

Highlights of the Martha's Vineyard Housing Needs Assessment



Resident families celebrate the opening of affordable housing at Eliakim's Way in West Tisbury.

IN A RECENT POLL, more than nine out of ten year-round residents named the cost of housing as their single most serious concern. What exactly is the scope of the housing problem on Martha's Vineyard? What has been accomplished, what resources does the Island have, and what should we do next?

To address these questions, the six Island towns and the Martha's Vineyard Commission commissioned the Martha's Vineyard Housing Needs Assessment to update and expand on information from a 2001 housing study, *Preserving Community*. The new comprehensive report by housing consultant Karen Sunnarborg was issued in June 2013.

The Housing Needs Assessment is organized into three parts:

Assessment of the Island's Housing Needs: A town-by-town and Island-wide analysis of demographic, economic, and housing characteristics and trends, and examination of market conditions and affordability.

Profile of the Island's Housing Providers: An assessment of past initiatives and the organizations behind them.

The Path Ahead: Recommendations for addressing the Island's most pressing housing needs.

The full 318-page report and 27-page Summary are available at your local library and can be downloaded from the MVC website: www.mvcommission.org (search for "Housing Needs Assessment").

Our Housing Needs

Demographic, Economic, and Housing Analysis

Martha's Vineyard's population is getting older as young families leave, and it includes a large number of low-income households.

- The population of the Vineyard nearly doubled in the 1970s, grew by about 30% in each of the two decades that followed, and growth slowed to about 10% in the first decade of this century. That growth, driven by baby boomers between 45 and 60 years of age, masks a decline in younger, working-age families and individuals. Both school enrollments and average household sizes have decreased.
- An increase in median household income from \$31,994 in 1990 to \$62,407 in 2010 was attributable in part to the departure of young families unable to make ends meet on lower wages here.
- With elderly residents on fixed incomes and younger wage-earners working in lower paying service-sector jobs, more than a quarter of all Vineyard households were earning less than \$35,000 in 2010. The numbers and percentages of people living in poverty on the Island have also been rising.

The housing affordability gap – the difference between median home costs and what a family can afford on a median income – is dauntingly large both for ownership and rental.

- The housing boom of the 1970s and 80s slowed in the last two decades, and more than two-thirds of all new housing produced from 1990 to 2010 was built for seasonal or occasional use. When houses built for year-round families during the boom years change hands, the buyers are most often seasonal residents who can afford current market rates. Demand for seasonal housing has pushed prices beyond the means of most year-round residents.
- The resulting affordability gap is dauntingly large. While the Island's average weekly wage was only 71% of the state average, the median home price was 54% above the state's. This translates into an affordability gap of \$225,000 in September of 2012, when the median home value on the Vineyard was \$535,000 but the average Islander could afford only \$310,000. This is the Vineyard's housing affordability problem in a nutshell.
- Island rents are similarly high: the median rent exceeded the state's by 17%. The study found that year-round rentals are largely beyond the reach of residents earning less than the median household income of \$62,407. Winter rentals might be more affordable, but individuals and families who rent these units risk becoming homeless during the summer.

Housing and Related Data	Aquinnah	Chilmark	Edgartown	Oak Bluffs	Tisbury	West Tisbury	Martha's Vineyard
Year-Round Population	311	866	4,067	4,527	3,949	2,740	16,460
Population over 65 (%)	9.3	23.0	15.3	17.5	16.7	14.1	14.0
Population at or below Poverty Level (%)	10.0	8.1	11.7	9.4	4.3	9.8	8.8
Housing Units (number)	503	1,606	5,220	4,346	3,094	2,204	16,973
Housing Units Occupied Year-Round (%)	29	25	34	46	58	54	43
Subsidized Housing Units - Total (number)	49	24	165	172	162	138	710
Affordable Housing Units (number)	41	3	89	146	109	23	411
Affordable Housing Units (% of year-round)	26.0	0.7	4.5	6.8	5.6	1.8	5.2
Total Area (square miles)	6.0	20.6	26.8	7.1	7.2	25.5	93.2
Assessed Property Values - Total (\$ millions)	754	3,262	7,093	2,762	2,745	2,553	19,169
Properties Assessed over \$1 million (%)	50%	53%	25%	7%	16%	21%	22%
Properties Assessed under \$600,000 (%)	12%	3%	35%	61%	47%	23%	39%
Businesses with Employees (number)	11	53	372	225	414	128	1,203
Average Annual Employment (number)	92	253	2,442	1,682	2,619	727	7,815
Median Household Income (\$)	57,500	72,917	67,625	59,156	58,551	91,389	62,407
Average Weekly Wage (\$)	766	727	798	731	891	848	875
Affordability Gap (\$)	352,500	440,000	306,388	94,000	155,000	344,000	225,000

Assets and Opportunities

Organizational Analysis

The Vineyard is fortunate to have an array of local and regional organizations working with Island towns to provide housing units and services, but they face growing challenges.

- The towns and Island housing organizations have built the Island's stock of affordable and community year-round housing to 710 units, nearly 9% of the total year-round housing. This is an impressive accomplishment, particularly considering the modest scale of most of these projects and programs.
- Housing developments on the Island have typically involved creative, collaborative approaches without much benefit from economies of scale. The vast majority of Island housing units are single-family detached homes, reflecting historic development patterns on the Vineyard. But given the high cost of land, limited economies of scale, and the need to preserve open space, such housing is an inefficient and costly way to produce housing that is affordable. Rezoning and infrastructure development, especially wastewater treatment, are critical to maximizing the efficient use of land.

- With cutbacks in state and federal housing money and without the Island Affordable Housing Fund, Vineyard housing organizations are working now in a context of diminishing resources and increasing need for housing as well as for health and human services to support the community.



Noyes building in downtown Oak Bluffs, reinvented as a pharmacy and three affordable apartments. (Ivy Ashe/Vineyard Gazette)

Housing Who's Who

- Each of the six towns has its own affordable housing committee, and these have created many affordable and community housing projects. Each town participates in the Community Preservation Act, providing vital funds for housing initiatives. Five towns adopted Municipal Affordable Housing Trust Funds, allowing them to accept donations of land and money for housing.
- The Dukes County Regional Housing Authority, funded by all six towns, owns or manages 71 rental units, runs a rental assistance program, and provides a wide range of housing support services to the Island.
- The Martha's Vineyard Commission, the Island's regional planning agency, provides planning expertise and technical assistance. Its review of Developments of Regional Impact (DRI) resulted in applicants providing millions of dollars

in monetary mitigation and more than 40 house lots for community housing.

- Island Elderly Housing provides 165 rental units for very low income seniors and non-elderly disabled, subsidized through HUD and USDA.
- The Island Housing Trust – a mixed-income housing development, community land trust and community development corporation – owns 52 permanently affordable units.
- Habitat for Humanity of Martha's Vineyard has created 11 affordable homes.
- The Aquinnah Wampanoag Tribal Housing Authority manages 33 units of rental housing for members of the federally-recognized Tribe.
- The Island Affordable Housing Fund raised nearly \$1 million per year for housing efforts over a decade before its demise in 2009. The loss of IAHF leaves a huge gap in fundraising for housing.

The Path Ahead

Recommendations to Address Priority Housing Needs

The 2013 Housing Needs Assessment recommends that 80% of all new affordable housing on the Vineyard be rentals and 20% be home ownership opportunities, with a goal of creating 50 new affordable housing units per year.

- The study calls for a new focus on helping families, the mainstay of any community, and for extending aid to Islanders in the lowest income tiers – those earning 60% or less of the median income (largely the elderly on fixed incomes), including the homeless.
- The study recognizes that the goal of creating 50 new affordable housing units per year may be ambitious at first, recommending that until new permanent sources of funding are secured, it is more realistic to project a goal of about 30 units per year.
- Creating 50 new units – 40 rentals and 10 ownership opportunities – would cost about \$10 million each year, a substantial portion of which could be covered by state or federal financing.

The Housing Needs study recommends focusing the housing agenda on the following key elements:

1) Identify development opportunities that provide some greater scale and density in appropriate locations.

Continue to respond to development opportunities as they arise, but seek out properties that lend themselves to greater density and economies of scale.

2) Adopt zoning and regulatory changes that will better utilize existing developable property in a “smarter” way and include affordable housing.

Pursue zoning changes such as allowing multi-unit housing in new buildings and existing housing, and the development of smaller, nonconforming lots for affordable housing.

3) Access new and expanded housing resources to produce housing that best meets housing needs and production goals.

Renew the campaign to create a Housing Bank, modeled on the Island’s successful Land Bank, based on a surcharge on real estate sales over a certain amount. Consider an occupancy tax on seasonal rentals that would support affordable housing development. Create a new nonprofit organization reaching out to private donors for support in battling what year-round Island residents have identified as this community’s most critical problem.

Finally, the Housing Needs Assessment identifies the need for leadership, community education, as well as local and Island-wide partnerships to move forward in creating affordable and community housing, so important to the economic well-being and preservation of the Island as a diverse, vibrant community.



Morgan Woods created 60 new mixed-use rental units in Edgartown.

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