



# ISLAND HOUSING TRUST

## FREQUENTLY ASK QUESTIONS

### **How many year-round island residents are in need of housing?**

There are nearly 1000 island residents on our waitlist, including 400 children, who do the island shuffle year after year & spend more than half of what they earn on housing. Many of these year-round resident's struggle with the imbalance between the Island's housing costs and wages. Martha's Vineyard's high home prices (85% above the statewide median) high rents (at least 30% over the statewide median) and low wages (27% below the statewide average) create significant social and economic problems for our island community.

### **How does the lack of affordable housing impact our island economy?**

The lack of decent, stable, affordable housing results in the loss of our workforce and year-round residents. Many young families and professionals are moving off island and over 2,000 people each day commute to the island to work, taking their wages and spending power with them to their home communities. Employers cannot run their businesses because they can't hire staff. Critical care services such as fire, police and hospital workers cannot afford to work here because they don't have a place to live. We are losing the rich fabric of our island and the community we all love so much.

### **What does the Island Housing Trust do?**

The Island Housing Trust (IHT) is the leading non-profit developer of year-round affordable rental and ownership homes on Martha's Vineyard. Over half of the IHT's work repurposes existing structures and 35% of the land IHT owns is in conservation.

### **What has IHT accomplished since its founding in 2006?**

The IHT has a successful and proven track record of developing ownership and rental housing cost effectively and efficiently. In the past thirteen years over 102 homes and rental apartments have been built across the Island creating homes for over 200 island residents. IHT has also created a shared housing model partnering with the Martha's Vineyard Hospital to create 15 affordable rentals for income qualified hospital employees.

By ensuring that the affordability is maintained in perpetuity from one homeowner to the next, the IHT is able to recapture all investments (public grants and private donations) for our island community into the future.

Working with minimal overhead, 91% of the IHT's investments are made directly into the development and stewardship of its homes.



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## **Can IHT homeowners sell their homes?**

Yes. Homeowners can sell their homes to another income qualified, year-round island resident. IHT homeowners do realize appreciation based on an inflation index (Dukes County Area Median Income) capped at an annual 4% increase or decrease, ensuring that homes remain within financial reach of year-round, income eligible, buyers.

IHT is a Community Land Trust and uses a ground lease model to ensure that our properties remain permanently affordable. This shared equity model means that IHT continues to own the land and the homeowners purchase and own their own homes through a leasehold mortgage with their lender. This ensures that IHT's properties remain affordable forever.

## **How does income qualification work?**

The IHT serves a wide range of island residents struggling to secure stable year-round housing from low and moderate income earning households (30% to 80% of the Area Median Income (AMI) ranging from \$21,000 to \$81,000 depending on household size) to middle income earning households (80% to 140% of the AMI ranging from \$52,000 to \$148,000 depending on household size)

The Dukes County Regional Housing Authority (DCRHA) income qualifies applicants for IHT rental and ownership homes.

Renters are income qualified each year and rents can increase by no more than 3%. Homeowners are only income qualified at the time of purchase.

## **Who are IHT homeowners and renters?**

Our homeowners and renters represent the very people who are the backbone of our local economy – schoolteachers, bookkeepers, mental health counselors, store clerks, landscapers, town employees, and small business owners, among others – and our future, the children who need a safe, stable home to thrive. For more details about our renters and homeowners see the link to our Homeowner and Tenant profile on our website <http://www.ihtmv.org/wp-content/uploads/2012/05/IHT-2016-Lessee-profile-1.pdf>

## **How are homeowners and renters selected?**

The DCRHA administers the selection process for IHT rental and ownership homes and adheres to fair housing laws when qualifying and selecting income-eligible applicants. Homeownership opportunities are advertised in local newspapers and notices are mailed to over 250 working Island families from the Island's Affordable Homebuyer's Clearinghouse. Generally, there are 10 applicants for every ownership or rental home the IHT creates. If there are more income-qualified applicants than homeownership opportunities, a lottery is conducted by the DCRHA. State Fair Housing Laws allow local town preference (either living or working) for up to 70% of the homeownership and initial rental opportunities. Homeowner spouses, domestic partners, and children have the right to inherit these homes, otherwise homes must be sold to another income-qualified family or individual. The DCRHA maintains a wait list for all the IHT rental properties that it manages.



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## **Why would a working island resident need help finding and affording a year-round rental apartment or home?**

There is a wide gap between wages and housing prices on the island. Almost 40% of year-round households have low or moderate incomes. The inventory of year-round houses for sale or rent has been depleted due to homes being purchased and added to the lucrative weekly short-term rental market. Additionally, local families must compete with off island buyers who can often pay cash. Traditionally there has been an emphasis in zoning that favors single family homes and the median price for homes that are for sale is \$670,000 or 85% higher than the statewide single-family median home price.

## **What are the barriers to creating more affordable year-round rental and ownership homes?**

- Zoning & environmental restrictions
- Limited public infrastructure (public water & wastewater)
- Not In My Back Yard (NIMBY)
- Dedicated source(s) of funding
- Limited availability of suitable land

## **Who are the other housing organizations on the Vineyard, and how does the IHT collaborate with them?**

Active partnerships with other housing organizations located at the Vineyard Housing Office have been critical in the IHT's ability to create and sustain permanently affordable workforce housing solutions for low and moderate-income Island families.

Many of the IHT projects over the past thirteen years have included partnerships with the Martha's Vineyard Land Bank for the purchase of land for housing and conservation; Habitat for Humanity who builds homes with partnering families on IHT land; and the DCRHA for rental property management and administration of waitlists, income qualification, and selection process for the IHT. Partnering with knowledgeable and experienced local designers and builders, the IHT has also been able to build higher performance, energy efficient homes.

## **Why does the IHT build energy efficient green homes?**

The IHT homes are designed and built to be simple, durable, healthy, and energy efficient so that they are truly affordable - not only to purchase but also to own and maintain for generations. With competitive state grants and knowledgeable designers and builders, the IHT has developed neighborhoods of zero net energy homes that have received the highest green building certifications in the country. These high-performance homes have the potential to produce as much energy as the homeowners use.

## **What does it cost IHT to build a home or an apartment?**

The average total cost to build an IHT two bedroom, 1200 square foot home, excluding land, is \$350,000 (which we sell for between \$225,000 and \$250,000)

The average cost to build a two-bedroom, 800 square foot apartment is \$300,000 (which we rent on average for \$1,000 per month)

## **How does IHT fund its work?**

- Private donations
- Town Community Preservation Act (CPA) grants
- Private financing or impact investments
- Competitive state grants and loans
- Bank financing
- State Community Investment Tax Credits (CITC)
- Developer fees
- Home sales
- Rental income