Municipal Bonds, create small-scale rental housing clusters.
- **Expand Resident Home Site Efforts.** Homeownership for long-term residents is a problem that will need the help of each town and the generosity of individual landowners. A campaign coordinated to acquire affordable building lots will need to pass enabling zoning and provide legal and administrative support to succeed.
- **Develop Dedicated Housing for Essential Service Personnel.** As noted above, this concept requires fundraising, utilization of town, school and/or hospital-owned land, and development of housing dedicated to attracting and retaining essential service workers.
- **Foreclosure and Tax-taking Purchases.** A serious recession in the next year could see a spike in the number of Island foreclosure sales and tax delinquency takings. The IAHF may wish to begin developing partnerships with the local towns and lenders to channel these properties into housing to serve Island residents.
- **Acquire In-Town Parcels for Small Housing Developments.** Purchase land for future infill pocket clusters.
- **Zoning Support for Substandard Lots.** Craft zoning to promote small lots dedicated to affordable housing.

First-time Homeownership

- **Provide Soft Second Mortgages.** IAHF's "205 by 2005" fund raising campaign is seeking soft second mortgage money to underwrite down payments and closing costs as a long term, low interest second mortgage.
- **Facilitate House Moves.** The IAHF and the local town housing committees have increased efforts to identify homes that can be donated and moved (rather than razed) to permit new construction on an existing site. The House Move program would help provide legal support and cover moving costs of such a move.
- **Subsidize Home Purchases.** Suitable to both new development and existing homes, IAHF, CPA and other local funds could underwrite the cost of homes in exchange for long term affordability and resale limitations to ensure that the public benefit of affordability would stay with the home.

Figure V.3 looks at the costs of implementing these recommended actions if the Island is to meet the immediate housing need over the next three to five years. The per-unit subsidy required to convert or develop rental housing is substantial, ranging from \$40,000 to \$80,000 per unit, with an average cost of just under \$60,000. In all, the consultant estimates the cost of subsidizing 230 units of secure, year-round housing at \$13,600,000. Revenue to fund this subsidy would need to come from a variety of sources including private fundraising, CPA and other local funds, use of town-owned and school-owned land, Low Income Housing Tax Credits, Massachusetts Housing Partnership grant funds, and other state and federal block grant funds. Locally funded efforts will have the greatest flexibility to dedicate housing for current residents, to reach households with higher incomes and to create housing consistent with desirable scale and quality.

V.3 Proposed Programs and Estimated Costs for Addressing Housing Need, 2001–2005

RENTAL HOUSING GOAL: To provide 190 below-market and 40 market-rate housing units to serve rental households in critical need.

OPTION	Per Unit Subsidy Needed		Source of Subsidy	Total Subsidy Needed (\$)	Description
	Units	(\$)			
Summer rental conversions	25	6,000 annually	IAHF Fund-raising	3,000,000 endowment	Pay landlords to convert summer rentals to year-round market and below-market rents
Rental Rehab	20	40,000	IAHF Fund-raising/ MHP/State Programs	800,000	Rehab rundown properties for owner in exchange for long-term affordable rent contract
Purchase Existing Rental Properties	20	80,000	MHP/Municipal Bonds/IAHF/ Other Local Funds	1,800,000	DCRHA purchases existing rental properties and manages
Dedicated Housing for Essential Service Employees	30	60,000	School Department, Towns, Hospital/ MHP/State Programs	1,800,000	New mixed ownership and rental development on land already owned by essential service employers
New, Subsidized, Mixed-income Developments	60	60,000	LIHTC/Other Public and Private	3,600,000	Appropriately sited, designed, and screened multi-unit (12–24 per site) projects
New Rental Clusters (locally funded)	45	80,000	IAHF/ CPA/Municipal Bonding	3,600,000	Small infill rental housing projects
Zoning Support for Supplementary Apartments	30	0	Private Market	0	Craft second dwelling and supplementary apartment zoning to promote year-round rental
TOTAL	230	\$59,130		\$13,600,000	

OWNERSHIP HOUSING GOAL: To provide 237 affordably priced homes for long-term Island residents.

OPTION	Per Unit Subsidy Needed		Source of Subsidy	Total Subsidy Needed (\$)	Description
	Units	(\$)			
Soft Second Mortgages	40	15,000	IAHF/CPA/ Other Local Funds	600,000	Provide \$15,000 down-payment assistance as 1% loans
House Moves	10	65,000	IAHF/CPA/ Other Local Funds	650,000	Provide expense money to move existing houses slated for demolition
Subsidize Home Purchase	40	80,000	IAHF/CPA/ Other Local Funds	3,200,000	Provide average \$80,000 to buy down existing homes
Expanded Resident Homesite Effort	27	100,000	IAHF/CPA/ Other Local Funds	2,700,000	Reinvigorate local efforts to provide resident homesites through public/private donation
Dedicated Housing for Essential Service Employees	30	60,000	School Department, Towns, Hospital/ MHP/State Programs	1,800,000	New mixed ownership and rental development on land already owned by essential service employers
Foreclosure and Tax Taking	10	50,000	IAHF/CPA/ Other Local Funds	500,000	Purchase and resale of foreclosed properties and properties taken for taxes (subsidy covers legal, write-down costs)
Infill Pocket Developments	50	80,000	IAHF/CPA/ Other Local Funds	4,000,000	Land acquisition for future housing, 10 parcels
Zoning Support for Substandard Lots	30	0		0	Craft zoning to promote small lots dedicated to affordable housing
TOTAL	237	\$63,000		\$14,950,000	

The cost of reaching the homeownership target will be similar. With subsidies ranging from \$15,000 to \$100,000 per dwelling, the 237 units of ownership housing targeted would require about \$14.95 million, or \$63,000 each to subsidize. Many of the same funding sources will need to be tapped and the willingness of private landowners to donate or sell land at below market cost will be essential to success. Resident Home Site and Affordable Housing Committees will be crucial to this effort and faith-based housing initiatives could also play a substantial role in this undertaking.

Clearly, the Island's capacity to meet these targets would substantially increase if the Vineyard created a dedicated funding stream for affordable housing as it has done to finance open space purchases via the 2 percent Land Bank fee on real estate transactions. The legislative option available at this time is the Community Preservation Act, which the four largest towns have not yet passed.

NEXT STEPS

Working with IAHF, the consultant identified important next steps for various Island constituencies to consider. First and foremost, create a climate that promotes action. The magnitude of housing need will require broad-based community support and diverse solutions.

For Individuals

- support municipal funding of the Regional Housing Authority
- support passage of the Community Preservation Act in your town
- contribute to the IAHF capital campaign, the Business Initiative or Islanders Helping Islanders
- contribute time, effort, and materials to Habitat for Humanity
- donate land donate a house for moving
- leave estate funds to IAHF and/or other non-profits
- take advantage of programs offered to convert seasonally rented houses to year-round
- let the Land Bank, the Martha's Vineyard Commission, and your town government know that affordable housing is a first priority.

For Island Officials

- support municipal funding of the Regional Housing Authority
- support passage of the Community Preservation Act in your town
- consider whether other dedicated funding streams such as a rooms tax for private summer rentals are politically feasible
- create zoning incentives in each town — and regionally — to encourage affordable housing
- expand the Land Bank town advisory boards to include members representing the town Housing Committees
- encourage the Land Bank to be pro-active about housing
- set individual housing goals for this decade
- consider bonding initiatives for housing programs

For Employers

- support municipal funding of the Regional Housing Authority
- support passage of the Community Preservation Act in your town
- contribute to the IAHF Business Initiative for Housing Solutions
- handle summer employee housing as individual businesses so public efforts can concentrate on year-round solutions
- help find ways to get your employees into year-round housing

CONCLUSION

An Island-wide consensus sees housing as a critical community issue that can no longer be ignored. A broad effort is underway to begin solving the housing crisis. To effectively address this problem over the course of the next decade, the effort will need to build on values that are currently shared by the community. All six towns, Island employers, seasonal and year-round residents and the several organizations dedicated to housing must act now and must act together if progress is to be made toward solving this debilitating crisis.

APPENDIX A

PARTIAL LIST OF LOCAL INTERVIEW SUBJECTS

John Abrams, West Tisbury, Builder
Fernando Almeida, Tisbury Resident
Derrill Bazy, Aquinnah, Builder
Steve Bernier, Cronig's Market
Peter Bettencourt, Edgartown Town Administrator
John Bradford, Oak Bluffs Planning Board
Doug Cabral, Martha's Vineyard Times
Kriner Cash, Superintendent Of Schools
Marcia Cini, Attorney
Chuck Clifford, Martha's Vineyard Commission
Paul Condlin, Edgartown, Chief Of Police
Tom Dresser, Windemere Nursing Home
Michael Dutton, Martha's Vineyard Hospital
John Early, Builder
Dave Ferraguzzi, Tisbury Affordable Housing Committee
Zelda Gamson, Chilmark Housing Committee
Alan Gowell, Edgartown Housing Committee
Jane Greene, Wampanoag Tribal Housing
Janice Haynes, West Tisbury Resident
ML Healey, SHAC
Leonard Jason, Chilmark, Building Inspector
Virginia Jones, West Tisbury Housing Committee
Phillippe Jordi, DCRHA
James Lengyel, MV LandBank
Richard Leonard, MV Co-operative Bank
Richard Reston, Vineyard Gazette
Linda Sibley, Martha's Vineyard Commission
Bart Smith, Realtor
Russell Smith, Legislative Liaison
David Squire, IAHF
Juleann Vanbelle, DCRHA, IAHF
Martha Walsh, MV Chamber of Commerce
Jay Walsh, West Tisbury, FMHA Self-Help Housing
Susan Wasserman, West Tisbury Resident
Paul Watts, Compass Bank
Eleanor Wilson, LINK

APPENDIX B

DEMOGRAPHIC SUMMARY — AQUINNAH

Population *(US Census, MISER, adjusted by consultant)*

	Persons	Change from Previous
1980	220	
1990	201	-9%
2000	344	71%
2010 <i>(Adjusted Projection)</i>	444	29%

Age Distribution *(US Census, MISER, adjusted by consultant)*

Years	1990	2000	2010 projected	% Change 90-10
0 to 4	12	20	34	183%
5 to 19	39	75	64	64%
20 to 34	31	66	80	158%
35 to 54	66	127	112	70%
55 to 74	40	41	119	198%
75+	13	15	35	169%
TOTAL	201	344	444	121%

Median Household Income *(U.S. Census, CACI, Inc., Renter Survey)*

	1990 Households	2000 Households	% Change Hhs	1990 Income	2000 Income	% Change Income
Renter Households	28	58	107%	\$17,800	\$35,800	101%
Owner Households	54	83	54%	\$18,950	\$56,300	197%
All Households	82	141	72%	\$18,250	\$45,300	148%

Local Jobs *(MA Division of Employment & Training)*

	1990	1995	1999	Change 90-99
Trade	9	conf*	17	89%
Services	22	56	42	91%
Government	conf*	28	23	conf*
Construction	conf*	conf*	conf*	conf*
Fin., Insur. & Real Estate	0	0	0	0%
Trans., Comm., Pub. Util.	conf*	conf*	conf*	conf*
Agr/ Fish/ For	0	0	0	0%
Manufacturing	0	0	0	0%
TOTAL	59	117	83	41%
Average Wage	\$16,741	\$21,344	\$21,671	29%

*confidential

Resident Employment *(MA Division of Employment & Training)*

Annual Average	1990	1995	2000	Change 90-00
Labor Force	90	108	107	18.9%
Employment	83	97	102	22.9%
Unemployment	7	11	5	-28.6%
Rate	7.8%	10.2%	4.7%	-39.9%

Summary of Housing Change 1990-2000 *(US Census)*

Housing Units	Numerical Change	% Change
Ownership (yr.-round)	29	54%
Rental (yr.-round)	30	107%
Seasonal	69	29%
Vacant	6	75%
TOTAL	134	41%

Housing Value (US Census, Banker & Tradesman, LINK)

	Median Value (90) Median Sales \$	Change from Previous
1990	\$295,800	
2000	\$900,000	204%
2001 (-10/10)	\$800,000	-11%

Single-family Home Sales (Banker & Tradesman, LINK)

	2000	2001 (-10/10)
Transactions	7	7
Median Sales \$	\$900,000	\$800,000
Over \$1 million	3	3
Under \$200,000	0	0
Under \$250,000	0	0

Median Gross Rent (US Census, Renter Survey)

	1990	2001	Change 90-01
Studio	n/a	n/a*	n/a*
One Bedroom	\$610	n/a*	n/a*
Two Bedrooms	\$613	n/a*	n/a*
Three Bedrooms	\$675	n/a*	n/a*

* Survey sample of insufficient size; median rents are largely determined by cost of tribal housing.

Renter Profile, 2001 (Renter Survey)

[Aquinnah's overall response to the survey (7 of 58 renter HHs) was not statistically significant. These results are of limited value.]

Persons per Household		Household Income		Presence of Children	
One	29%	<80%	43%	No children	71%
Two	43%	80-99%	14%	Pre-School	0%
Three	14%	100-139%	43%	School Age	29%
Four or More	14%	140%+	0%	18+	0%
At Current Address		Years on Vineyard		Single Parents by Income	
<One Year	14%	< One Year	0%	<80%	100%
1-2 Years	14%	1-2 Years	0%	80-99%	0%
3-4 Years	43%	3-5 Years	0%	100-139%	0%
5-9 Years	0%	5-9 Years	43%	140%+	0%
10+ Years	29%	10+ Years	57%		

Renter Housing Problems, 2001 (Renter Survey)

	Moved in the Past 12 Months	No Year Round Lease	Pay 35% or More of HH Income for Rent	Overcrowding: 2.0 or More Persons per Bedroom	Affected by Affordable Housing Shortage
All Renters	14%	33%	29%	0%	71%

By Age of Householder

<35	
35-44	Response rate not statistically meaningful
45-54	
55+	

By Household Income

<80% of Median	
80-99%	Response rate not statistically meaningful
100-139%	
140% or More	

By Length of Residence on Martha's Vineyard

< 1 Year	
1-2 Years	Response rate not statistically meaningful
3-4 Years	
5+ Years	

By Presence of Children

No Children Present	
Two Parents w/ Child(ren)	Response rate not statistically meaningful
Single Parent w/ Child(ren)	

Estimate of Affordable Housing Need

Data extrapolated to include all 58 rental HHs in Aquinnah.

	Total Renter HHs	Experiencing Serious Problems/1	%	Experiencing Critical Problems/2	%
<80% of Median	33	12	36%	6	18%
80-99% of Median	5	1	20%	0	0%
100-139% of Median	5	1	20%	0	0%
>140% of Median	15	1	7%	0	0%
TOTAL	58	15	26%	6	10%

1/ Experiencing at least two housing problem listed above.

2/ Paying more than 35% of rent and lacking year round housing.

Rental Housing Needed to Address Critical Problems

	Below Market	Market	Below Market Rents (mo.)
1 Bdrm	2	0	\$450- \$470
2 Bdrm	3	0	\$625- \$750
3+ Bdrm	1	0	\$750- \$900
TOTAL	66	0	

First-time Homeownership for Long-term Island Residents

Income Range	Price Range	Qualified Renters w/ 5+ Years On Island	Qualified Renters w/ 10+ Years On Island	% Served by Market	Five-year Residents Needing Help to Buy	Ten-year Residents Needing Help to Buy
\$40,000- \$49,999	\$150,000- \$179,999	8	8	0%	8	8
\$50,000-\$59,999	\$180,000-\$224,999	0	0	0%	0	0
\$60,000- \$74,999	\$225,000-\$299,999	16	16	0%	16	16
TOTAL		24	24	0%	24	24

1/30 year amortization @ 6.75% interest with 20% down payment.

NOTE: Aquinnah's overall response to the survey was not statistically significant. These results are of only limited value.

DEMOGRAPHIC SUMMARY — CHILMARK

Population (US Census, MISER)

	Persons	Change from Previous
1980	489	
1990	650	33%
2000	843	30%
2010 (Projected)	1193	42%

Age Distribution (US Census, MISER)

Years	1990	2000	2010 Projected	% Change 90-10
0 to 4	42	39	48	14%
5 to 19	109	143	171	57%
20 to 34	135	98	330	144%
35 to 54	187	299	250	34%
55 to 74	123	192	326	165%
75+	54	72	68	26%
TOTAL	650	843	1193	84%

Median Household Income (U.S. Census, CACI, Inc., Renter Survey)

	1990 Households	2000 Households	% Change HHs	1990 Income	2000 Income	% Change Income
Renter Households	74	95	28%	\$37,500	\$50,000	33%
Owner Households	212	287	35%	\$33,750	\$62,400	85%
All Households	286	382	34%	\$34,375	\$56,600	65%

Local Jobs (MA Division of Employment & Training)

	1990	1995	1999	Change 90-99
Trade	61	87	101	65.6%
Services	20	52	52	160.0%
Government	35	58	57	62.9%
Construction	18	32	30	66.7%
Fin., Insur. & Real Estate	3	4	11	266.7%
Trans., Comm., Pub. Util.	0	0	1	
Agr/ Fish/ For	15	15	31	106.7%
Manufacturing	0	1	2	
TOTAL	152	249	285	87.5%
Average Wage	\$15,618	\$20,096	\$28,898	85.0%

Resident Employment (MA Division of Employment & Training)

Annual Average	1990	1995	2000	Change 90-00
Labor Force	368	423	464	26.1%
Employment	355	412	448	26.2%
Unemployment	13	11	16	23.1%
Rate	3.5%	2.6%	3.4%	-2.4%

Summary of Housing Change 1990-2000 (US Census)

Housing Units	Numerical Change	% Change
Ownership (yr.-round)	75	26%
Rental (yr.-round)	21	22%
Seasonal	133	13%
Vacant	3	13%
TOTAL	232	16%

Housing Value (US Census, Banker & Tradesman, LINK)

	Med. Value (90) Med. Sales \$	Change from Previous
1990	\$343,400	
2000	\$913,000	166%
2001 (-10/10)	\$885,000	-3%

Single-family Home Sales (Banker & Tradesman, LINK)

	2000	2001 (-10/10)
Transactions	26	14
Median Sales \$	\$913,000	\$885,000
Over \$1 million	11	6
Under \$200,000	0	0
Under \$250,000	0	0

Median Gross Rent (US Census, Renter Survey)

	1990	2001	% Change 90-01
Studio	n/a	\$500	
One Bedroom	\$450	\$800	78%
Two Bedrooms	\$650	\$875	35%
Three Bedrooms	\$550	\$1,000	82%

Renter Profile, 2001 (Renter Survey)

Chilmark's response (15 out of 95 renter HHs) represents 16% sample

Persons per Household		Household Income		Presence of Children	
One	13%	<80%	33%	No children	73%
Two	53%	80-99%	13%	Pre-School	20%
Three	13%	100-139%	33%	School Age	13%
Four or More	20%	140%+	20%	18+	7%

* Exceeds 100% due to mixed age in same HH.

At Current Address		Years on Vineyard		Single Parents by Income	
< One Year	20%	< One Year	0%	<80%	100%
1-2 Years	33%	1-2 Years	0%	80-99%	0%
3-4 Years	20%	3-5 Years	13%	100-139%	0%
5-9 Years	20%	5-9 Years	20%	140%+	0%
10+ Years	7%	10+ Years	67%		

Renter Housing Problems, 2001 (Renter Survey)	Moved in the Past 12 Months	No Year Round Lease	Pay 35% or More of HH Income for Rent	Overcrowding: 2.0 or More Persons per Bedroom	Affected by Affordable Housing Shortage
All Renters	20%	40%	20%	60%	93%
By Age of Householder					
<35	Response rate not statistically meaningful				
35-44	Response rate not statistically meaningful				
45-54	Response rate not statistically meaningful				
55+	Response rate not statistically meaningful				
By Household Income					
<80% of Median	Response rate not statistically meaningful				
80-99%	Response rate not statistically meaningful				
100-139%	Response rate not statistically meaningful				
140% or More	Response rate not statistically meaningful				
By Length of Residence on Martha's Vineyard					
< 1 Year	Response rate not statistically meaningful				
1-2 Years	Response rate not statistically meaningful				
3-4 Years	Response rate not statistically meaningful				
5+ Years	Response rate not statistically meaningful				
By Presence of Children					
No Children Present	Response rate not statistically meaningful				
Two Parents w/ Child(ren)	Response rate not statistically meaningful				
Single Parent w/ Child(ren)	Response rate not statistically meaningful				

Estimate of Affordable Housing Need

Rental Housing	Total Renter HHs	Experiencing Serious Problems/1	%	Experiencing Critical Problems/2	%
<80% of Median	33	16	48%	12	36%
80-99% of Median	12	4	33%	0	0%
100-139% of Median	30	8	27%	2	7%
>140% of Median	20	6	30%	0	0%
TOTAL	95	34	36%	14	15%

1/ Experiencing at least two housing problem listed above.

2/ Paying more than 35% of rent and lacking year round housing.

Rental Housing Needed to Address Critical Problems	Below Market	Market	Below Market Rents (mo.)	Market Rents (mo.)
1 Bdrm	2	1	\$450- \$470	Up to \$800
2 Bdrm	8	1	\$625- \$750	Up to \$1,000
3+ Bdrm	2	0	\$750- \$900	Up to \$1,200
TOTAL	12	2		

First-time Homeownership for Long-term Island Residents	Price Range	Qualified Renters w/ 5+ Years On Island	Qualified Renters w/ 10+ Years On Island	% Served by Market	Five-year Residents Needing Help to Buy	Ten-year Residents Needing Help to Buy
Income Range						
\$40,000- \$49,999	\$150,000- \$179,999	13	13	0%	13	13
\$50,000-\$59,999	\$180,000-\$224,999	19	19	0%	19	19
\$60,000- \$74,999	\$225,000-\$299,999	13	13	0%	13	13
TOTAL		45	45	0%	45	45

1/ 30 year amortization @ 6.75% interest with 20% down payment.

NOTE: Chilmark's overall response to the survey was not statistically significant. These results are of only limited value.

DEMOGRAPHIC SUMMARY — EDGARTOWN

Population *(US Census, MISER, adjusted by consultant)*

	Persons	Change from Previous
1980	2204	
1990	3062	39%
2000	3779	23%
2010 <i>(Adjusted Projection)</i>	5538	47%

Age Distribution *(US Census, MISER, adjusted by consultant)*

Years	1990	2000	2010 Projected	% Change 90-10
0 to 4	219	220	289	32%
5 to 19	529	689	833	57%
20 to 34	688	594	982	43%
35 to 54	958	1412	1753	83%
55 to 74	505	668	1412	180%
75+	163	196	269	65%
TOTAL	3062	3779	5538	81%

Median Household Income *(U.S. Census, CACI, Inc., Renter Survey)*

	1990 Households	2000 Households	% Change Hhs	1990 Income	2000 Income	% Change Income
Renter Households	371	435	17%	\$26,200	\$36,000	37%
Owner Households	926	1147	24%	\$39,300	\$58,950	50%
All Households	1297	1582	22%	\$36,300	\$53,800	48%

Local Jobs *(MA Division of Employment & Training)*

	1990	1995	1999	Change 90-99
Trade	571	526	635	11.2%
Services	202	528	536	165.3%
Government	295	240	245	-16.9%
Construction	94	105	153	62.8%
Fin., Insur. & Real Estate	106	115	136	28.3%
Trans., Comm., Pub. Util.	76	29	50	-34.2%
Agr/ Fish/ For	60	68	95	58.3%
Manufacturing	47	52	51	8.5%
TOTAL	1451	1663	1901	31.0%
Average Wage	\$17,865	\$21,028	\$26,180	46.5%

Resident Employment *(MA Division of Employment & Training)*

Annual Average	1990	1995	2000	Change 90-00
Labor Force	2150	2485	2671	24.2%
Employment	2014	2304	2581	28.2%
Unemployment	136	181	90	-33.8%
Rate	6.3%	7.3%	3.4%	-46.7%

Summary of Housing Change 1990-2000 *(US Census)*

Housing Units	Numerical Change	% Change
Ownership (yr.-round)	219	24%
Rental (yr.-round)	64	17%
Seasonal	1136	75%
Vacant	-124	-46%
TOTAL	1295	42%

Housing Value *(US Census, Banker & Tradesman, LINK)*

	Median Value (90) Median Sales \$	Change from Previous
1990	\$213,600	
2000	\$468,000	119%
2001 (-10/10)	\$450,000	-4%

Single-family Home Sales *(Banker & Tradesman, LINK)*

	2000	2001 (-10/10)
Transactions	116	91
Median Sales \$	\$468,000	\$450,000
Over \$1 million	16	12
Under \$200,000	13	3
Under \$250,000	26	7

Median Gross Rent *(US Census, Renter Survey)*

	1990	2001	Change 90-01
Studio	\$400	\$640	60%
One Bedroom	\$515	\$825	60%
Two Bedrooms	\$773	\$1,040	35%
Three Bedrooms	\$810	\$1,000	23%

Renter Profile, 2001 *(Renter Survey)*

Edgartown's response (97 of 435 renter HHs) represents a 22% response rate.

<i>Persons per Household</i>		<i>Household Income</i>		<i>Presence of Children</i>	
One	22%	<80%	51%	No children	71%
Two	26%	80-99%	17%	Pre-School	16%
Three	22%	100-139%	16%	School Age	24%
Four or More	31%	140%+	17%	18+	5%

** Exceeds 100% due to mixed age in same HH.*

<i>At Current Address</i>		<i>Years on Vineyard</i>		<i>Single Parents by Income</i>	
< One Year	40%	< One Year	12%	<80%	80%
1-2 Years	17%	1-2 Years	5%	80-99%	0%
3-4 Years	32%	3-5 Years	14%	100-139%	20%
5-9 Years	4%	5-9 Years	20%	140%+	0%
10+ Years	6%	10+ Years	47%		

Renter Housing Problems, 2001 *(Renter Survey)*

	<i>Moved in the Past 12 Months</i>	<i>No Year- round Lease</i>	<i>Pay 35% or More of HH Income for Rent</i>	<i>Overcrowding: 2.0 or More Persons per Bedroom</i>	<i>Affected by Affordable Housing Shortage</i>
All Renters	40%	41%	32%	25%	80%
<i>By Age of Householder</i>					
<35	48%	48%	22%	30%	91%
35-44	42%	39%	26%	32%	74%
45-54	42%	26%	63%	5%	84%
55+	18%	55%	18%	27%	73%
<i>By Household Income</i>					
<80% of Median	50%	60%	60%	20%	85%
80-99%	23%	31%	15%	31%	85%
100-139%	18%	27%	9%	45%	64%
140% or More	60%	47%	0%	27%	73%
<i>By Length of Residence on Martha's Vineyard</i>					
< 1 Year	100%	33%	67%	0%	100%
1-2 Years	75%	25%	50%	38%	75%
3-4 Years	58%	42%	33%	25%	83%
5+ Years	29%	44%	27%	24%	79%
<i>By Presence of Children</i>					
No Children Present	49%	47%	29%	24%	78%
Two Parents w/ Child(ren)	28%	20%	32%	32%	84%
Single Parent w/ Child(ren)	25%	75%	50%	13%	88%

Estimate of Affordable Housing Need

<i>Rental Housing</i>	<i>Total Renter HHs</i>	<i>Experiencing Serious Problems/1</i>	<i>%</i>	<i>Experiencing Critical Problems/2</i>	<i>%</i>
<80% of Median	220	120	55%	48	22%
80-99% of Median	72	28	39%	10	14%
100-139% of Median	60	16	27%	4	7%
>140% of Median	83	12	14%	0	0%
TOTAL	435	176	40%	62	14%

1/ Experiencing at least two housing problem listed above.

2/ Paying more than 35% of rent and lacking year round housing.

Rental Housing Needed to Address Critical Problems

	<i>Below Market</i>	<i>Market</i>	<i>Below Market Rents (mo.)</i>	<i>Market Rents (mo.)</i>
1 Bdrm	20	6	\$450- \$470	Up to \$800
2 Bdrm	16	4	\$625- \$750	Up to \$1,000
3+ Bdrm	12	4	\$750- \$900	Up to \$1,200
TOTAL	48	14		

First-time Homeownership for Long-term Island Residents

<i>Income Range</i>	<i>Price Range</i>	<i>Qualified Renters w/ 5+ Years On Island</i>	<i>Qualified Renters w/ 10+ Years On Island</i>	<i>% Served by Market</i>	<i>Five-year Residents Needing Help to Buy</i>	<i>Ten-year Residents Needing Help to Buy</i>
\$40,000- \$49,999	\$150,000- \$179,999	18	9	0%	18	9
\$50,000-\$59,999	\$180,000-\$224,999	18	18	5%	17	17
\$60,000- \$74,999	\$225,000-\$299,999	45	27	25%	33	21
TOTAL		81	54	16%	68	47

1/ 30 year amortization @ 6.75% interest with 20% down payment.

DEMOGRAPHIC SUMMARY — OAK BLUFFS

Population (US Census, MISER)

	<i>Persons</i>	<i>Change from Previous</i>
1980	1984	
1990	2804	41%
2000	3719	33%
2010 (Projected)	5195	40%

Age Distribution (US Census, MISER)

<i>Years</i>	<i>1990</i>	<i>2000</i>	<i>2010 Projected</i>	<i>% Change 90-10</i>
0 to 4	201	219	237	18%
5 to 19	457	694	726	59%
20 to 34	636	636	897	41%
35 to 54	745	1322	1998	168%
55 to 74	538	579	1037	93%
75+	227	269	300	32%
TOTAL	2804	3719	5195	85%

Median Household Income (U.S. Census, CACI, Inc., Renter Survey)

	<i>1990 Households</i>	<i>2000 Households</i>	<i>% Change HHs</i>	<i>1990 Income</i>	<i>2000 Income</i>	<i>% Change Income</i>
Renter Households	293	381	30%	\$25,200	\$40,000	59%
Owner Households	928	1209	30%	\$34,800	\$58,700	69%
All Households	1221	1590	30%	\$31,100	\$50,400	62%

Local Jobs (MA Division of Employment & Training)

	1990	1995	1999	Change 90-99
Trade	310	445	511	64.8%
Services	428	774	806	88.3%
Government	299	385	399	33.4%
Construction	56	29	50	-10.7%
Fin., Insur. & Real Estate	34	17	25	-26.5%
Trans., Comm., Pub. Util.	40	25	30	-25.0%
Agr/ Fish/ For	7	11	3	-57.1%
Manufacturing	36	14	16	-55.6%
TOTAL	1210	1700	1840	52.1%
Average Wage	\$19,678	\$21,449	\$26,341	33.9%

Resident Employment (MA Division of Employment & Training)

Annual Average	1990	1995	2000	Change 90-00
Labor Force	1759	1963	2087	18.6%
Employment	1680	1865	2027	20.7%
Unemployment	79	98	60	-24.1%
Rate	4.5%	5.0%	2.9%	-36.0%

Summary of Housing Change 1990-2000 (US Census)

Housing Units	Numerical Change	% Change
Ownership (yr.-round)	281	25%
Rental (yr.-round)	88	23%
Seasonal	582	27%
Vacant	-303	-78%
TOTAL	648	17%

Housing Value (US Census, Banker & Tradesman, LINK)

	Median Value (90) Median Sales \$	Change from Previous
1990	\$167,900	
2000	\$276,000	64%
2001 (-10/10)	\$278,250	1%

Single-family Home Sales (Banker & Tradesman, LINK)

	2000	2001 (-10/10)
Transactions	113	72
Median Sales \$	\$276,000	\$278,250
Over \$1 million	4	2
Under \$200,000	7	5
Under \$250,000	28	24

Median Gross Rent (US Census, Renter Survey)

	1990	2001	Change 90-01
Studio	\$550	\$625	14%
One Bedroom	\$585	\$800	37%
Two Bedrooms	\$652	\$975	50%
Three Bedrooms	\$875	\$1,128	29%

Renter Profile, 2001 (Renter Survey)

Oak Bluff's response (98 of 481 renter HHs) represents a 26% response rate.

Persons per Household		Household Income		Presence of Children	
One	18%	<80%	50%	No children	75%
Two	41%	80-99%	15%	Pre-School	10%
Three	20%	100-139%	17%	School Age	20%
Four or More	20%	140%+	17%	18+	1%

* Exceeds 100% due to mixed age in same HH.

At Current Address		Years on Vineyard		Single Parents by Income	
< One Year	39%	< One Year	12%	<80%	91%
1-2 Years	20%	1-2 Years	11%	80-99%	0%
3-4 Years	20%	3-5 Years	9%	100-139%	9%
5-9 Years	10%	5-9 Years	26%	140%+	0%
10+ Years	11%	10+ Years	44%		

Renter Housing Problems, 2001 (Renter Survey)	<i>Moved in the Past 12 Months</i>	<i>No Year Round Lease</i>	<i>Pay 35% or More of HH Income for Rent</i>	<i>Overcrowding: 2.0 or More Persons per Bedroom</i>	<i>Affected by Affordable Housing Shortage</i>
All Renters	37%	40%	33%	28%	89%
By Age of Householder					
<35	70%	59%	37%	41%	89%
35-44	23%	32%	32%	14%	100%
45-54	40%	50%	40%	20%	95%
55+	31%	46%	38%	8%	62%
By Household Income					
<80% of Median	35%	46%	59%	24%	93%
80-99%	65%	24%	18%	35%	76%
100-139%	50%	33%	0%	42%	92%
140% or More	18%	59%	0%	29%	88%
By Length of Residence on Martha's Vineyard					
< 1 Year	100%	40%	40%	60%	80%
1-2 Years	54%	54%	15%	31%	69%
3-4 Years	75%	38%	13%	13%	75%
5+ Years	21%	40%	37%	25%	90%
By Presence of Children					
No Children Present	40%	43%	29%	27%	91%
Two Parents w/ Child(ren)	31%	38%	38%	25%	100%
Single Parent w/ Child(ren)	43%	43%	57%	57%	100%
Estimate of Affordable Housing Need					

Estimate of Affordable Housing Need

Rental Housing	<i>Total Renter HHs</i>	<i>Experiencing Serious Problems/1</i>	<i>%</i>	<i>Experiencing Critical Problems/2</i>	<i>%</i>
<80% of Median	240	152	63%	48	20%
80-99% of Median	88	28	32%	9	10%
100-139% of Median	64	17	27%	3	5%
>140% of Median	89	16	18%	0	0%
TOTAL	481	213	44%	60	12%

1/ Experiencing at least two housing problem listed above.

2/ Paying more than 35% of rent and lacking year round housing.

Rental Housing Needed to Address Critical Problems	<i>Below Market</i>	<i>Market</i>	<i>Below Market Rents (mo.)</i>	<i>Market Rents (mo.)</i>
1 Bdrm	12	3	\$450- \$470	Up to \$800
2 Bdrm	18	5	\$625- \$750	Up to \$1,000
3+ Bdrm	18	4	\$750- \$900	Up to \$1,200
TOTAL	48	12		

First-time Homeownership for Long-term Island Residents	<i>Price Range</i>	<i>Qualified Renters w/ 5+ Years On Island</i>	<i>Qualified Renters w/ 10+ Years On Island</i>	<i>% Served by Market</i>	<i>Five-year Residents Needing Help to Buy</i>	<i>Ten-year Residents Needing Help to Buy</i>
Income Range						
\$40,000- \$49,999	\$150,000- \$179,999	50	27	5%	48	25
\$50,000-\$59,999	\$180,000-\$224,999	15	8	20%	12	6
\$60,000- \$74,999	\$225,000-\$299,999	40	23	60%	16	9
TOTAL		105	58	28%	76	40

1/ 30 year amortization @ 6.75% interest with 20% down payment.

DEMOGRAPHIC SUMMARY — TISBURY

Population *(US Census, MISER)*

	Persons	Change from Previous
1980	2972	
1990	3120	5%
2000	3755	20%
2010 <i>(Adjusted Projection)</i>	4183	11%

Age Distribution *(US Census, MISER, adjusted by consultant)*

Years	1990	2000	2010 Projected	% Change 90-10
0 to 4	213	187	203	-5%
5 to 19	570	679	751	32%
20 to 34	598	562	685	15%
35 to 54	868	1309	1027	18%
55 to 74	638	663	1227	92%
75+	233	355	290	24%
TOTAL	3120	3755	4183	34%

Median Household Income *(U.S. Census, CACI, Inc., Renter Survey)*

	1990 Households	2000 Households	% Change Hhs	1990 Income	2000 Income	% Change Income
Renter Households	500	585	17%	\$18,400	\$32,000	74%
Owner Households	882	1061	20%	\$33,400	\$50,400	51%
All Households	1382	1646	19%	\$28,300	\$43,900	55%

Local Jobs *(MA Division of Employment & Training)*

	1990	1995	1999	Change 90-99
Trade	653	794	993	52.1%
Services	432	309	440	1.9%
Government	170	215	246	44.7%
Construction	175	152	187	6.9%
Fin., Insur. & Real Estate	160	115	120	-25.0%
Trans., Comm., Pub. Util.	312	209	214	-31.4%
Agr/ Fish/ For	19	38	31	63.2%
Manufacturing	50	43	24	-52.0%
TOTAL	1971	1875	2255	14.4%
Average Wage	\$20,224	\$23,634	\$27,914	38.0%

Resident Employment *(MA Division of Employment & Training)*

Annual Average	1990	1995	2000	Change 90-00
Labor Force	1963	2121	2249	14.6%
Employment	1844	1975	2145	16.3%
Unemployment	119	146	104	-12.6%
Rate	6.1%	6.9%	4.6%	-23.7%

Summary of Housing Change 1990-2000 *(US Census)*

Housing Units	Numerical Change	% Change
Ownership (yr.-round)	179	17%
Rental (yr.-round)	85	15%
Seasonal	241	25%
Vacant	-172	-61%
TOTAL	333	12%

Housing Value *(US Census, Banker & Tradesman, LINK)*

	Median Value (90) Median Sales \$	Change from Previous
1990	\$187,500	
2000	\$300,000	60%
2001 (-10/10)	\$352,500	18%

Single-family Home Sales (Banker & Tradesman, LINK)

	2000	2001 (-10/10)
Transactions	118	48
Median Sales \$	\$300,000	\$352,500
Over \$1 million	8	7
Under \$200,000	10	1
Under \$250,000	19	8

Median Gross Rent (US Census, Renter Survey)

	1990	2001	Change 90-01
Studio	n/a	\$625	
One Bedroom	\$435	\$750	72%
Two Bedrooms	\$571	\$1,028	80%
Three Bedrooms	\$755	\$975	29%

Renter Profile, 2001 (Renter Survey)

Tisbury's response (95 of 585 renter HHs) represents a 16% response rate.

Persons per Household		Household Income		Presence of Children	
One	31%	<80%	61%	No children	66%
Two	28%	80-99%	15%	Pre-School	14%
Three	26%	100-139%	12%	School Age	19%
Four or More	16%	140%+	12%	18+	1%

* Exceeds 100% due to mixed age in same HH.

At Current Address		Years on Vineyard		Single Parents by Income	
< One Year	34%	< One Year	8%	<80%	100%
1-2 Years	21%	1-2 Years	9%	80-99%	0%
3-4 Years	33%	3-5 Years	13%	100-139%	0%
5-9 Years	8%	5-9 Years	20%	140%+	0%
10+ Years	5%	10+ Years	49%		

Renter Housing Problems, 2001 (Renter Survey)

	Moved in the Past 12 Months	No Year Round Lease	Pay 35% or More of HH Income for Rent	Overcrowding: 2.0 or More Persons per Bedroom	Affected by Affordable Housing Shortage
All Renters	35%	39%	44%	19%	87%
By Age of Householder					
<35	70%	33%	44%	37%	89%
35-44	23%	42%	46%	27%	92%
45-54	14%	33%	52%	5%	90%
55+	38%	77%	54%	0/13	85%
By Household Income					
<80% of Median	36%	49%	70%	23%	94%
80-99%	60%	13%	33%	27%	87%
100-139%	13%	50%	0%	13%	100%
140% or More	18%	45%	0%	9%	73%
By Length of Residence on Martha's Vineyard					
< 1 Year	100%	67%	67%	25%	100%
1-2 Years	25%	0%	13%	13%	75%
3-4 Years	40%	30%	50%	10%	100%
5+ Years	23%	47%	43%	20%	83%
By Presence of Children					
No Children Present	38%	41%	37%	15%	82%
Two Parents w/ Child(ren)	22%	33%	56%	33%	100%
Single Parent w/ Child(ren)	33%	33%	78%	22%	100%

Estimate of Affordable Housing Need

<i>Rental Housing</i>	<i>Total Renter HHS</i>	<i>Experiencing Serious Problems/1</i>	<i>%</i>	<i>Experiencing Critical Problems/2</i>	<i>%</i>
<80% of Median	366	188	51%	56	15%
80-99% of Median	102	39	38%	8	8%
100-139% of Median	51	16	31%	2	4%
>140% of Median	64	12	18%	0	0%
No income reported	52	5	10%	0	0%
TOTAL	583	259	44%	66	11%

1/ Experiencing at least two housing problem listed above.

2/ Paying more than 35% of rent and lacking year round housing.

Rental Housing Needed to Address Critical Problems

	<i>Below Market</i>	<i>Market</i>	<i>Below Market Rents (mo.)</i>	<i>Market Rents (mo.)</i>
1 Bdrm	24	4	\$450- \$470	Up to \$800
2 Bdrm	24	4	\$625- \$750	Up to \$1,000
3+ Bdrm	8	2	\$750- \$900	Up to \$1,200
TOTAL	56	10		

First-time Homeownership for Long-term Island Residents

<i>Income Range</i>	<i>Price Range</i>	<i>Qualified Renters w/ 5+ Years On Island</i>	<i>Qualified Renters w/ 10+ Years On Island</i>	<i>% Served by Market</i>	<i>Five-year Residents Needing Help to Buy</i>	<i>Ten-year Residents Needing Help to Buy</i>
\$40,000- \$49,999	\$150,000- \$179,999	66	44	0%	66	44
\$50,000-\$59,999	\$180,000-\$224,999	18	18	5%	17	17
\$60,000- \$74,999	\$225,000-\$299,999	0	0	30%	0	0
TOTAL		84	62	1%	83	61

1/ 30 year amortization @ 6.75% interest with 20% down payment.

DEMOGRAPHIC SUMMARY — WEST TISBURY

Population (US Census, MISER)

	<i>Persons</i>	<i>Change from Previous</i>
1980	1010	
1990	1704	69%
2000	2467	45%
2010 (Adjusted Projection)	3280	33%

Age Distribution (US Census, MISER)

<i>Years</i>	<i>1990</i>	<i>2000</i>	<i>2010 Projected</i>	<i>% Change 90-10</i>
0 to 4	157	127	187	19%
5 to 19	341	545	385	13%
20 to 34	318	331	524	65%
35 to 54	589	994	910	54%
55 to 74	236	359	1083	359%
75+	63	111	191	203%
TOTAL	1704	2467	3280	92%

Median Household Income (U.S. Census, CACI, Inc., Renter Survey)

	<i>1990 Households</i>	<i>2000 Households</i>	<i>% Change HHS</i>	<i>1990 Income</i>	<i>2000 Income</i>	<i>% Change Income</i>
Renter Households	148	261	76%	\$23,550	\$35,500	51%
Owner Households	539	773	43%	\$37,200	\$57,900	56%
All Households	687	1034	51%	\$32,425	\$49,500	53%

Local Jobs (MA Division of Employment & Training)

	1990	1995	1999	% Change 90-99
Trade	54	79	137	153.7%
Services	14	37	58	314.3%
Government	97	131	144	48.5%
Construction	35	43	65	85.7%
Fin., Insur. & Real Estate	0	26	32	n/a
Trans., Comm., Pub. Util.	5	5	14	180.0%
Agr/ Fish/ For	11	20	74	572.7%
Manufacturing	5	5	0	-100.0%
TOTAL	221	346	524	137.1%
Average Wage	\$18,759	\$25,601	\$30,634	63.3%

Resident Employment (MA Division of Employment & Training)

	1990	1995	2000	Change 90-00
<i>Annual Average</i>				
Labor Force	1121	1418	1605	43.2%
Employment	1110	1386	1584	42.7%
Unemployment	11	32	21	90.9%
Rate	1.0%	2.3%	1.3%	33.3%

Summary of Housing Change 1990-2000 (US Census)

Housing Units	Numerical Change	% Change
Ownership (yr.-round)	234	30%
Rental (yr.-round)	113	43%
Seasonal	398	52%
Vacant	-209	-82%
TOTAL	536	29%

Housing Value (US Census, Banker & Tradesman, LINK)

	Median Value (90) Median Sales \$	Change from Previous
1990	\$229,800	
2000	\$360,000	57%
2001 (-10/10)	\$564,000	57%

Single-family Home Sales (Banker & Tradesman, LINK)

	2000	2001 (-10/10)
Transactions	50	18
Median Sales \$	\$360,000	\$564,000
Over \$1 million	4	5
Under \$200,000	5	0
Under \$250,000	9	0

Median Gross Rent (US Census, Renter Survey)

	1990	2001	Change 90-01
Studio	\$625	\$842	35%
One Bedroom	\$625	\$742	19%
Two Bedrooms	\$800	\$1,000	25%
Three Bedrooms	\$900	\$1,200	33%

Renter Profile, 2001 (Renter Survey)

West Tisbury's response (62 of 261 renter HHs) represents a 24% response rate.

Persons per Household		Household Income		Presence of Children	
One	27%	<80%	53%	No children	83%
Two	35%	80-99%	10%	Pre-School	8%
Three	19%	100-139%	13%	School Age	8%
Four or More	18%	140%+	23%	18+	2%

* Exceeds 100% due to mixed age in same HH.

At Current Address		Years on Vineyard		Single Parents by Income	
< One Year	52%	< One Year	10%	<80%	80%
1-2 Years	17%	1-2 Years	13%	80-99%	0%
3-5 Years	8%	3-5 Years	5%	100-139%	0%
5-9 Years	20%	5-9 Years	33%	140%+	20%
10+ Years	3%	10+ Years	38%		

Renter Housing Problems, 2001 (Renter Survey)	Moved in the Past 12 Months	No Year Round Lease	Pay 35% or More of HH Income for Rent	Overcrowding: 2.0 or More Persons per Bedroom	Affected by Affordable Housing Shortage
All Renters	50%	50%	33%	29%	91%
By Age of Householder					
<35	61%	39%	22%	33%	83%
35-44	59%	71%	24%	35%	100%
45-54	29%	43%	43%	14%	100%
55+	33%	0%	0%	33%	100%
By Household Income					
<80% of Median	44%	63%	56%	22%	89%
80-99%	63%	25%	0%	75%	100%
100-139%	67%	33%	17%	17%	100%
140% or More	17%	42%	0%	17%	92%
By Length of Residence on Martha's Vineyard					
< 1 Year	100%	33%	0%	67%	100%
1-2 Years	100%	33%	33%	33%	100%
3-5 Years	100%	67%	0%	67%	100%
5+ Years	38%	51%	33%	22%	89%
By Presence of Children					
No Children Present	50%	48%	25%	27%	88%
Two Parents w/ Child(ren)	0%	40%	40%	40%	80%
Single Parent w/ Child(ren)	67%	67%	67%	0%	100%
Estimate of Affordable Housing Need					

Estimate of Affordable Housing Need

Survey data extrapolated to include all 261 renter HHs in West Tisbury

	Total Renter HHs	Experiencing Serious Problems/1	%	Experiencing Critical Problems/2	%
<80% of Median	133	58	44%	20	15%
80-99% of Median	42	13	30%	1	2%
100-139% of Median	25	4	17%	1	4%
>140% of Median	50	8	17%	0	0%
No Income Reported	11	0	0%	0	0%
TOTAL	261	83	32%	22	8%

1/ Experiencing at least two housing problem listed above.

2/ Paying more than 35% of rent and lacking year round housing.

Rental Housing Needed to Address Critical Problems

	Below Market	Market	Below Market Rents (mo.)	Market Rents (mo.)
1 Bdrm	5	1	\$450- \$470	Up to \$800
2 Bdrm	10	1	\$625- \$750	Up to \$1,000
3+ Bdrm	5	0	\$750- \$900	Up to \$1,200
TOTAL	20	2		

First-time Homeownership for Long-term Island Residents

Income Range	Price Range	Qualified Renters w/ 5+ Years On Island	Qualified Renters w/ 10+ Years On Island	% Served by Market	Five-year Residents Needing Help to Buy	Ten-year Residents Needing Help to Buy
\$40,000- \$49,999	\$150,000- \$179,999	26	13	0%	26	13
\$50,000-\$59,999	\$180,000-\$224,999	4	4	0%	4	4
\$60,000- \$74,999	\$225,000-\$299,999	16	4	25%	12	3
TOTAL		46	21		42	20

1/ 30 year amortization @ 6.75% interest with 20% down payment.