

What is the Nantucket Affordable Housing Trust Doing?

Goal #1 is to add 24 units/year to the SHI list to maintain Safe Harbor from 40B projects. The Trust is doing this by...

- Acquiring property that is suitable for pocket multi-unit rental developments that will be priced to meet year-round needs at a range of income levels.

- *Examples: Orange Street, Vesper Lane*

- Creating and financing public/private partnerships for the development of SHI-eligible units on appropriate sites working within existing zoning regulations for the sites.

- *Example: 31 Fairgrounds Road - collaboration with Housing Nantucket: \$3.6 mil land acquisition + \$6.75mil 50-year loan for construction*

- Providing Closing Cost Assistance (up to \$15,000 interest-free loan) for buyers of affordable and Covenant Program homes

- Providing financing for a Covenant Lot Formation Program – Up to \$10,000 interest-free loan to cover the costs of creating a covenant lot or home, repaid upon sale of the Covenant property.

- Providing grants to Housing Nantucket and Habitat for Humanity to add SHI-eligible units within their programs through a combination of house moves and new-builds.

Chapter 40B...the What & the How...

- *What is Chapter 40B?*

- It is a mandate from the State that 10% of our year-round housing stock must be eligible for the Subsidized Housing Inventory. The Subsidized Housing Inventory is used to measure a community's stock of low-or moderate-income housing for the purposes of M.G.L. Chapter 40B, the Comprehensive Permit Law. For us that means 490 housing units based on the 2010 census. Nantucket has 241 units on our SHI list as of May 21, 2021 (4.9%)

- *Why is that a problem?*

- If a community does not meet the 10% SHI requirement, developers may apply under Chapter 40B to expedite/bypass much of the local approval process (Planning Board, HDC, etc.) and consolidate it under one board (Zoning Board of Appeals) where they may ask for concessions on local requirements to make the development more financially viable (increased density, fee reductions, etc.) as long as 25% of the units built are SHI-Eligible. By adding at least 24 units to the SHI list each year, thus demonstrating our commitment to work our way to the 10% requirement, along with other requirements such as maintaining an approved Housing Production Plan and updating it every 5 years, Nantucket can remain in "Safe Harbor" from unfriendly Chapter 40B development.

- *What housing is eligible for the SHI list?*

- Homes that rent or sell to people who make no more than 80% of the Area Median Income qualify. They must have a deed restriction and must be allocated using Affirmative Fair Marketing practices (e.g., a lottery). Please see page four of the accompanying handout for detailed information about current & future SHI list units on Nantucket.

Future Programs & Costs...

- Developing a down payment assistance program for Covenant Home & year-round workforce buyers earning up to 200% AMI. Homes purchased with this assistance would be deed restricted in perpetuity for year-round housing.
- Developing a Community Land Trust model for equity sharing to allow families who make between 150% - 200% AMI afford a home.
 - Example: a Community Land Trust owns the land and leases to the homebuyer for 99 years in exchange for restrictions that the home will remain affordable and only accessible to year-round residents in perpetuity.*

What does all this Cost?

- Please see page one of the accompanying handout for a detailed breakdown on the costs associated with Safe Harbor maintenance for the near term.
- Equity Sharing/Down Payment Assistance will, of course, be based on market conditions. An estimate is \$300,000 on average per home, with individual need potentially ranging from \$10,000 to \$400,000. For every \$5 million we could get approximately 15 families into homeownership, while making a community investment in the underlying land.

What Does This Achieve for our Community?

- Increased housing stability for our neighbors & community members.
- Increased stability in staffing for employers, including the schools, the hospital, the Town of Nantucket, and the businesses that serve our seasonal residents and visitors.
- Reduces the housing cost burden and insecurity that is affecting families and contributing to mental health stresses.
- Creates more options for people to adjust their housing to their life circumstances, including providing options for down-sizing seniors to make their larger homes available for growing families.
- Creation of a bifurcated market of both homes for rent and to purchase that are only available to year-round residents forever.

