

Workforce Housing Survey Results September 2015

Executive Summary

The IHT Workforce Housing Survey of 818 Martha's Vineyard Chamber of Commerce members had a response rate of 6.6%. Respondents employ a total of 633 seasonal and 466 year round workers. The survey confirmed the lack of affordable housing as a problem and revealed significant impact on the business community. Major findings of the survey were:

The Need

- 90% of respondents report that employees have trouble finding housing.
- The primary issues are the cost and supply of rental housing.
- The greatest need is individuals, followed by couples, families and college students.
- 18% of respondents have employees who commute from off-island

The Impact on the Business Community

- Business approaches to addressing the housing shortage include:
 - Providing year-round housing (7 respondents; total cost \$101,450 per month)
 - Providing seasonal housing (9 respondents; \$491,880 per month)
 - Providing short-term housing for their employees
 - Finding housing for their employees
 - Subsidizing the cost of employee housing
 - Paying higher wages
 - Limiting months of operation

Receptivity of Business Community to Affordable Housing Initiatives

The respondents expressed willingness to advocate for town-specific workforce housing projects and for town zoning changes, to explore the feasibility of joint-use dormitories, to contribute to a fund to build or subsidize workforce housing and to donate 1% of sales to fund affordable housing. In addition, 22 respondents reported a total of 105 owned or rented units that could be released into the year-round housing market if dormitory-style housing were available for seasonal workers.

Next Steps for the IHT

- Conducting a feasibility study for dormitory style housing
- Launching the Partnership for Workforce Housing with local businesses
- Exploring steady funding sources e.g. making vacation rentals subject to the room occupancy tax
- Proposing zoning changes, e.g. expansion of the accessory apartment concept
- Conducting workforce housing surveys in the public school and real estate sectors
- Helping small business owners and employees cooperate on sharing rentals
- Investigating incentives for landlords to rent affordably.

Survey details available at www.ihtmv.org



Discussion

Background & Survey Objectives

In March of 2015, business owners and leaders from 20 Island businesses attended a gathering organized by the IHT and JB Blau at Copper Wok restaurant in Vineyard Haven. The purpose of this meeting was to learn more about current housing situations from employers. We listened to their needs to inform our work and to figure out ways we can collaborate with businesses to create more Workforce Housing.

From that gathering, it was clear that we needed more quantitative data. We created a Workforce Housing Survey that was sent out via email through Survey Monkey. The objectives of the survey were to gather information about the current state of Workforce Housing on the island, to identify what business owners see as the greatest barriers to finding affordable, stable housing for their staff, and to recognize the impact that a lack of workforce housing has on our economy. We planned to use the survey results to enlighten us and the community about where the greatest need lies for workforce housing, and to inform future projects.

Methodology, Participants & Data Collected

The Workforce Housing Survey was distributed to all members of the Martha's Vineyard Chamber of Commerce, which has 818 total members.

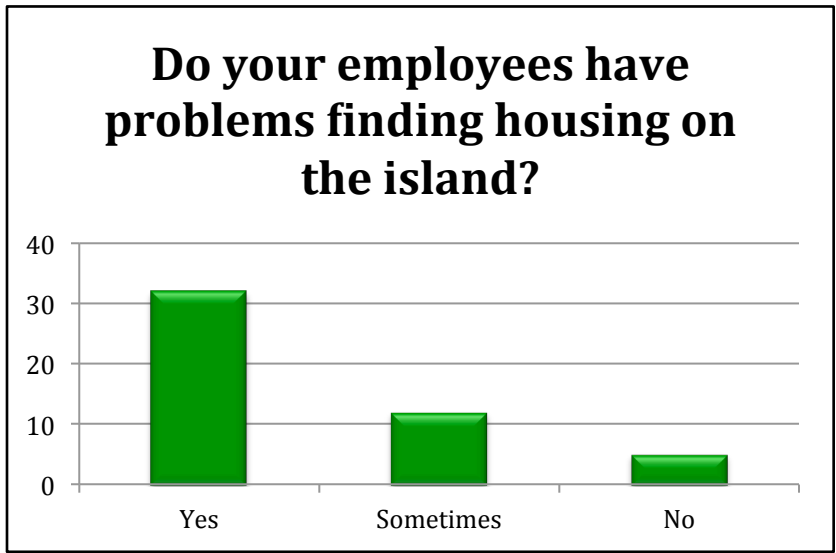
Responses were collected over a 3-week period. We received 54 responses to the survey, from businesses across approximately 20 industries, a 6.6% response rate. Despite a small response rate, the responses are consistent from what we heard at the business gathering at Copper Wok.

Respondents ranged from owners of small to large businesses, and in some cases were filled out by employees that worked for larger organizations. All were island-based local businesses. Data collected was both quantitative and qualitative.

Results

Current situation

With over 650 people on the waitlist for rental and homeownership housing at the Dukes County Regional Housing Authority, we assumed that people were having trouble finding housing for their workers, both seasonal and year-round. The data confirmed this assumption, with 90% of survey respondents reporting that their employees have trouble finding housing, either all the time or sometimes.

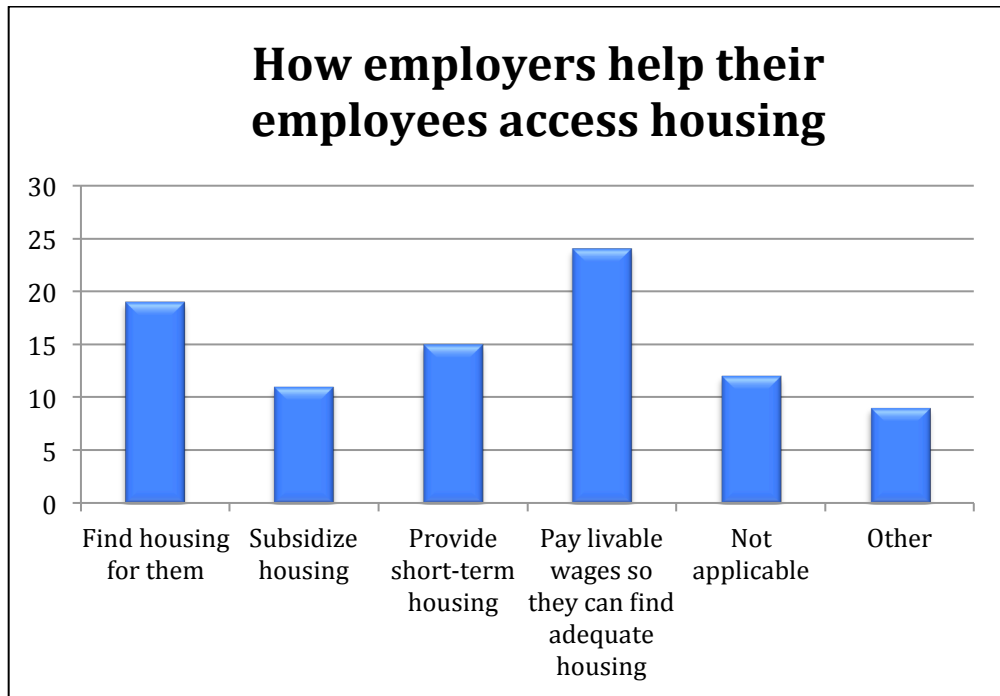


To find out more, we wanted to first assess the current situation. Survey respondents represented a total of 633 summer employees and 466 year-round employees. Of those, 18% of businesses have employees that commute from off-island, with another 8% reporting that they have had employees commute in the past. Most employees commute from the Falmouth area, but there

were reports of employees commuting from other parts of Southeastern Massachusetts (Wareham & Centerville), and from as far as Rhode Island and Maine.

Respondents reported that the greatest need is for housing for individuals. Employees on J1 Visas are the second largest group needing housing, followed by couples, families & college students, respectively.

Forty-eight percent of respondents report paying livable wages so their employees can find adequate housing; 38% find housing for their employees; 30% provide short-term housing; and 22% subsidize housing for their employees. Two employers noted that they have housed employees in their own homes because they couldn't find housing. Other employers help their employees with networking and give them recommendations on housing, but even with local connections employers sometimes have trouble finding anything. One employer said they rent a house and then sublet rooms to seasonal employees. Another said that although they try and pay livable wages, it's really only management who can afford to rent houses on their salary- other staff must work more than one job to pay for housing.



If an employer is successful in locating and securing housing, doing so comes at a cost. 7 respondents reported that they provide year-round housing, and 9 reported that they provide seasonal housing to employees, spending a total of \$101,450 per month for year-round housing and \$491,880 per month for seasonal housing.

Where does this housing shortage come from? When asked about the greatest barriers to overcome when finding employee housing, cost of rental housing and supply of available housing led the pack. They were followed by adequacy/safety of available housing. Cost of ownership housing was the least mentioned barrier.

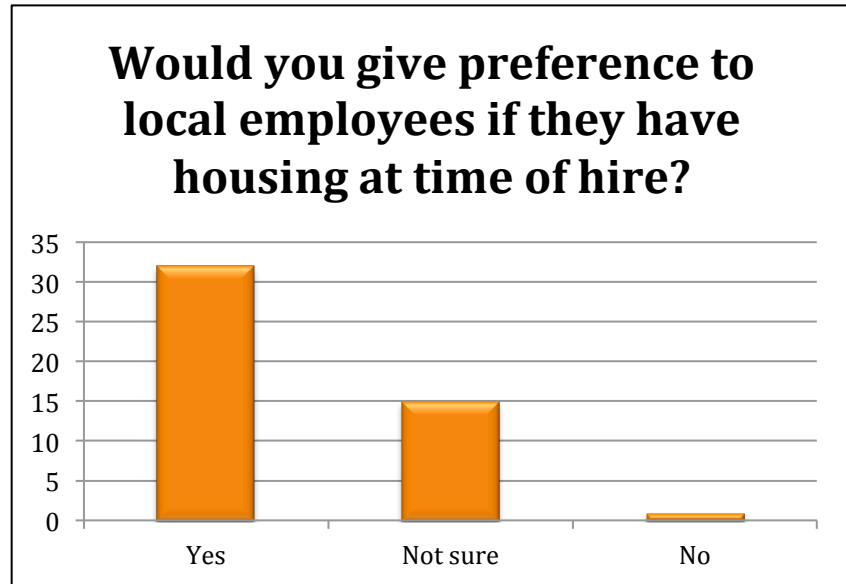
Economic Consequences

The data collected gives us a glimpse into the importance of housing to the Island’s economy as a whole. Three businesses responded that they are currently limiting their months of operations due to a lack of supply of year-round workers. In this case, it’s important to remember that we had a 6.6% response rate. If we extrapolate this data to all members of the Chamber of Commerce, we could conclude that 45 businesses would stay open for more months or possibly year-round, if there was an adequate supply of workers.

Sixty-seven percent of respondents said they would give preference to local employees if they already had housing at the time of hire. This suggests that with more stable housing, there would be more jobs for local residents, and that residents who secure housing might have an easier time securing work.

Some employers, in an effort to ensure that they have housing for seasonal staff, rent a house year-round, filling it with staff for the summer, and then leave the house empty in the winter. Twenty-two percent of employers said they own or rent property they would no longer need if affordable seasonal units in a “dormitory” environment were readily available to their staff. This 22% represents 105 units that would be available to

the year-round rental and ownership markets if dormitory housing were available for seasonal staff. That’s a significant number on its own, but again, if we extrapolate to the full list of businesses, we could project that over 1,500 units of housing might become available in the year-round market if dormitory housing were available for seasonal workers. This number may be high, but we can safely assume that around 200 units might become available.



Employers Are Willing to Do More

Employers are taking action, but there is more they are willing to do. Seventy-eight percent of respondents are willing to advocate for town support of town-specific workforce housing projects; 60% of respondents are willing to advocate for town zoning changes; 51% said they would explore feasibility of joint dormitories; 24% said they would contribute to a housing fund that would help build or subsidize workforce housing; and 4% said they would donate 1 percent of their sales to fund affordable housing projects.

Recommendations

Throughout our initial work talking with businesses and collecting survey data, we’ve heard stories about summer workers arriving to find their living situation actually entailed sharing a basement apartment with 15 other people. We’ve heard from employers that this is the worst the housing shortage has ever been. We’ve heard that people are losing year-round staff. This is a huge problem, and in order to create large-scale solutions we need the help and support of the entire community.



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From the data, IHT has mapped out some next steps for our organization and the community at large.

Feasibility Study for Dormitory Style Housing

It's apparent from the data that there is a need for dormitory housing for seasonal workers. The question then becomes if it is feasible to create this type of housing. The first step is to conduct a feasibility study that looks at the possibility of constructing and managing seasonal dormitory housing. This includes answering the questions of what dormitory housing would look like, where it could go, who it would be managed by, who would get housing preference, and how it would be funded.

Partnership for Workforce Housing

With the help of a local business owner, we have started the Partnership for Workforce Housing. This business owner is adding a 1% fee onto all of his invoices and having customers voluntarily opt to pay the fee. He will then donate that 1% plus another 1% matched by him personally to the IHT. We will be inviting other businesses to join us in this effort to raise funds for building a higher volume of affordable workforce housing.

Occupancy/Rooms Tax

A bill that's making its way through the MA State Senate would amend the current Room Occupancy Tax ([MGL C. 64G](#)) to include vacation rentals, a unit rented for 90 consecutive days or less. If passed and adopted locally, this tax could add over \$4 million in annual revenues on the island. Our hope is that 50% or more of the revenue would be dedicated to affordable housing.

Zoning Changes

In West Tisbury, the Accessory Apartment program allows homeowners to put an apartment on their property to be rented affordably. If the business community advocates for a similar bylaw in the other Island towns, and the towns vote in this program, we will have another tool to increase the number of affordable rental units on the market.

Real Estate and School Surveys

We received feedback that surveys directed to employees in the public school system and to the real estate community could provide valuable information. We will work with the superintendent of schools and a real estate contact to create and distribute these surveys.

Small Business Collaboration

If large-scale dormitory housing isn't a short-term reality, small business owners and employers can band together to share rental units for themselves and their employees. We've heard stories from business owners who are struggling with their own housing situations.



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Incentives for Affordable Rentals

We will investigate ways to create incentives for owners of rental housing and apartments to rent affordably.

Conclusion

We appreciate the feedback that we have received from survey participants and will continue to collaborate with Island business owners to increase workforce housing on the Island.



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Appendix A: Complete list of questions

1. How many employees do you hire/employ?

Summer positions

Year-round positions

2. Do you have employees that commute to work from off-island?

Yes

No

Not currently, but I have in the past

If yes, where do they commute from?

3. Do your employees have problems finding housing on the island?

Yes

No

Sometimes

4. Which employees are usually most in need of housing? (Check ALL that apply)

Individuals

Couples

Families

College Students

J1 Visa Employees Exchange Students Other (please specify)

5. What do you see as the greatest barriers to overcome when finding employee housing? Please rank in order of importance with "1" being the greatest barrier.

Cost of ownership housing

Cost of rental housing

Adequacy/safety of available housing

Supply of available housing

6. Do you help employees access housing? In what ways? (Check ALL that apply)

Find housing for them

Subsidize housing

Provide short-term housing

Pay livable wages so they can find adequate housing

N/A

Other (please specify)

7. If you provide employee housing, how much are you paying per month to house year-round and seasonal employees?

Year-round

Seasonal



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8. Do you own or rent property that would no longer be needed if affordable seasonal units in a "dormitory" environment were readily available to your staff?

Yes No

If yes, how many bedrooms could be released into the year-round housing market?

9. Are you currently restricting your months of operation due to the supply of year-round workers?

Yes No

10. Would you give preference to local employees if they already had housing at time of hire?

Yes No Not sure

11. What are you willing to do to help your employees access housing? (Check ALL that apply)

- Contribute to a housing fund that would help build or subsidize workforce housing
- Explore feasibility of joint dormitories
- Advocate for town support of town-specific workforce housing projects
- Advocate for town zoning changes
- Donate 1% of your sales to fund affordable housing projects
- Other (please specify)

12. Do you have any other thoughts or comments to share with us regarding affordable workforce housing on Martha's Vineyard?

13. Please provide your contact information

Name
Company
City/Town
Email Address
Phone Number