

Town of Nantucket

Affordable Housing Production Plan

Planned Production in accordance with **760 CMR 56.03(4)**



August 2009

Nantucket Planning Office
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HOUSING PRODUCTION PLAN (HPP) FOR NANTUCKET IN ACCORDANCE WITH 760 CMR 56.03(4)

SUBMITTED AUGUST 2009

PURPOSE:

To develop a strategy to meet housing needs in a manner consistent with Ch 40B statute and implement regulations to produce housing units in accordance with the HPP creating a diverse housing supply for low and moderate-income residents the required components of HPP are described below.

COMMUNITY DESCRIPTION AND DEMOGRAPHICS:

Current population - per Town Clerk's Office 2008 year round population estimate of 11,000 persons represents a 7.6% increase over the 2000 Census. There have not been any numbers compiled on what the population increases to during the Summer season (July and August) or the "shoulder" seasons (April, May, June and September, October) when part-year home owners and vacationers are in residence, however Chamber of Commerce, Visitors Services and Town Clerks offices state that the population increases to between 30,000 and up to 60,000. In a 2005 survey attached to the Annual Town census, 48% of the respondents felt that both year round and seasonal employment should be expanded. This is particularly important given the current economic trend of steady growth in the seasonal industry sectors, but not in year round sectors. In 2006, 14% of Nantucket males named carpentry as their occupation, making it the most common (per www.city-data.com). The most common industry for males was construction, with 32% employed in that sector. Females were mostly employed in administrative and educational occupations, which are projected to be stable over time.

Income -Since 2002, average wages paid for work on the Island have increased by an average of 4.8% per year. For the first three quarters of 2007, the average wage paid was the equivalent of \$43,200/year up from \$36,700 in 2002. According to the HUD Median Income estimates the Island median income has grown by 3.9% per year since 2002 and now stands at \$84,400. Notwithstanding a steady rise in income the average wages for Nantucket's workforce are 48% lower than the Median income. Wages on Nantucket are higher than in nearby Barnstable

County and other nearby regions, making commuting attractive to those who live off-island. However, for those who live here, the cost of living, excluding housing, is about 130% higher than the US average (per www.city-data.com) making it common for year round residents to supplement their income sometimes with secondary employment. This makes the development of affordable housing of critical importance for encouraging social and economic stability.

Housing stock - per Town Assessors office 2008 there are 10,482 dwelling units on the island, this housing stock includes properties owned by part year residents that are only occupied seasonally. 2008 Assessor records indicate there are 7,387 Primary dwellings of which 2,141 also have Secondary dwellings. There are 369 Duplex properties, 24 Three-Family properties and only 36 structures containing more than four units. See Exhibit A for breakdown of housing mix.

A housing growth projection analysis done in February 2004 by RKG Associates, Inc. a consulting firm specializing in economic and real estate planning, projected housing and population growth associated with the full implementation of the CWMP using an average growth rate of two-hundred seventy-five (275) dwelling units (DU) per year.

A minimum potential build-out of six thousand one hundred (6,100) residential units is a twenty (20) to thirty (30) year supply based on historical rates of two hundred (200) to three hundred (300) DU per year. Approximately seventy (70%) percent of the Island's estimated build-out potential lies within the proposed service area of the fully implemented CWMP.

The following table illustrates these (RKG Associates, Inc.) build-out estimates.

Nantucket Island-Wide Build-out Estimate	Total Units
Existing Development	
Primary Dwellings	8,944
Secondary dwellings	1,456

Existing Dwelling Units	10,400
New Development Potential	
Primary Dwellings	1,868
Secondary Dwellings	6,057
Total Estimated New Dwellings	7,925
Total Island-Wide Build Out	
Primary Dwellings	10,812
Secondary Dwellings	7,513
Island-Wide Build Out Potential	18,325
% Increase over existing conditions	76.2%

Substantial portions of future build out projections are tied to the assumption that existing Single Family homes (SF) will eventually add secondary dwellings (2nd DU).

The Assessor's records further provide information in 2008 two thousand thirty four dwelling units have applied for a residential exemption indicating that there are 2,034 dwellings occupied by year round home-owners. Less than 20% of the year round housing stock is owner-occupied.

Census data - Since 2000 when the US Census Bureau reported 8% of the population was Foreign born this island community has seen an influx of foreign workers. The Assistant Superintendent of schools has publically acknowledged upwards of 27 different nationalities are enrolled in the public school system. In a report entitled Housing Needs Assessment prepared by consultant John Ryan in 2002, it was revealed that these newcomers to our community are in need of housing whether eligible for affordable or not there exists a shortage of year round

housing. The existing housing stock is also insufficient in the mix and variety of housing needed by single individuals and empty nester households.

In 2005 The Nantucket Community Association funded a study prepared by VHB, Inc. whose main thrust was to evaluate the financial and growth implications of implementing, in full or in part, recommendations contained in Nantucket Comprehensive Wastewater Management Plan (CWMP). As part of that study, population growth projections were computed. The additional capacity created by the implementation of the CWMP can accommodate a 19,000 increase in the islands summer population over twenty (20) years.

VHB , Inc. Population Projection Table

Indicator	2005	2025	Numeric Change	Percent Change	Annual Numb er	Change Percent
Resident Population	11,108	14,276	3,168	28.5%	138	1.1%
Seasonal Population	51,918	71,163	19,245	37.1%	837	1.4%
Dwelling Units	10,400	15,256	4,856	46.7%	211	1.7%
School Enrollment	1,311	1,685	374	28.5%	16	1.1%

In 2004 RKG Associates, Inc. also under the auspices of The Nantucket Community Association, prepared a Fiscal impact Analysis for the then proposed CWMP. Their forecast model population projections predicted that Nantucket’s summer population is projected to grow to nearly 77,000 by the year 2025, and that the year-round resident population will reach 15,600 persons in 6,950 households in the year 2025. In both reports the seasonal population is predicted to grow at a larger rate than the year-round population.

Growth projections however can never be an exact science. For the last quarter of a century the topic of growth and the preparations for sensible and sustainable growth have been on the forefront of decision and policy making for Nantucket’s town elected officials, planners,

and citizens alike.

The Town's 1990 Comprehensive Plan (Goals and Objectives for Balanced Growth: A Broad Policy for the Island's Future) represented the Town's "collective vision." The plan was prepared by the Nantucket Planning and Economic Development Commission with extensive citizen participation, and focused on eight goal areas:

Open Space Acquisition
Protection of Water Resources
Growth Management
Transportation
Affordable Housing
The Economy
Energy and Utilities
Human Services

In 2000, the Town updated the Comprehensive Community Plan (CCP). This edition of the plan focused on seven issues:

Guiding Growth
Housing Needs
Making a Living
Protecting the Environment
Managing Transportation
Island Infrastructure
A Healthy Community

The over riding goal of the plan is to manage growth to be able to:

- Protect the working community and provide for the housing needs,

- Protect open spaces and natural resources,
- Enhance the ability of Nantucketers to live and work on the island,
- Protect the historical integrity of our land and buildings,
- Maintain a strong tourism based economy,
- Maintain access to our beaches, and
- Provide for a healthy environment for all our residents.

The recent general economic changes for our Country and specifically for Nantucket have witnessed dramatic alterations in these above described projections for growth. The following table will illustrate the steep downturn in building permit activity.

Building Permit Activity

Fiscal Year	Total	New dwellings	Secondary dwellings	Duplex
2009-	42	19	23	0
2008	123	72	44	7
2007	239	162	67	8
2006	319	189	110	20

The following further describes community studies, media, and Realtor statistics:

In 2006 Nantucket Human Services conducted a Human Needs Survey Household

Issues and Service Barriers: respondents who rent were asked to identify major housing-related issues and problems that came up in their household during the previous year. Further, if they tried to obtain help in overcoming these problems, they were asked to identify the kinds of barriers to services that they encountered and the seriousness of those barriers. The following rental housing-related issues were reported:

- Not able to find appropriate senior (65+) housing,
- Not enough room in the house for all of the people who live there (overcrowding),
- Not having enough money to pay for housing,
- Being forced to move due to seasonal rent increases,
- Other issues closely linked to rental housing availability and affordability, including;

Discrimination (due to HIV, AIDS, TB, etc.),

Discrimination (due to race, age, language, sexual identity/orientation, etc.),

Discrimination toward mentally ill person(s)

Not being able to afford nutritious food,

Not always having enough money for food,

Not having money enough to pay the doctor, the dentist, or to buy

Prescription medications,

Not enough money to pay for a mental health counselor,

Not enough money to pay for dental insurance,

Not enough money to pay health insurance deductible/co-payment,

Lack of appropriate clothing,

Having bad credit, and

Lack of a usable car/truck for local trips (to work, shopping, doctors, etc.)

The current economic uncertainty in National financial markets is expected to affect the Nantucket real estate sales market, and consequently the overall housing market. Most of the purchases on the Island are in the second home category not a primary residence. Over the

preceding twelve months Inventory is up, length of time on the market has increased, and eventual selling prices are considerably below asking price, although so far '08 selling prices are steady against '06 and '07 selling prices. LINK Nantucket, the multiple listing service providers for the Nantucket Real Estate Brokers Association (NAREB) reports, the Average price reported for a home on Nantucket in '08 is \$2,437,763.00.

COMPREHENSIVE NEEDS ASSESSMENT:

The projection of future needs, projected population of working age, new housing formation, special needs, elderly, frail elderly are now discussed:

Affordable housing is an important component of retaining year-round residents and a year-round workforce. Many existing and future jobs are forecast for the lower wage retail and service sectors, which generally have entry level salaries. Housing opportunities will need to be available for this sector of the workforce. Existing housing units are scattered throughout the Island and are mostly indistinguishable from surrounding market-rate properties. AS the need for affordable housing increases in the future, the majority of it will need to be developed in the Town Overlay District (TOD) where goods and services are in close proximity, public transportation is accessible, and infrastructure such as sidewalks, bike paths, sewer, and water are available.

According to 2008-09 Nantucket's School District records twenty six point eight percent (26.8%) of the student enrollment is non-white. Five percent (5%) self-reported to be low-income for the sole purpose of participating in free or reduced lunch programs offered at the school. Discussions with the School District personnel responsible for gathering low-income information believed this number to be generally under-reported. Eligible low-income children in the higher grades do not want to acknowledge eligibility for fear of the perceived social stigmas.

While the 2000 Census counted roughly eight percent (8%) of the population being foreign-born, the 2008-09 school district report indicates that ten point eight percent (10.8%) of the school enrollment describes themselves as "First Language not English". Student enrollment populations are not a direct corollary to base population numbers however, anecdotal evidence and direct observation tend to support the general theory that ever increasing numbers of minorities are making Nantucket their home.

Race	% Nantucket	% of State
African American	11.8	8.2
Asian	1.3	5.1
Hispanic	12.0	14.3
Native American	0.2	0.3
White	73.2	69.9
Native Hawaiian, Pacific Islander	0.1	0.1
Multi-Race, Non-Hispanic	1.6	2.0

Additionally Selected Populations noted were:

Title	% Nantucket	% of State
First Language not English	10.8	15.4
Limited English Proficient	5.4	5.9
Low-income	5.0	30.7
Special Education	12.9	17.1
Free Lunch	3.9	25.2
Reduced Lunch	1.1	5.5

Consultant John Ryan prepared and Island-wide Housing Needs Assessment in 2002

and based on an August 12, 2008 update of that document¹ the following remains accurate.

“Over the past two decades, Nantucket has witnessed the creation of over 4,000 non-affordable, seasonal and year-round homes and fewer than 100 permanently affordable rental units or homeownership opportunities. In just the last decade, the local economy generated over 1,200 relatively low-paying year-round service and trade jobs with few new places to house those workers. As little as five years ago, the housing market had as many as 100 homes or building lots a year that were affordable to at least some Island renters. Today such opportunities are rare. In the consultant’s view, the balance that sustains a community has been lost. The need for affordable housing is clearly significant.”

“There are roughly 400 Nantucket renters who have lived on Nantucket for at least five years, earn at least \$50,000/year and aspire to buying a home on the Island. Providing home ownership opportunity for these residents over the next several years represents the most pressing housing need. The consultant sees the need to provide 50 new ownership opportunities a year for moderate-income Island residents. This goal gives current renters a meaningful hope of attaining ownership some day. It restores the level of opportunity that existed before the last surge in home costs pushed prices so far out of reach. Over the next eight years, it represents 400 homeownership opportunities that do not compete on the open housing market.”

AFFORDABLE HOMES NEEDED, BY PRICE RANGE, 2002–2010 FROM 2002 NEEDS ASSESSMENT

Household Income	Affordable Home Price	Homes Needed
\$50,000-\$59,999	\$180,000- \$225,000	120
\$60,000-\$74,999	\$225,000- \$299,999	160
\$75,000-\$99,999	\$300,000- \$350,000	120

“Roughly 200 current Nantucket renters experience critical housing needs today. These renters pay more than 35 percent of their gross income for rent, have no lease or year round housing options, and have already experienced the Nantucket shuffle in at least one of the past three years. Providing secure, affordable, year-round housing for this population represents a second critical need.”

RENTAL NEED BY INCOME AS % OF AMI*		RENTAL NEED BY # OF BEDROOMS	
HOUSEHOLD INCOME	UNITS NEEDED	BEDROOMS	UNITS NEEDED
< 60%	110	One Bedroom	80
60-79%	60	Two Bedrooms	65
80-100%	10	Three Bedrooms	35
>100 %	20	Four Bedrooms	20

* AMI is the Area Median Income determined by US Housing and Urban Development (From 2002 Nantucket Housing Needs Assessment)

Nantucket has the predicament that the household earnings of many year-round residents are too high to qualify for affordable housing under state and local programs; however their earnings are not high enough to purchase most of the houses on the open market. Additionally there are not enough small size properties, 1 BR or 1 BR and a den, that would remain small properties. These small properties are being purchased by speculators or second home users and either being demolished or remodeled into enormously lavish homes with four, five, and six bedroom homes with as many bathrooms which will always be out of the reach of either year round renters or prospective year round purchasers working in the community.

Special needs residents are currently served by two Department of Mental Health (DMH) and Department of Mental Retardation (DMR) group homes. Additionally in 2008, a non-profit- Nantucket Center for Behavioral Health opened the first Sober House on the Island expected to serve up to 6 male residents and fund-raising is on-going for a counter part for women in recovery.

Nantucket's existing baby boomer population is aging. Seasonal residents now approaching their elderly years want to realize the dream of retiring on Nantucket. Elderly housing needs to be both in existence and affordable. Academy Hill, The Homestead, and Landmark House are well established as Senior housing venues, supplying 66 units in total of which 37 are affordable below 80% AMI. There is often a waiting list for units in these properties. In the past several years, Town owned land was provided to a private developer for the construction of 60 units of elderly housing of which at least 25% were to be affordable plus

6 employee housing units. The Sherburne Commons project consists of both independent, assisted living and memory impaired units. Sherburne Commons received Community Preservation Act directed funds (CPC) and was primarily funded through a tax exempt municipal bond issued by Mass Development and credit enhanced by Sovereign Bancorp. This most recent effort to provide elderly housing has been less than successful. Completed in 2005, only 2 of the affordable units have ever been occupied and as this report is being written Sherburne Commons has filed for Chapter 11 bankruptcy reorganization.

Nantucket's frail-elderly are served by OUR ISLAND HOME (OIH). The 45-bed Skilled Nursing Facility is located on the "Creeks" in the Town Overlay District. OIH provides 24 hour nursing care for those people who can no longer safely remain at home. The facility has 100 % occupancy at the writing of this report. OIH is a department of the Town of Nantucket and receives funding from private revenues, reimbursement from Medicare, Medicaid, and subsidy from the Town.

DEVELOPMENT CONSTRAINTS:

According to the 2007 Regional Transportation Plan, 60% of Nantucket Island is publicly owned open space, conservation or wetlands. Of the 40% remaining, 32% is "built out" thereby leaving a mere 8% of the Island that can be developed.

There have been other studies whose results closely resemble this 8% calculation. However a mathematical approach to the availability or non-availability of land is less telling for the planned production of affordable housing than it might appear on the surface.

In the past, the largest constraint to the development of affordable housing was thought to be land availability and cost. There are many other factors to be taken into consideration. First it will be necessary to understand the unique geographical, geophysical, and archeological attributes of the island that contribute to the complexity of building of any kind here on Nantucket.

Nantucket is an island thirty miles off the coast of Southern Massachusetts. When a community is as isolated geographically as Nantucket is, and being a modest land area roughly 4 miles wide by 12 miles long, it is crucial to be mindful of sustaining and protecting natural

resources. Fresh water availability and wastewater disposal are of paramount importance. More than land availability and or the cost of land for development of affordable housing the impact (of all building on the island) on our precious and limited natural resources could be considered the chief constraint. Additionally in recent years the consideration for protecting the natural habitats of endangered plants and wildlife has become an additional layer of regulatory requirements that can significantly delay or demise building projects.

The island is the product of the late Wisconsinan glacial period (26,000 to 13,300 years ago) and the rise in sea level that followed glaciation. The glacial and post-glacial deposits on the island were derived from the bedrock of Southern New England which was eroded and transported by moving ice mass. This rock debris, called drift, was carried southward by the ice and deposited along the ice front. These first order glacial landforms have been modified by marine erosion, deposition, and wind action to form shoals, beaches, spits and dunes. There have been numerous geological studies conducted on Nantucket dating from 1889 to more current 1997 done by the US Department of Agriculture's (USDA) Soil Conservation Service (SCS). It was determined from the USDA -SCS Soil Survey Report (1997) that approximately 14.2% of the soils across the island are classified as having severe limitations for Title V capacity. Similarly, it was determined that approximately 18.3% of the soils across the island are classified as having severe ground water limitations.

The entire island of Nantucket relies on public and private water supply wells, which draw water from a groundwater supply or aquifer. An aquifer is a naturally occurring geological formation. Typically, these formations consist of rock, sand and gravel that contain significant amounts of water. The U.S. Department of Environmental Protection has designated Nantucket's water supply as a Sole Source Aquifer. As a sole source aquifer, Nantucket's aquifer is the "principal source of drinking water" for the island and if contaminated, would create a "significant hazard to public health".

The source of this groundwater is precipitation. Average annual precipitation is approximately 43.7 inches per year according to the most readily available National Weather service statistics, more than 55% of this precipitation is returned to the atmosphere through evapotranspiration. Surface runoff is estimated at approximately one inch per year. This creates an average recharge rate on the aquifer of about 18 inches annually. The groundwater reservoir forms a fresh water lens approximately 500 feet thick at the center of the island and

thins out considerably out to the perimeter shoreline.

There are two public water supply companies on the Island, Wannacomet Water Company and Siasconset Water Company. There is also a small community drinking water supply well serving approximately 15 homes in the Wauwinet area of the island. There is a three (3) member Water Commission that both of the two large water systems consist of multiple wells and storage tanks. While water quantity is generally not a problem, peak demand at times does exceed supply due in part to summer irrigation. A brand new 2.0 million gallon water storage tank for the Wannacomet system, at a cost of approximately \$7,800,000.00 is under construction to forestall any probable occasion when quantity could have become an issue should the fire departments' need exceed the supply for town water in a fire emergency. In addition, the Siasconset water storage tower is being replaced with a more modern and larger capacity system this year. In 2008 there were 585 million gallons of drinking water pumped from these municipal wells.

Water quality issues arise because Nantucket depends on a sole source aquifer, and its wellhead district is situated in an area of Town that contains most of the island's commercial establishments. It is therefore vital to protect the aquifer supply source and both Madaket and Town Harbor Watershed.

New water service connections and consequently fire service was extended in 2008 to New South Road, Milestone Road, Milk Street, a portion of Hummock Pond Road, Somerset Lane and Marble Way. See Exhibits D and E respectively.

The enactment of Town and Country Zoning Districts has gone a long way to delineating those areas of the island in which growth is encouraged and infrastructure connections are readily available to support population growth.

In the past Nantucket's wastewater treatment facility has had major capacity issues. Nantucket resolved these issues to the satisfaction of the Department of Environmental Protection by expanding the existing treatment facility.

Article 56 at 2004 Annual Town Meeting (ATM) authorized the creation of a Siasconset and a Town Sewer District. Properties not located within these districts are prohibited from sewer connections. A vote of Town Meeting is the necessary mechanism for a property to be added into said sewer district. Exhibit B attached shows the most current map of both Districts.

Small scale, scattered site, and in fill developments are also still possible where sewer connection is not proximal by meeting the requirements of 310 CMR 15: State Environmental Code Title 5. Exhibit C attached shows the areas of the Comprehensive Wastewater Management Plan (CWMP).

Historic traffic patterns, while adding to Nantucket's significant appeal, present the potential for development constraints. Pursuant to the Town Code, it is the Town's policy not to utilize traditional means to mitigate traffic capacity, such as road widening, added lanes, and street traffic lights. The majority of roads are privately owned yet many are not maintained to the extent necessary to ensure the delivery of emergency services. Property owners on and adjacent to these dirt roads enjoy the charm and nostalgia of this very rural character.

Nantucket's approach to developing affordable housing is to encourage all affordable housing development within the Town Overlay District (TOD) where Town services and infrastructure are available by use of existing units through rehabilitation, conversion, or purchase and to focus on developing smaller scattered site housing in the Country Overlay District (COD).

Infrastructure is no longer considered constrained if careful attention is paid to aquifer protection and development is focused in the TOD. Per Zoning By-Laws 139.12 E (2) a specified purpose of the TOD is to encourage development where infrastructure already exists, or can be extended without undue expense; to create opportunities to produce housing affordable for year round residents through infill development (development of existing vacant lots; lots produced by re-subdivision; and addition of secondary dwellings) on existing roads serviced by water and sewer; and to create development patterns that are conducive to service by alternatives to the automobile, such as transit, and bicycle and pedestrian systems. Section 139.12F(2) of the By-Laws further states the purpose of the COD is to discourage development and preserve areas characterized by traditional and historic rural land use patterns; to discourage the spread of diverse development patterns that promote automobile dependency, and are costly to build and maintain. See EHBIT F for TOD and COD map.

AFFORDABLE HOUSING GOALS:

Consultant John Ryan's 2002 Needs Assessment and his subsequent Update for the Board Of Selectmen (BOS) Workshop on August 12, 2008, the DRAFT April _ 2009

Nantucket Master Plan prepared in accordance with M.G.L. Ch 41, Section 81D, DHCH regulations and Town Census data are all utilized as sources for determining the below described Goals

Types of housing needed to accommodate projected population described above. According to the aforementioned John Ryan report a mix of rental and ownership 60% and 40% respectively is needed. Of the rental need by household income 90% of new affordable rentals need to serve those below 80% of AMI.

What percentage of this projected population is likely to be low and/or moderate income and in need of affordable housing? Extrapolating from known facts and inferred projections according to the Ryan documents and Town Clerks office Nantucket can anticipate that 100% of future housing needs will be for those persons in an income range below 150% median income.

Does the existing housing supply match the needs of these populations? More attention needs to be paid to the formation of smaller units, one bedroom units, one bedroom plus den units in a multifamily setting and further planned with an “age in place” design component.

What are community expectations? During community outreach meetings involving employers, realtors, non-profit organizations, and other housing providers the consensus was that housing expectations are reasonable and the above described “stakeholders” are indeed optimistic that needed housing will be created. What remains to be seen is whether or not political will on the larger scale will be thwarted by avarice on the smaller scale.

A mix of types of housing, consistent with community needs that provides for a range of housing, including rental, homeownership, and other occupancy arrangements, if any for families, individuals, persons with special needs, and the elderly, and Is feasible within the housing market in which they will be situated. Yes. Over the past decade many independent consultant surveys, and internal analysis reports have all called for the creation of more affordable housing, and described in detail, as previously stated what mix and size and type needed.

A numerical goal for annual housing production, pursuant to which there is an increase in Nantucket’s number of SHI Eligible Housing units by at least 0.05% of it’s total units during each and every calendar year in the HPP, until the overall percentage exceeds the statutory

minimum set forth in 760 CMR 56.03(3)(a). 20 units per calendar year to serve households earning less than 80% AMI is the benchmark for 2009 and successive years until new goals are established by the next decennial census results are reported.

There should be a direct link between the setting of these goals and the results of the needs assessment. Annual production goals were established with careful consideration of both the needs of the community and the Communities obligation to meet state requirements. There is the link.

IMPLEMENTATION STRATEGIES:

The Town expects to achieve housing production goals through an orderly process and to establish a time frame /schedule for achieving the specifically identified goals. Each of the achievable goals include specific milestones to indicate progress, including all of the following strategies, to the extent applicable:

Modifying current zoning – propose new districts and modifying regulations for the purpose of creating SHI Eligible Housing developments to meet Nantucket’s housing production goals.

Increased density – the Multi-Family Overlay District allows through special permit up to four (4) dwelling units or eight (8) bedrooms, whichever is greater, for each 2,500 square feet of lot area. Units may be attached or detached and may be sold as condominiums. However, they must be encumbered by a covenant, enforceable by the Planning Board, limiting the dwelling units to either year-round occupancy or peak seasonal (May through October) employee occupancy. An objective in the Draft 41-81D Master Plan is to eliminate the Multi-Family Overlay District and allow multi-family units by right in some zoning districts. Another objective of the draft Master Plan is to revise density bonuses for affordable housing in the Town Overlay District. These two objectives combined may encourage the private sector to increase affordable housing stock in the TOD.

Accessory apartments – Nantucket Zoning Bylaw section 139-7C allows accessory apartments by right, however, the restrictions associated with them may be deterrents to their creation. Interior and exterior design, unit size, ownership, and year-round occupancy are very restrictive. In addition, the creation of an accessory apartment on a property prevents the construction of a

secondary dwelling. Decreasing the restrictions and/or allowing them as a density bonus in some zoning districts may be an incentive for their creation. An objective of the Master Plan is to revise Accessory Apartment restrictions. Some options may allow apartments in addition to second dwellings if one is classified as affordable.

Vertical zoning (upper story residential units in commercial districts) – All commercial zoning districts allow both residential and commercial uses. Regulations should be revised to allow increased density in the Commercial Downtown and Commercial Neighborhood districts if housing is located on the second and third floors. Regulations in the Commercial Industrial district should be revised to prohibit dwelling units except for employee dwelling units on the second and third floors of commercial structures.

Identification of potential sites to encourage the filing of Comprehensive Permit applications:

2 Fairgrounds Road

Corner of Surfside Road and Miacomet Road

Portion of Miller's Lane

Columbus Avenue/Long Pond area in Madaket

Monahansett near the Airport

Characteristics of proposed residential or mixed use developments preferred by the Nantucket Planning Board, Nantucket Planning and Economic Development Commission (NPEDC), and the Historic District Commissions (HDC) and the Conservation Commission (Con Com) and in complete compliance with all state and federal fair housing laws are as follows:

Infill development – Although State-enabling legislation exempts preexisting nonconforming lots containing a minimum lot area of 5,000 square feet and 50 feet of frontage, Nantucket exempts all lots for single and two-family purposes with a minimum of 20 feet of frontage. This added exemption encourages infill development in areas of the island that were developed prior to the adoption of zoning, which was 1972. Zoning Bylaw section 139-33E also provides special ground cover and setback requirements for certain preexisting nonconforming lots.

Cluster developments – Cluster developments currently require a special permit. Regulations should be revised to allow cluster developments by right. Another form of cluster developments allowed by special permit in Nantucket are Major Residential Developments. Regulations should also be revised to allow those by right.

Adaptive reuse – Zoning Bylaw section 139-26A(1) is for demolition delay of residential structures. The Building Commissioner must review each application for demolition delay and make a determination as to the buildings reuse potential. If the building is found to have reuse potential, a public notice is printed in the local newspaper advertising the availability of the structure and requesting a letter of interest addressed to the Building Commissioner.

Transit-oriented housing – Nantucket is a small island, therefore transit oriented development and transit oriented housing is not applicable. Although we have a public transportation system, it only operates seasonally.

Mixed-use development – Mixed-use development is allowed by right in all commercial zoning districts. Limited commercial development in the form of neighborhood service establishments are allowed in residential districts in the Town Overlay District. Customary Home Occupations, which are ancillary to residential uses, are allowed in all zoning districts. However, an objective of the draft Master Plan is to encourage these types of businesses, but revise the regulations to remove the “one size fits all” approach.

Inclusionary units – Required pursuant to Zoning Bylaw section 139-11J for all Major Commercial Developments over 3,999 square feet. One inclusionary housing unit is required for each 4,000 square feet of gross floor area of interior commercial use or one inclusionary unit per commercial development, whichever is greater. An objective of the 4181-D Master Plan is to revise the inclusionary housing requirements. This would result in matching the current practice of the Planning Board with the regulations and perhaps making them less restrictive so that employers are more willing to comply with the Bylaw.

The following is an identification of Town owned parcels that Nantucket commits to issue requests for proposals (RFP) to develop SHI Eligible Housing, including information on appropriate use of the site, and a timeline for the issuance of an RFP:

- 2 Fairgrounds Road -60-80 units, mix of sale and rental, single family and multi-family- RFP in 2009

- Corner of Surfside Road and Miacomet Road- mixed use office and residential rental- RFP in 2009
- Portion of Miller's Lane- mixed use office and rental-RFP 2009
- Columbus Avenue/Long Pond area in Madaket -rental and sale mix
- Monahansett near the Airport

The projected numerical goal for affordable housing is 20 units annually. The strategies that will be employed to get to the annual number are certainly myriad and to be frankly realistic, the strategies need to be flexible as well as variable. Projections are based on no fewer than two units (2) per 10,000 sq ft.

To the greatest extent possible at least 50% of the units that are developed on Town-owned parcels should be affordable to households earning at or below 80% of area median income AMI and the balance (2nd 50%) to those households earning at or below 150% of area median income AMI. Much effort was expended both at Annual Town Meeting and ultimately on Beacon Hill and to legally re-define what is meant by Affordable Housing. Since 2006 Affordable Housing definition includes Moderate Income households. The definition of Moderate Income for Nantucket is up to 150% of Median Income. There is a recognized and indisputable need for affordable housing on Nantucket up to an including 150% of Area Median Income (AMI).

FY 2009 INCOME LIMITS SUMMARY BY HOUSEHOLD SIZE

% of AMI	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
30	\$ 20,460	\$ 23,370	\$ 26,310	\$29,220	\$31,560	\$ 33,900
50	\$ 34,100	\$ 38,950	\$ 43,850	\$48,700	\$52,600	\$ 56,500
80	\$ 54,560	\$ 62,320	\$ 70,160	\$ 77,920	\$ 84,160	\$ 90,400
100	\$ 68,200	\$ 77,900	\$ 87,700	\$ 97,400	\$105,200	\$113,000
120	\$ 81,840	\$ 93,480	\$105,240	\$116,880	\$126,240	\$135,600

There is a recognizable and striking need for affordable housing across all income levels for the year round residents of Nantucket who are not already fortunate enough to own their own homes. Yet, because home ownership can be a cultural mind-set that conveys and confers among other things;

Pride of Ownership

Stability and Security of Choice in Where One Lives and for How Long

Benefits of Tax Deductions for Interest Portion of Monthly Housing Expenses

The Expectation of Appreciation

There has been a marked dwindling of expectations promised for affordable housing numbers as a direct result of market resistance to the Nantucket Housing Needs Covenant (NHNC). It appears that the “expectation of appreciation” is the most driving factor that propels the decision to commit to a 30 year mortgage. Since many areas of the island are zoned to permit legal second (2nd) dwellings, the would-be year round homeowner often expects to live in the modest 2nd dwelling while renting out the primary dwelling for huge income during the tourist season. Despite the recent downturn in the economy a typical 3-4 bedroom summer rental can bring in between \$3,500 and 6,000 per week. The summer season is predictably 12 weeks a year and on average the income from a summer season of rental will cover the amortization of approximately \$ 600,000.00 worth of mortgage annually.

Simple economics bear out in any average case study. Why wouldn't you rent out your home for a few months every summer and move into smaller quarters to receive a windfall of cash income. The popularity of Nantucket as a resort community and sought after vacation Mecca fuels the fervor to chase the vacation rental dollar. The alternative is to remain in your primary home, build a small cottage to rent out year-round at an affordable rent of approximately \$1,000.00 per month and only cover \$ 180,000.00 worth of mortgage payment. In many respects the promise of future appreciation is the primary reason why the affordable 2nd dwelling will not be the solution for our affordable housing challenges.

Infill Development LOT 75 Ticcoma Way

units 2 (House to move on and new construction 2nd dwelling) ownership
Town owned 7,057 sq ft and area zoned RC-2 (5,000 sq ft minimum)
Town RFP early autumn 2009

Friendly 40B or Smart Growth Ch 40R Miacomet Homeownership Project

units up to 50 ownership
100 % Affordable
Nantucket Housing Authority RFP scheduled to be issued fall 2009

Infill Development or Friendly 40B 143 Surfside

units 3 to 4
100% Affordable
Town owned land 35,000 sq ft
Deeded to Nantucket Housing Authority for their issuance of an RFP- Fall 2009

Infill Development Arkansas and N Carolina Avenue

units- 2 (1BR's) ownership preference
100 % Affordable
Town owned 24,850 sq ft (Title 5 dependent 2 BR septic permitted)
Town RFP –waiting on completion of Order of Taking by Legal Department expecting completion by late fall 2009

Infill Development MAP 80 PARCEL 101.6 Surfside at Pochick Road

units- 1

100% Affordable rental or ownership

Town owned 15,000 sq ft parcel (Title 5 dependant)

Either Town RFP –waiting on completion of Order of taking by Town Counsel then by prior commitment a Deed will be issued to Nantucket Housing Authority for their issuance of RFP- late fall 2009

Friendly 40B

2 Fairgrounds Road

units- between 60 to 80 -2 to 1 mix of rental and ownership single family and multi-family mix

Town owned 6.46 Acres and area

Town of Nantucket will issue an RFP once site control is authorized at next (2010) Town Meeting. This year an article to authorize the Board of Selectmen to enter into a long term lease for site control was defeated at 2009 ATM.

Infill Development

LOTS 66-74 ANR Ticcoma Way

units- up to 18 ownership units (9 Houses and 9 2nd Dwellings)

100% Affordable

Town owned 8 lots are 5,000 sq ft each and 1 lot is 6,801 sq ft

In addition to these specific projects we are examining carefully all other Town owned non-performing assets which can either be developed for affordable housing or sold on the open market and have the proceeds deposited in the newly created Nantucket Affordable Housing Trust Fund.