

ISLAND HOUSING TRUST

A community land trust for Martha's Vineyard

Post Office Box 779 • West Tisbury MA 02575 • 508-693-1117

January 20, 2006

Office of the Board of Selectmen
Attention: Plan for Middle Line Road
Chilmark Town Hall
Post Office Box 119, 410 Middle Road
Chilmark, MA 02535-0119

RE: Middle Line Affordable Housing

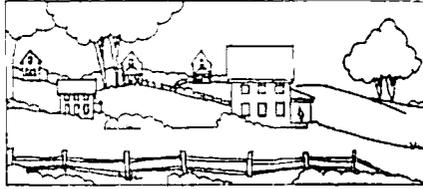
Board of Selectmen:

On behalf of the Island Housing Trust, please find enclosed our response to the Town of Chilmark's invitation for proposals for Middle Line Affordable Housing. The Island Housing Trust Corporation in association with South Mountain Company and the Dukes County Regional Housing Authority is proposing to complete the design, permitting, and construction of this affordable housing development consisting of nine buildings and associated site work and landscaping, according to the Concept Plan by South Mountain Company, Inc., approved by the Town of Chilmark. We look forward to meeting with your Board and the Town's Affordable Housing Committee to further discuss our proposal.

Thank you for your consideration and please contact Philippe Jordi, Executive Director at (508) 693-1117 if you have any questions or what to schedule an interview.

Sincerely,


Richard Leonard,
Chair



ISLAND HOUSING TRUST

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Post Office Box 779 • West Tisbury MA 02575 • 508-693-1117

MIDDLE LINE AFFORDABLE HOUSING

January 20, 2006

Submitted by:

Island Housing Trust Corporation

In association with:

South Mountain Company

Dukes County Regional Housing Authority

Submitted to:

Office of the Board of Selectmen

Attention: Plan for Middle Line Road

Chilmark Town Hall

Post Office Box 119, 410 Middle Road

Chilmark, MA 02535-0119

MIDDLE LINE AFFORDABLE HOUSING

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2. NARRATIVE DESCRIPTION

The Island Housing Trust Corporation (IHT) in association with South Mountain Company (SMC) and the Dukes County Regional Housing Authority (DCRHA) is proposing to complete the design, permitting, and construction of the Middle Line Affordable Housing development consisting of nine buildings and associated site work and landscaping, according to the Concept Plan by South Mountain Company, Inc., approved by the Town of Chilmark. Once permitted and financing secured, the Town will transfer the 21.4 acre parcel of land located on Middle Line Road to the IHT through a long-term lease agreement.

The design of the site and houses will be done in association with the Chilmark Affordable Housing Committee and the Town of Chilmark. The houses will be compact and traditional in their massing. They will be planned to optimize energy efficiency and minimize maintenance costs within the limitations of budgetary constraints. The site work will strive for low impact, and will maintain as much of the natural vegetation and existing contours as possible, and will be planned to satisfy the provisions of the Conceptual Design and Feasibility Study dated March 9, 2005.

3. DEVELOPMENT BUDGET

The attached Development Budget of \$3,589,490 for the Middle Line Affordable Housing development is based on the total projected development costs during the 2007/ 2008 construction period. However, these costs will have to be updated based on the actual design and permit conditions. Development costs are based on figures presented in the 2005 Feasibility Study and adjusted for inflation.

SOURCES AND USES

The attached Sources and Uses of funds for the Middle Line Affordable Housing shows no anticipated shortfalls or profits. The anticipated \$3,589,490 development costs will be covered in part by revenues generated from the Dukes County Regional Housing Authority's purchase of the rental units (\$750,000) and the purchase of the remaining six houses by qualified homebuyers (\$1,557,283) totaling \$2,307,283. The \$1,282,207 funding gap will be covered by the Island Affordable Housing Fund commitment to raise \$300,000 in private grants in collaboration with the Chilmark Affordable Housing Committee (see attached letter), along with a petition by the Island Housing Trust to Town of Chilmark for \$982,207 in Community Preservation Act (CPA) funds.

Middle Line Road

2007 - 2008 Development Budget

Assumptions

Site	21.4	Acres
Rentals	6	Apartments
For-sale	6	Homes
Buildout	13.600	Gross Square Feet

Development		Total	Per Unit
Hard Costs			
Site Work			
Site Preparation		\$ 65,000	
Middle Line Road Improvements		\$ 54,000	
New Roadways		\$ 75,000	
Underground Utilities		\$ 86,000	
Wells & Septic Systems [a]		\$ 124,000	
Landscaping		\$ 193,000	
Screening		\$ 65,000	
Miscellaneous Site Work		\$ 40,000	
Subtotal Site Work		<u>\$ 702,000</u>	
Buildings	\$ 140 Per GSF	1,904,000	
Builder's Overhead	10% of Site & Building	260,600	
A&E Fees	7% of Site & Building	182,000	
Surveys & Permits		<u>\$ 11,000</u>	
Subtotal Hard Costs		3,059,600	\$ 254,967
Soft Costs			
12 Months			
Interim Interest [b]	7.0% Loan	\$ 181,000	
Financing Fees	0.5% Loan	13,000	
Insurance		\$ 17,000	
Legal & Organizational		\$ 38,000	
Miscellaneous		<u>\$ 15,000</u>	
Subtotal Soft Costs		264,000	22,000
Subtotal Development Costs		<u>\$3,323,600</u>	<u>\$ 276,967</u>
Contingency Allowance	5.0% of Hard & Soft Costs	166,180	13,848
Developer Fees	3.0% of Hard & Soft Costs	99,710	8,309
Total Development Cost		<u>\$3,589,490</u>	<u>\$ 299,124</u>

Note:

[a] Includes shared wells & sewage disposal systems for all lots.

[b] Estimated construction financing of \$2,592,283.

Middle Line Road

2008 Sources and Uses of Funds

	Plan C	Notes
[A] Total Development Costs	\$3,589,490	
Known Sources of Funds		
Rental Apartments (Mortgage Loan)	\$ 750,000	[1]
Home Purchases (including lease)	1,557,283	[2]
[B] Total Known Sources	\$2,307,283	
[C] Funding Gap ([A] less [B])	\$1,282,207	
Community Preservation Act	982,207	[3]
Island Affordable Housing Fund	300,000	[4]
[D] Total Potential Sources of Funds	\$1,282,207	
[E] Anticipated Shortfall ([C] less [D])	\$ -	[5]

Notes:

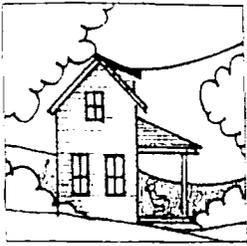
[1] Rental apartments support a mortgage loan of \$750,000 based on standard underwriting assumptions as noted in proforma.

[2] Sales of completed homes can be adjusted up or down depending on buyers' actual income levels.

[3] CPA funds may be used to support rental or homeownership serving households earning less than 100% of median income. The allowable CPA funding is the amount of any shortfall attributable to the affordable homes. This amount is estimated at approximately \$687,554 for the rental apartments and about \$294,662 for the for-sale homes. There is currently about \$500,000 in CPA funding available for housing uses. It is anticipated that sufficient funds will accumulate over the next several years to cover the amount shown above as a CPA contribution to the funding gap.

[4] Island Affordable Housing Fund has committed to raising private funding specifically from Chilmark residents in collaboration with the Chilmark Housing Committee.

[5] If development costs exceed estimates, the resulting shortfalls could be made up with town funds, private donations, increased use of CPA funds, or any combination of these sources.



THE
ISLAND AFFORDABLE
HOUSING FUND

Post Office Box 4769 • Vineyard Haven, MA 02568 • 508-696-0943 • Fax 508-693-5710 • iahf@vineyard.net • www.iahf.vineyard.net

January 19, 2006

Town of Chilmark
Board of Selectmen
Beetlebung Corner
Chilmark, MA 02535

Dear Board of Selectmen,

This letter is to express our support of the Island Housing Trust's proposal regarding the Middle Line Road property. We have discussed our interest in collaborating with the Chilmark Housing Committee in an effort to obtain financial contributions to help minimize the potential funding gap. In the event that gap funding is needed, we feel confident we can work together to keep this project affordable for the households who will own and rent at Middle Line Road.

We feel strongly that the Island Housing Trust, working with the Town of Chilmark and its committees, will serve the community well both now and in the future. We helped develop the Trust for the sole purpose of providing a pool of affordable housing, both rental and ownership, for residents of Martha's Vineyard for this generation and the next. We feel this is an ideal opportunity to develop a model for private and public entities to collaborate, since it fosters involvement by many parties like the Town of Chilmark Affordable Housing Committee, the Town of Chilmark Community Preservation Act Committee, the Dukes County Regional Housing Authority, and the other aforementioned groups.

The Island Affordable Housing Fund is committed to making Middle Line Road a reality. We have received more than \$10,000 in funding support designated for Middle Line Road by the Baker/Flender family in Molly's memory. We have also had inquiries from Chilmark residents about specific projects they can support within their town. Middle Line Road is such an opportunity, and we have agreed to serve as fiscal sponsor for the Middle Line Road project in the event the Island Housing Trust is selected as project developer.

We thank you for your commitment to providing affordable housing for members of our community, and we welcome the opportunity to speak to you further about the benefits of the Island Housing Trust's proposal for Middle Line Road.

Sincerely,


Emily Levett

Executive Director

Board of Directors

Candy daRosa, Co-chair • Bob Wheeler, Co-chair

John Abrams • John Early • Leo Frame • Norman Hall • Jeremy Henderson • Kenn Karakul • Julieann VanBeile

4. 20 YEAR OPERATING PRO FORMA

The attached 20-year Operating Pro Forma for Middle Line Affordable Housing was developed with the Dukes County Regional Housing Authority and shows a positive debt coverage ratio in excess of 115% in the first year of operation (2008) and a 3% annual increase over the next 19-years. The 2008 rental expenses and revenues are based on figures presented in the 2005 Feasibility Study and adjusted for inflation.

RENT SCHEDULE

The attached 2008 Rent Schedule for Middle Line Affordable Housing is based on 85% area median income (AMI) rents for households earning up to 100% of the AMI and 125% rents for households earning up to 150% of the AMI. The rents figures are based on the rent schedule presented in 2005 Feasibility Study and adjusted for the projected 2008 AMI. As explained in the Analysis of Affordability, households earning less than 85% and 125% of AMI will require annual rental subsidies funded through the Town's Community Preservation Act (CPA) funds to assure affordable rents.

Middle Line Road Operating Pro Forma and Rent Schedule

2008

Rental Income* (3% yr increase)	110,904
Less Vacancy (5% vacancy)	(5,545)

Gross Collected Rent	105,359
Other Income	0

Effective Gross Income	<u>105,359</u>
Less: Operating Expenses	
Management Fee (10%)	11,090
Maintenance	16,000
Utilities - Common	1,000
PILOT & Insurance	3,250
Capital Reserve	3,000

Total Expenses	34,340

Net Operating Income	71,018
Less:	
Debt Service (\$750,000/ 30 yr./ 7.0%)	61,224

Income (Loss) From Operations	9,794
Rent Schedule	
Affordable (2008 85% Rents):	
1 Bedroom	1,022
2 Bedroom	1,215
3 Bedroom	1,400
Moderate (2008 125% Rents):	
1 Bedroom	1,571
2 Bedroom	1,873
3 Bedroom	2,161
Total Annual Rental Revenues	110,904

**Middle Line Road
20 Year Operating Pro Forma and Rent Schedule**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Rental Income* (1% increase)	110,904	113,122	115,385	117,692	120,046	122,447	124,896	127,394	129,942	132,541	135,191	137,895	140,653	143,466	146,335	149,262	152,247	155,292	158,398	161,566
Less Vacancy (3% vacancy)	(45,545)	(45,656)	(45,769)	(45,885)	(46,002)	(46,122)	(46,245)	(46,370)	(46,497)	(46,627)	(46,760)	(46,895)	(47,031)	(47,173)	(47,317)	(47,463)	(47,612)	(47,765)	(47,920)	(48,078)
Gross Collected Rent	105,359	107,466	109,615	111,808	114,044	116,325	118,651	121,024	123,445	125,914	128,432	131,000	133,620	136,293	139,019	141,799	144,635	147,533	150,498	153,488
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Effective Gross Income	105,359	107,466	109,615	111,808	114,044	116,325	118,651	121,024	123,445	125,914	128,432	131,000	133,620	136,293	139,019	141,799	144,635	147,533	150,498	153,488
Less: Operating Expenses																				
Management Fee (6%)	11,090	11,312	11,538	11,769	12,005	12,245	12,490	12,739	12,994	13,254	13,519	13,790	14,065	14,347	14,634	14,926	15,225	15,529	15,840	16,157
Maintenance	16,000	16,480	16,974	17,484	18,008	18,548	19,105	19,678	20,268	20,876	21,503	22,148	22,812	23,497	24,201	24,927	25,675	26,446	27,239	28,056
Utilities - Common	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	1,344	1,384	1,426	1,469	1,513	1,558	1,605	1,653	1,702	1,754
PHOT & Insurance	3,250	3,348	3,448	3,551	3,658	3,768	3,881	3,997	4,117	4,241	4,368	4,499	4,634	4,773	4,916	5,063	5,215	5,372	5,533	5,699
Capital Reserve	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914	4,032	4,153	4,277	4,406	4,538	4,674	4,814	4,959	5,107	5,261
Total Expenses	34,340	34,170	34,022	33,897	34,796	35,720	36,669	37,644	38,646	39,676	40,733	41,820	42,937	44,084	45,263	46,475	47,720	48,999	50,314	51,665
Net Operating Income	71,018	75,296	76,594	77,911	79,248	80,605	81,982	83,380	84,793	86,238	87,698	89,180	90,683	92,208	93,755	95,324	96,915	98,529	100,164	101,823
Less:																				
Debt Service (\$750,000/30 yr/7.0%)	61,224	61,224	61,224	61,224	61,224	61,224	61,224	61,224	61,224	61,224	61,224	61,224	61,224	61,224	61,224	61,224	61,224	61,224	61,224	61,224
Income (Loss) From Operations	9,794	14,072	15,370	16,687	18,024	19,381	20,758	22,156	23,574	25,014	26,474	27,956	29,459	30,984	32,531	34,100	35,691	37,304	38,940	40,599
Rent Schedule																				
Affordable (2008 85% Rent):																				
1 Bedroom	1,022	1,042	1,063	1,085	1,106	1,128	1,151	1,174	1,197	1,221	1,246	1,271	1,296	1,322	1,349	1,375	1,403	1,431	1,460	1,489
2 Bedroom	1,215	1,239	1,264	1,289	1,315	1,341	1,368	1,396	1,424	1,452	1,481	1,511	1,541	1,572	1,603	1,635	1,668	1,701	1,735	1,770
3 Bedroom	1,400	1,428	1,457	1,486	1,515	1,546	1,577	1,608	1,640	1,673	1,707	1,741	1,776	1,811	1,847	1,884	1,922	1,960	2,000	2,040
Moderate (2008 125% Rent):																				
1 Bedroom	1,571	1,602	1,634	1,667	1,701	1,735	1,769	1,805	1,841	1,877	1,915	1,953	1,992	2,032	2,073	2,114	2,157	2,200	2,244	2,289
2 Bedroom	1,873	1,910	1,949	1,988	2,027	2,068	2,109	2,151	2,195	2,238	2,283	2,329	2,375	2,423	2,471	2,521	2,571	2,623	2,675	2,729
3 Bedroom	2,161	2,204	2,248	2,293	2,339	2,386	2,434	2,482	2,532	2,583	2,634	2,687	2,741	2,795	2,851	2,908	2,967	3,026	3,086	3,148
Total Annual Rental Revenues	110,904	113,122	115,385	117,692	120,046	122,447	124,896	127,394	129,942	132,541	135,191	137,895	140,653	143,466	146,335	149,262	152,247	155,292	158,398	161,566

5. PROPOSED SALES PRICES

The attached 2008 Sales Prices for Middle Line Affordable Housing are based on the sales prices for the Affordable and Moderate two bedroom and three bedroom houses presented in the 2005 Feasibility Study and adjusted for the projected 2008 area median income (AMI).

ANALYSIS OF AFFORDABILITY

The attached 2008 Analysis of Affordability for Middle Line Affordable Housing shows that the projected 2008 rent figures and 2008 sales price figures are affordable based on the projected 2008 area median income (AMI). The Analysis of Affordability figures include a utility allowance and therefore are slightly higher than the projected 2008 rent and sales prices that do not include utilities.

Based on data collected by the Dukes County Regional Housing Authority and the Town of Chilmark Affordable Housing Committee, the Middle Line Affordable Housing rents may still not be affordable to many Chilmark residents, town works, and volunteers. Of the 24 Chilmark residents or employees that have submitted rental applicants to the DCRHA as of August 2005, 22 of the applicants can not afford 85% rents, only two of the applicants can afford 85% rents, and none of the applicants can afford 125% rents. Based on this current data, annual rental assistance funded through the Town's Community Preservation Act (CPA) will be necessary in cases where either the 85% rents or the 125% rents are not affordable.

ABSORPTION SCHEDULE

Based on the demand for affordable rental and home ownership housing as documented in the Dukes County Regional Housing Authority's Homebuyer Clearing House Wait List, as well as the DCRHA's experience renting 38 apartments and administering recent lotteries for the Island Housing Trust and town Resident Homesite Programs, the house sales and the rentals will be sold or rented by the anticipated completion date of November 2008.

Middle Line Road

2008 Sales Prices

Sales

Type	Total	NSF	Affordable [a]		Moderate [b]	
			No.	Sales Price	No.	Sales Price
2BR	2	1,100	1	176,035	1	284,163
3BR	4	1,350	2	211,787	2	336,756
Subtotal				\$ 599,609		\$ 957,674

Total

\$ 1,557,283

Notes:

[a] Affordable <100% of median with sales prices set at average of 85% median projected for 2008

[b] Moderate <150% of median with sales prices set at average of 125% median projected for 2008

Middle Line Road

2008 Analysis of Affordability

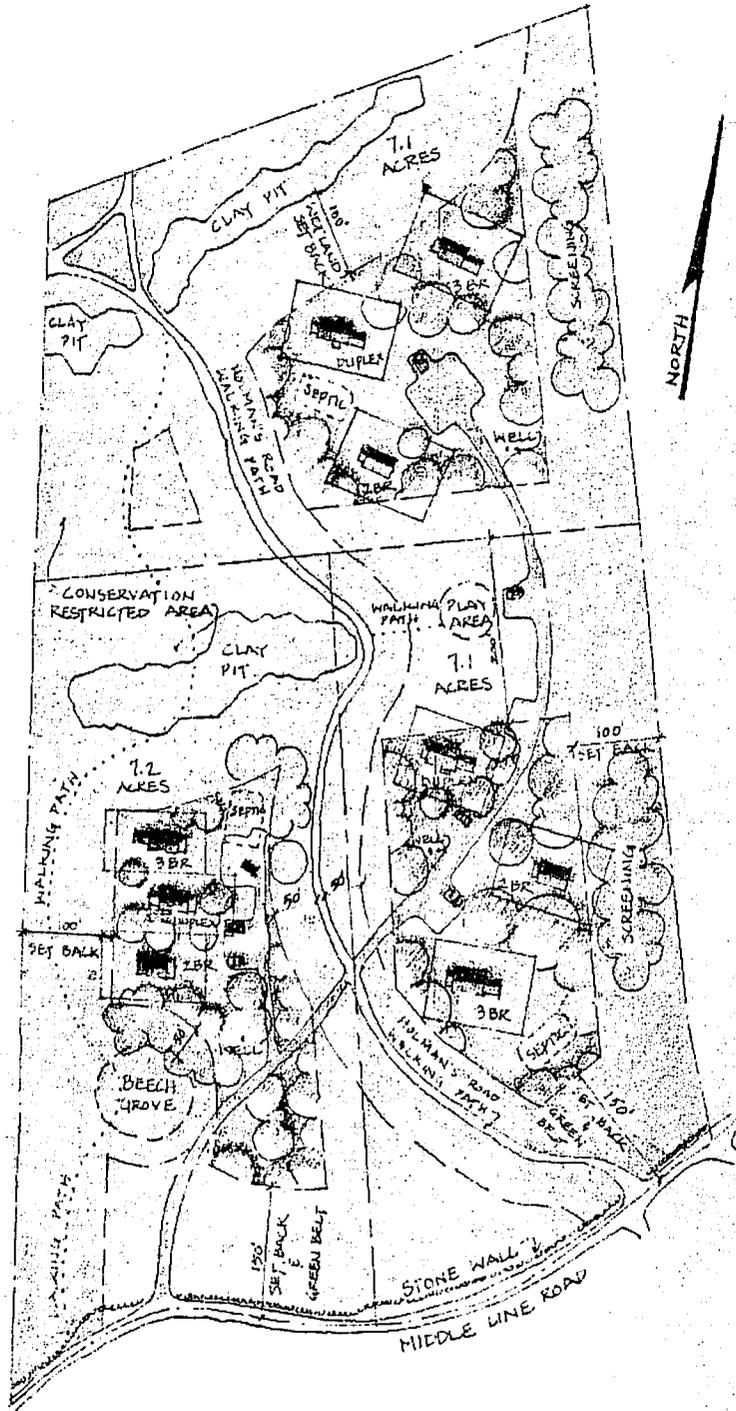
<u>Component</u>	<u>Income Limit [a]</u>	<u>Monthly Rental [b]</u>	<u>Affordable Sale Prices [c]</u>	
80% Median				
1 Person	\$ 40,960	\$ 1,024	\$ 146,700	
2 Persons	\$ 46,810	\$ 1,170	\$ 169,900	< 1 BR
3 Persons	\$ 52,660	\$ 1,317	\$ 193,100	< 2 BR
4 Persons	\$ 58,510	\$ 1,463	\$ 216,300	< 3 BR
5 Persons	\$ 63,190	\$ 1,580	\$ 234,900	
85% Median				
1 Person	\$ 43,520	\$ 1,088	\$ 156,800	
2 Persons	\$ 49,730	\$ 1,243	\$ 181,500	< 1 BR
3 Persons	\$ 55,950	\$ 1,399	\$ 206,200	< 2 BR
4 Persons	\$ 62,170	\$ 1,554	\$ 230,900	< 3 BR
5 Persons	\$ 63,480	\$ 1,587	\$ 236,100	
100% Median				
1 Person	\$ 51,200	\$ 1,280	\$ 187,300	
2 Persons	\$ 58,510	\$ 1,463	\$ 216,300	< 1 BR
3 Persons	\$ 65,830	\$ 1,646	\$ 245,400	< 2 BR
4 Persons	\$ 73,139	\$ 1,828	\$ 274,400	< 3 BR
5 Persons	\$ 78,990	\$ 1,975	\$ 297,600	
120% Median				
1 Person	\$ 61,440	\$ 1,536	\$ 228,000	
2 Persons	\$ 70,210	\$ 1,755	\$ 262,800	< 1 BR
3 Persons	\$ 78,990	\$ 1,975	\$ 297,600	< 2 BR
4 Persons	\$ 87,770	\$ 2,194	\$ 332,500	< 3 BR
5 Persons	\$ 94,790	\$ 2,370	\$ 360,300	
125% Median				
1 Person	\$ 64,000	\$ 1,600	\$ 238,100	
2 Persons	\$ 73,140	\$ 1,829	\$ 274,400	< 1 BR
3 Persons	\$ 82,280	\$ 2,057	\$ 310,700	< 2 BR
4 Persons	\$ 91,420	\$ 2,286	\$ 347,000	< 3 BR
130% Median				
1 Person	\$ 66,560	\$ 1,664	\$ 248,300	
2 Persons	\$ 76,060	\$ 1,902	\$ 286,000	< 1 BR
3 Persons	\$ 85,570	\$ 2,139	\$ 323,700	< 2 BR
4 Persons	\$ 87,770	\$ 2,194	\$ 332,500	< 3 BR
5 Persons	\$ 102,690	\$ 2,567	\$ 391,700	
140% Median				
1 Person	\$ 71,680	\$ 1,792	\$ 268,600	
2 Persons	\$ 81,920	\$ 2,048	\$ 309,200	< 1 BR
3 Persons	\$ 92,160	\$ 2,304	\$ 349,900	< 2 BR
4 Persons	\$ 102,390	\$ 2,560	\$ 390,500	< 3 BR
5 Persons	\$ 110,590	\$ 2,765	\$ 423,000	
150% Median				
1 Person	\$ 76,800	\$ 1,920	\$ 288,900	
2 Persons	\$ 87,770	\$ 2,194	\$ 332,500	< 1 BR
3 Persons	\$ 98,740	\$ 2,469	\$ 376,000	< 2 BR
4 Persons	\$ 109,710	\$ 2,743	\$ 419,500	< 3 BR
5 Persons	\$ 118,490	\$ 2,962	\$ 454,400	

Notes:

- [a] Income limits based on projected 2008 HUD median income for family of four in Duques County;
- [b] Affordable rental occupancy based on 30% of income for all occupancy costs (including utilities);
- [c] Affordable sales price based on 30% of income spent for principal, interest, and taxes.

6. PRELIMINARY SITE PLAN AND ELEVATIONS

The attached Concept Plan for Middle Line Road Housing developed by South Mountain Company and approved by the Town of Chilmark is the preliminary site plan.



MIDDLE LINE ROAD HOUSING CONCEPT PLAN

SOUTH MOUNTAIN COMPANY INC.

DESIGNED BY SOUTH MOUNTAIN ARCHITECTURAL INTERIORS DEVELOPMENT
GENERAL CONTRACTOR: SOUTH MOUNTAIN CONSTRUCTION

APPROX. SCALE: 1/8" = 1'

REGISTERED PROFESSIONAL ARCHITECT
SOUTH MOUNTAIN ARCHITECTURAL INTERIORS DEVELOPMENT, LLC
1000 STATE STREET, SUITE 200, SOUTH MOUNTAIN, MA 01088

7. PRELIMINARY SPECIFICATIONS

The attached specifications for Middle Line Affordable Housing prepared by South Mountain Company are an abbreviated outline of the specifications for the nine-buildings/ twelve units.

**Abbreviated Outline Specification
(Sample)**

**Houses for
Island Housing Trust
Middle Line Road**

Chilmark MA 02535

**Prepared for:
Island Housing Trust**

**Designed by:
South Mountain Co, Inc.
PO Box 1260
West Tisbury MA 02575**

Jan. 11, 2006

- .1 FOUNDATION: - 8" poured concrete on 8" x 16" footings.
- 3.2 CELLAR SLAB: - 4" concrete over polyethylene vapor barrier and 1" extruded polystyrene insulation, with sill seal expansion joint around perimeter.
- 6.1 FRAMING:
 - Girders: 1 3/4 x 9 1/4" MicroIam
 - Floor Joists: 2 x 10 @ 16" o.c;
 - 2nd Floor Joists: 2 x 10 @ 16" o.c.;
 - Walls: 2 x 6 @ 24" o.c;
 - Rafters: 2 x 10 @ 24" o.c
 - Ceiling joists: 2 x 8 @ 24" o.c;
 - Exposed collar ties: 4 x 5 salvage Douglas fir
- 6.4 SHEATHING:
 - Walls: 1/2" CDX fir plywood;
 - Roof: 5/8" CDX fir plywood.
- 6.6 SUBFLOORS: - 3/4" t & g fir plywood
- 6.7 EXTERIOR TRIM:
 - Windows, Doors, Corner boards, etc.: 5/4-salvage cypress .
 - Roof trim: 4/4-salvage cypress .
- 6.9 PORCH:
 - Deck framing: ACQ treated So. Yellow pine or equiv.
 - Decking 1 x 4 salvage Douglas fir
 - Framing/sheathing: Recycled fir or native pine timber
- 6.13 INTERIOR TRIM: - doors, windows, base, etc.: salvage cypress or pine.
- 6.13 CLOSET FINISH: - wire shelving and fittings.
- 6.14 CABINETS: - flat panel doors, mfr. to be determined.
- 6.15 COUNTERTOPS: - salvage slate tile with wood edge, or Formica.
- 6.16 INT. WOODWRK: - Entry shelving and pegs.
- 6.17 STAIRS:
 - Main: Yellow birch or maple, housed stringers;
 - Cellar: Southern yellow pine utility stair.
- 6.11 UNDERLAYMENT: - "Duerock" or equal cement board under all tile,
- 7.2 ROOFING: - 25 yr. organic asphalt shingles in several color choices
- 7.3 SIDING: - "Maibec" brand white cedar shingles, clears, 5 " exposure.
- 7.4 GUTTERS: - Aluminum, color to be chosen

- 7.5 INSULATION:
 - Walls, ceilings, roofs: fill cavities with dense spray cellulose.
 - First floor: 9" fiberglass batts.
 - Air sealing: Airtight drywall system, gaskets at floors and openings.
 - Roof Venting: none.

- 8.1 EXT. DOORS:
 - Wood or fiberglass

- 8.2 INTERIOR DOORS:
 - Masonite craftsmaster or 4 panel pine.

- 8.3 ST./SCR. DOORS:
 - Painted pine.

- 8.4 WINDOWS:
 - Mfr.: Loewen or equivalent
 - Type: Clad casements and awnings, dual pane with low-e argon

- 9.1 INTERIOR WALLS:
 - 1/2" sheetrock with 3 coat taping or skim coat plaster.

- 9.2 WOOD FLOORS:
 - First floor: 2 1/4" t & g birch from Seven Islands Land Co. or equiv.
 - Second floor: 1x6 native t&g pine or equiv.

- 9.3 TILE FLOORS:
 - TBD

- 9.4 BATHROOM TILE:
 - TBD

- 9.5 PAINTING:
 - Interior walls and ceilings: latex with 1st coat vapor barrier mix.
 - Wood floors: 3 coats urethane, finish coat satin.
 - Interior trim: 2 coats 50/50 flat urethane/Bio-shield penetrating oil.
 - Exterior trim: no finish.

- 10.1 BATHS:
 - Medicine cabinets: TBD
 - Accessories: (Towel bars and TP: ceramic holders and wood bars.)

- 11.1 APPLIANCES:
 - Refrigerator: Over/under 17 -19 cu. ft. low energy use.
 - Range: 4-burner 30" electric (propane option) slide-in with self-cleaning oven.
 - Dishwasher: low energy use.

- 15.1 PLUMBING
 - Includes all fixtures: TBD

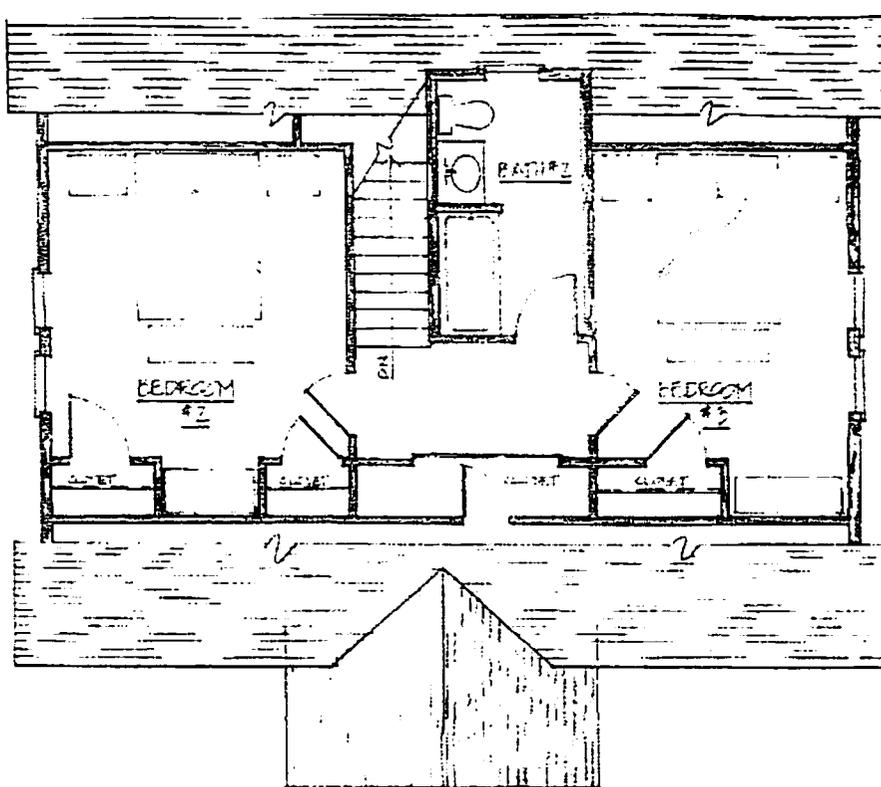
- 15.2 HEAT
 - Includes all systems: TBD

- 15.3 VENTILATION:
 - Exhaust-only ventilation in bathrooms.

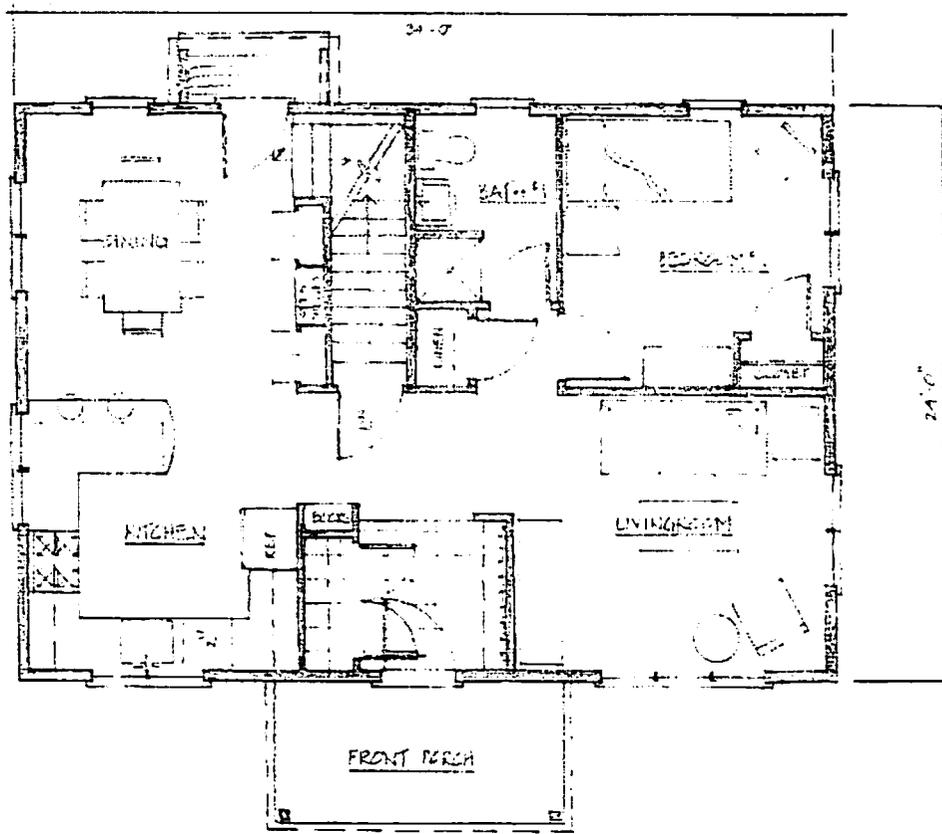
- 16.1 ELECTRICAL:
 - Includes all wiring and lighting: TBD

8. UNIT CONFIGURATION

The attached Sample House Plan developed by South Mountain Company provides preliminary unit configurations for the two bedroom and three bedroom single-family houses.



SECOND FLOOR PLAN

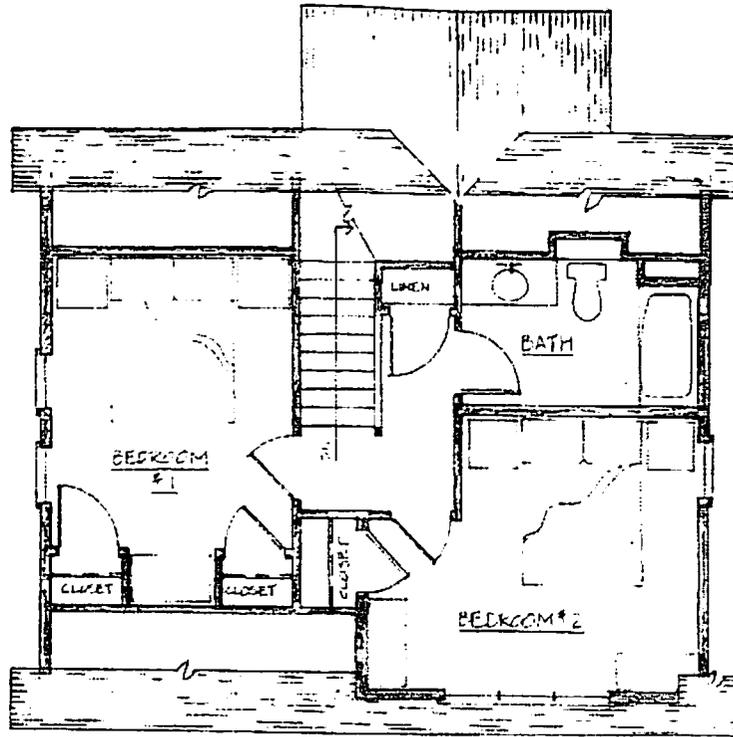


FIRST FLOOR PLAN

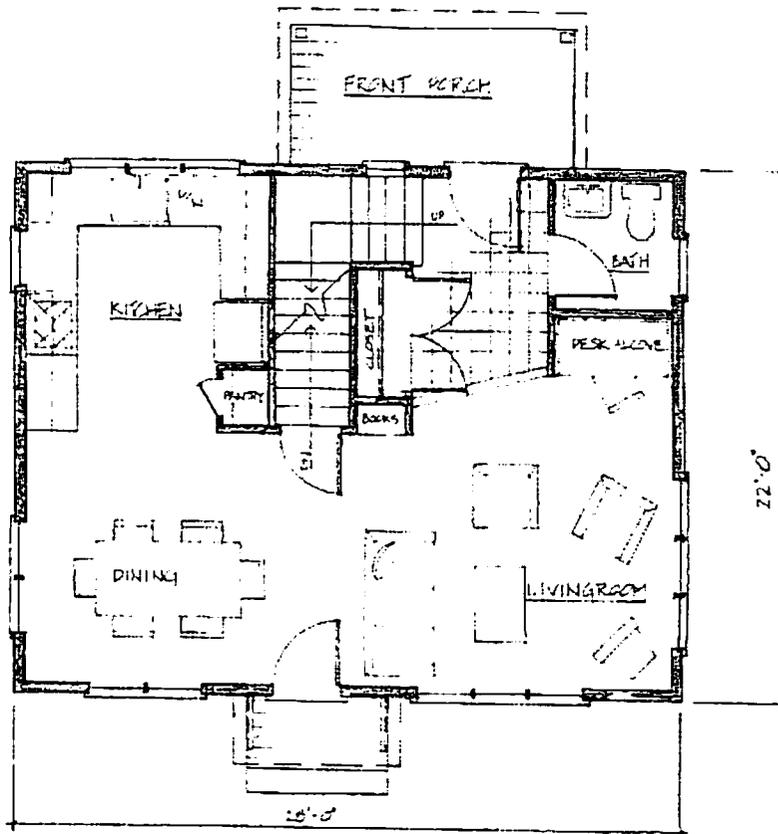
SAMPLE HOUSE PLAN

3 Bedroom = 1347 s.f.

SOUTH MOUNTAIN COMPANY INC.
 ARCHITECTURE BUILDING WOODWORK INTERIOR DEVELOPMENT
 RESIDENTIAL COMMERCIAL DESIGN CENTER



SECOND FLOOR PLAN



FIRST FLOOR PLAN

SAMPLE HOUSE PLAN

2 Bedroom = 1085 s.f.

SOUTH MOUNTAIN COMPANY INC.

ARCHITECTURE • INTERIORS • RENOVATIONS • DEVELOPMENT
 10000 S. 10th St. • Phoenix, AZ 85042

9. PRELIMINARY IDENTIFICATION OF PERMITTING AND REGULATORY RELIEF

The Island Housing Trust will obtain the following permits and regulatory relief for Middle Line Affordable Housing:

- a. Planning Board approval of the access road.
- b. Planning Board approval of improvement to handle traffic from the development.
- c. Planning Board approval of a Form "A" subdivision plan of the 21.4 acres into three equal lots.
- d. Zoning Board of Appeals special permit approval to build six single-family dwellings under Homesite Housing (Section 6.9) and six rental units (three duplexes) under Affordable Rental Housing (Section 6.10) of the Chilmark Zoning By-law.
- e. Martha's Vineyard Commission Development of Regional Impact (DRI) permit for the development of more than 10 housing units.
- f. Conservation Commission approval if determined to be necessary.
- g. Board of Health approval of three Title V septic systems.

10. PROJECT SCHEDULE

The attached Middle Line Project Schedule developed by South Mountain Company presents the approximate design and construction schedule beginning April of 2006 and ending November of 2008.

APPROXIMATE DESIGN & CONSTRUCTION SCHEDULE

(Assumes March 1, 2006 decision from Town of Chilmark)

April 2006

- Begin site engineering for: septic, water, electricity, phone, roadway
- Begin subdivision plan regulatory process
- Begin schematic design

July 2006

- Complete schematic design
- Schedule schematic design review with IHT and Town reps.
- Begin permitting process (Planning Board, MVC)

October 2006

- Complete design development
- Schedule final review with IHT and Town reps.

January 2007

- Complete construction documents

March 2007

- Begin site clearing

April 2007

- Begin road work

May 2007

- Begin foundations

July 2007

- Begin framing

January 2007

- Complete weather-tight shells
- Begin finish

September 2008

- Complete construction

November 2008

- Complete landscape
- Occupancy

11. PROPOSED TENANT SELECTION PLAN AND CRITERIA

The Island Housing Trust will work in association with the Town of Chilmark, the Chilmark Affordable Housing Committee and the Dukes County Regional Housing Authority to further the Town's goal of providing housing to year round residents, as well as town workers and volunteers through a fair and open process. The selection plan for rental and ownership units will be in compliance with all fair housing laws and will maximize the opportunities for Chilmark employees, volunteers, and residents. The plan will be based on terms and conditions satisfactory and approved by the Town.

Ownership

The selection plan for the ownership units will comply with the requirements in the Town's Homesite Housing (Section 6.9) by-law, including:

1. Applicant must meet the eligibility requirements of the Chilmark Housing Committee under the Homesite Housing Implementation Guidelines in effect at the time of the Island Housing Trust's Special Permit application.
2. Applicant must meet income eligibility requirements established for Middle Line Affordable Housing.
3. The distribution of the ownership units will be conducted through a lottery that will be held at a public meeting of the Board of Selectmen. Preference will be given to Chilmark employees, volunteers, and residents as defined in the Homesite Housing Implementation Guidelines in effect at the time of the Island Housing Trust's Special Permit application.

Rental

The Dukes County Regional Housing Authority will utilize the attached DCRHA Tenant Selection Criteria with preference provided to Chilmark employees, volunteers, and residents.

TENANT SELECTION CRITERIA

Policy Amended and Adopted September 2001

DUKES COUNTY
REGIONAL HOUSING AUTHORITY
P.O. Box 4538
Vineyard Haven, MA 02568
Phone: (508) 693-4419
Fax: (508) 693-5710

Application and Review Process

Application and copies of this Tenant Selection Criteria Policy are available from the Dukes County Regional Housing Authority. Applicants are encouraged to call with questions or to review a submitted application. All applications must be fully completed including your correct mailing address and current telephone number. As completed applications are received by the DCRHA they will be stamped with the date of arrival if by hand or the date of postmark if by mail.

DCRHA staff will review applications to determine eligibility. This review will be based upon the applicant's stated income(s), household size, etc. Applicants will be notified as to whether they are eligible and placed on the waiting list or rejected because they do not appear to meet the minimum eligibility criteria. If an applicant is found to be ineligible they may request a private conference.

In accordance with applicable equal opportunity statutes, Executive Orders, and regulations, the DCRHA does not discriminate against any person because of race, color, religion, sex, national origin, age, families with children or disability; excluding the income limits, size of households and other criteria established in this document.

This policy will be reviewed annually and may be amended at any time with proper public notice.

DCRHA Waiting List

If a rental unit is not available the DCRHA will maintain a waiting list of qualified applicants. Separate applications may be required for different housing developments or programs due to income limits, residency requirements, or funding sources. Qualified applicants will be notified when a unit becomes available appropriate to their household size.

Waiting lists are confidential documents. Certain DCRHA housing programs may request personal information be furnished as part of the selection process. Members of a tenant selection committee and DCRHA staff are bound to maintain confidentiality.

Minimum Qualification Guidelines

1. Households must meet income limits.

The US Department of Housing and Urban Development (HUD) determines median income in Dukes County. Total household income, in relationship to household size is considered when approving an application. Different income qualifications apply depending on the property and funding sources, a ranking of preference in respect to income may be applied to applicants on a particular waiting list.

2. Households must provide verifiable landlord references.

All landlord references will be verified. Unfavorable or unsubstantiated landlord reference may be grounds for rejection of applications.

3. Banking and credit references are required.

Credit reports from established credit bureaus will be obtained. Unfavorable reports may be grounds for rejection of applications.

4. County and/or Town residency preference.

Preference will be given to applicants with established Dukes County residency. Some available units may be held for persons with established residency within a particular town.

5. Length of Residency preference.

Preference will be given to applicants based on length of Dukes County residency.

6. Household size must be appropriate to the unit size.

Generally, households will be placed in a unit size so that it will not be necessary for persons of the opposite sex, other than husband and wife (or those in a similar living arrangement), to occupy the same bedroom, with the exception of children under the age of six. The following guidelines apply:

<u>Unit Size</u>	<u>Household Compositions</u>
Studio	One to two adults, One adult with one child;
One Bedroom	One to two adults with one young child;
Two Bedrooms	One to two adults with up to two children;
Three Bedrooms	One to two adults with up to four children;
Four Bedrooms	One to two adults with up to six children.

7. Applicants must provide a valid Social Security card.

Valid U.S. Social Security numbers are required for all applicants and all members of the applicant household.

8. Applicants must be able to pre-pay required rents prior to move-in, including first month's rent and security.

9. Applicants must be willing and able to enter into a lease agreement.

10. Further restrictions may apply at the discretion of the DCRHA.

Personal interviews with an entire resident household present may be required.

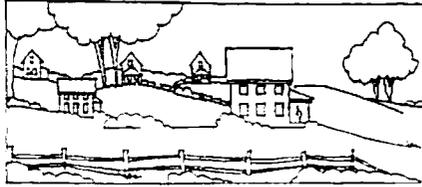
Application Rejection Criteria:

The DCRHA may reject any and all applications for one of more of the following reasons:

1. Applicants unable to meet one or more of the Minimum Qualification Guidelines listed above.
2. Applicant's rent would exceed 30-50% of gross total annual income.
3. Applicants submit an incomplete, unsubstantiated or unreadable application.
4. Applicants submit false or unsubstantiated information about themselves or any household member, or misrepresent the size and configuration of the household.
5. Any household member has a poor landlord reference including:
 - a. Indication of habitual late payment of rents due.
 - b. Violation of previous lease or rental agreements.
 - c. Indication of conflict with management and/or other residents.
6. Any household member is a convicted felon or convicted of repeated misdemeanors, or is currently accused of any crime in a court of law.

12. MECHANISM TO INSURE PERMANENT AFFORDABILITY

The Island Housing Trust will lease the 21.4 acre parcel of land from the Town of Chilmark through a long-term ground lease under the terms outlined in the Middle Line Road Affordable Housing request for proposal. Permanent affordability for both the rental and home ownership units will be ensured through long-term ground lease restrictions between the Island Housing Trust and each of the six homeowners and the Dukes County Regional Housing Authority. The IHT ground lease restrictions will require that rents and resale prices be restricted to households earning no more than 100% and 150% of the area median income under the terms of an approved Tenant Selection Plan and Criteria. The IHT ground lease balances the interest of the lessee as homeowner with the long-term interests of the IHT and the Town of Chilmark. Based on a formula, the resale price will be limited to no more than the initial sales price plus a 4% annual increase for inflation (the index is based on the annual increase in the area median income not to exceed more than an average of 4% annually). Adjustments in the resale price are also provided for homeowners that increase the number of bedrooms in their house. See attached a copy of the IHT ground lease overview for specific language on resale restrictions in Article 10.10 - Calculations of the Formula Price and a calculation of the resale formula example.



ISLAND HOUSING TRUST

A community land trust for Martha's Vineyard

Post: Office Box 779 • West Tisbury MA 02575 • 508-693-1117

The Island Housing Trust's (IHT) ground lease is the legally binding agreement that gives the lessee/homeowner the right to use the land. It describes in full the rights and responsibilities of the lessee and the IHT, as well the restrictions that govern the relationship. The lease attempts to balance the interests of the lessee as a homeowner with the long-term interests of the IHT and the Town of Chilmark.

There are a number of critical agreements that are defined by the IHT ground lease. These include:

- **3.1 DURATION OF LEASE:** renewable 99-year lease and shall not cease if the land is transferred whether voluntarily or involuntarily.
- **4.1 USE OF LEASED PREMISES:** only for residential purposes and any incidental activities related to residential use that are currently permitted by applicable law and regulations.
- **4.4 OCCUPANCY:** Lessee shall occupy the Leased Premises for at least eleven (11) months of each year of this Lease, unless otherwise agreed by IHT.
- **5.0 GROUND LEASE FEE:** A \$50.00 monthly fee will be charged based on an amount approximating the monthly fair rental value (Article 5.1), recognizing that use of the Leased Premises is restricted by some of the provisions of the Lease (Article 5.3). The ground lease fee (along with any other association fees) is included in the calculation that determines the initial Purchase Price in Article 10.10 so they remain affordable in perpetuity.
- **6.0 TAXES AND ASSESSMENTS:** Lessee shall be responsible for payment of all taxes, governmental assessments and other charges (i.e. road association fees) that relate to the Improvements and the Leased Premises (Article 6.1). In the event that Lessee fails to pay the taxes or other charges, IHT choose to increase, but shall not be obligated to increase, Lessee's Ground Lease Fee in an amount that will offset the cost of any delinquent and current taxes or other charges (Article 6.4).
- **7.3 ALTERATION AND ADDITIONS:** Any construction in connection with an existing or new Improvement is subject to the following conditions: (a) all costs are paid by Lessee; (b) all construction must comply with all applicable laws and regulations; (c) all construction must be consistent with the permitted uses in Ground Lease and; (d)

the addition of bedroom(s) and bathroom(s) intended to qualify for Added Value in accordance with Article 10.10 shall not be constructed without prior review by the IHT.

- *7.6 MAINTENANCE AND SERVICES:* Lessee shall maintain the Leased Premises and all Improvements and assumes the sole responsibility for furnishing all services or facilities as required in the Ground Lease, including but not limited to heat, electricity, air conditioning, or water, or to make any repairs.
- *8.1 PERMITTED MORTGAGE:* Lessee may mortgage the Leased Premises only with the written consent of IHT.
- *8.3. REMOVAL OF CERTAIN PROVISIONS PURSUANT TO FORECLOSURE:* In the event of foreclosure sale by the bank the provisions preserving affordability (Article 10, sections 10.1 through 10.11) shall be deleted.
- *EXHIBIT H – PERMITTED MORTGAGES:* The bank has to give the IHT prior written notice of its intention to foreclose and the IHT or its assigns will have 45 days to provide written notice to the bank of intent to purchase the Improvements and leasehold estate for the full amount owed to the bank. If the bank conducts a foreclosure the Lease authorizes and instructs the bank or any party conducting any sale to pay the amount in excess of what the Lessee would have received under the resale formula in Article 10 directly to IHT.
- *10.2 TRANSFERS TO INCOME-QUALIFIED PERSONS:* Lessee may sell their interest in the Leased Premises or the Improvements only to the IHT or an Income-qualified Person as defined by the provisions of the Lease. Income qualified person shall mean a person or persons whose household income does not exceed ___% of the median household income for Dukes County.
- *10.3 TRANSFER TO LESSEE'S HEIRS:* IHT will consent to a transfer of the Improvements under the terms and conditions of the Lease to and by one or more of these "Permitted Heirs", including:
 - a. the spouse of the Lessee; or
 - b. the child or children of the Lessee; or
 - c. the Lessee's domestic partner who is one of two people, the other being the Lessee, who maintain the same permanent residence and have a close and committed personal relationship involving shared responsibilities for each other's welfare as evidenced by financial interdependence, and expressing the intention for their relationship to be permanent.
- *10.5 LESSOR'S PURCHASE OPTION:* IHT may elect to exercise its Purchase Option within forty-five days after IHT's receipt of the Lessee's Notice of Intent to Sell. If the IHT gives notice to exercise the Purchase Option, the IHT must complete

the purchase of the Improvements within sixty (60) days. The IHT may assign the Purchase Option to an Income-Qualified Person who then completes the purchase of the Improvements within the required period.

- **10.8 PURCHASE OPTION PRICE:** The Purchase Option Price shall be equal to the lesser of (a) the value of the Improvements as determined by the Appraisal (Article 10.9) commissioned and conducted at the discretion of the IHT or (b) the price calculated in accordance with the formula described below ("the Formula Price").
- **10.10 CALCULATION OF THE FORMULA PRICE:** The Formula Price shall be equal to the Base Price (Lessee's Purchase Price plus the Added Value) plus the Inflation Adjustment, calculated as described below.
 - *Base Price:* The parties agree that the Base Price is the Purchase Price plus the Added Value, as may be applicable.
 - *Lessee's Purchase Price:* The parties agree that Lessee's Purchase Price for the Improvements existing on the Leased Premises as of the commencement of the term of the Lease is \$_____.
 - *Added Value:* shall be recognized if Lessee has increased the number of bedrooms in the Improvements by the addition of an Addition with the result that a Certificate of Added Value has been issued by Lessor in accordance with Section 7.3 hereof. For purposes of determining the Added Value, a household of two shall be deemed an appropriate size household for a one bedroom dwelling, a household of three shall be deemed an appropriate size household for a two bedroom dwelling, a household of four shall be deemed an appropriate size household for a three bedroom dwelling, and a household of five shall be deemed an appropriate sized household for a four bedroom dwelling.

The parties agree that, at the time of Lessee's purchase or after completion of the Initial Construction, the Improvements contained ___ bedrooms and provided an appropriate size dwelling for a household of ____. If, at the time of resale, the number of bedrooms has been increased, the amount of the Added Value shall be determined as follows:

1. The adjusted dollar amount most recently reported by the HUD at the time of resale as being ___% of Area Median Income for Dukes County (AMI) for a household of ____ (as such household size is stated above) shall be subtracted from the adjusted dollar amount most recently reported by HUD at the time of resale as being ___% of AMI for the household size appropriate for the increased number of bedrooms, thus determining the difference between the two dollar amounts. This difference shall then be divided by the adjusted dollar amount reported by HUD for the smaller household size. The quotient of this operation shall be rounded to three decimal places.

2. The resulting quotient shall be multiplied by the amount of the Lessee's Purchase Price. The product of this operation shall be the Added Value.

- *Inflation Adjustment:* The parties agree that the Inflation Adjustment is defined as the sum of two parts: (1) the Lessee's Purchase Price, times the percent change in the Area Median Income for Dukes County ("AMI") since the time of purchase or Initial Construction, as may be applicable, and (2) the Added Value times the percent change in the AMI since the time of the addition of the bedroom(s). The Base Price plus the Inflation Adjustment shall be the Formula Price. The AMI shall be for Dukes County as reported by the HUD. In any event, and in order to balance years of anomaly in the AMI, the increase in the index shall not be greater than an average of 4% per year.

- **10.12 DEFERRED MAINTENANCE AND CONDITION OF IMPROVEMENT AT TIME OF SALE:** The Lessee must maintain the Improvement in good, safe and habitable condition and agrees to transfer the Improvement in good, safe and habitable condition. At time of resale the IHT will hire a licensed building inspector to assess the condition of the Improvement prior to closing. Prior to closing the Lessee shall complete, or cause to be completed, all required repairs identified by the IHT.

- **10.13 MONITORING FEE:** The IHT receives a fee of 0.5% of the maximum sale price of the unit to cover the cost of monitoring the resale and the lease transfer (application and income qualification, orientation and homebuyer training, resale calculation, marketing, and legal review). The Lessee purchaser as a closing cost shall pay this fee at the time of closing.

- **11.0 ASSIGNMENTS AND SUBLEASE RESTRICTION AGAINST LEASING:** The Property shall not be leased or subleased to anyone who is not qualified by the IHT or their agent for affordable housing, as defined by the IHT. The rent is limited to the carrying costs of the improvements. Any profits from rents that exceed the carrying costs will be paid to the IHT.

Formula Price Example for Island Housing Trust Resale

Formula Price = Base Price (Purchase Price plus Added Value) + Inflation Adjustment

Example A - 80% AMI Household purchase 2-bedroom house in 1994 and sell in 2004

<u>Purchase Price - 1994</u>	\$	110,000
Two-bedroom house/ 80% AMI Household		
<u>Added Value</u>	\$	-
None		
<u>Base Price - 2004</u>	\$	110,000
Purchase Price + Added Value		
<u>Inflation Adjustment</u>	\$	46,200
Purchase Price x % AMI change (\$110,000 x 42% = \$46,200) + Added Value x % AMI change (\$0)		
<u>Formula Price</u>	\$	156,200
Base Price + Inflation Adjustment		

Example B - 80% AMI Household purchase 2-bedroom house in 1994, add bedroom in 1999, and sell in 2004

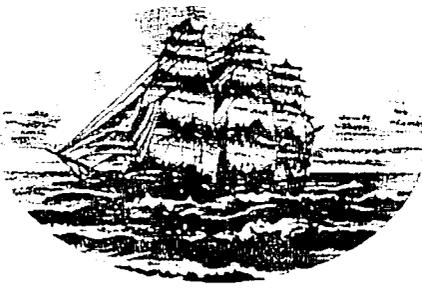
<u>Purchase Price - 1994</u>	\$	110,000
Two-bedroom house/ 80% AMI Household		
<u>Added Value (2 bedroom to 3 bedroom in 1999)</u>	\$	14,006
(80% AMI 2 person - 80% AMI 3 person / 80% AMI 2 person) x Purchase Price (\$32,200 - \$36,300) / \$32,200 x \$110,000		
<u>Base Price - 2004</u>	\$	124,006
Purchase Price + Added Value (\$110,000 + \$14,001)		
<u>Inflation Adjustment</u>	\$	49,001
Purchase Price x % AMI change (\$110,000 x 42% = \$46,200) + Added Value x % AMI change (\$14,001 x 20% = \$2,801)		
<u>Formula Price</u>	\$	173,007
Base Price + Inflation Adjustment		

Dukes County AMI (100% of AMI/ 4 person household)

1990	\$ 32,100	0
1991	\$ 34,900	8.0%
1992	\$ 34,900	0.0%
1993	\$ 43,000	18.8%
1994	\$ 43,900	2.1%
1995	\$ 43,900	0.0%
1996	\$ 46,100	4.8%
1997	\$ 49,000	5.9%
1998	\$ 49,000	0.0%
1999	\$ 50,400	2.8%
2000	\$ 53,200	5.3%
2001	\$ 57,000	6.7%
2002	\$ 58,900	3.2%
2003	\$ 61,100	3.6%
2004	\$ 66,100	7.6%
Total		69%
14 Yr. Average		4.9%

13. LETTERS OF INTEREST FROM LENDERS

The Dukes County Saving Bank has expressed strong interest in providing the Island Housing Trust an estimated \$2,592,283 in construction financing and an estimated \$2,310,000 in permanent financing (\$1,560,000 for the six ownership houses and \$750,000 for the six rental units). See attached letter of interest from the Dukes County Savings Bank.



Dukes County Savings Bank

January 18, 2006

Island Housing Trust
Philippe Jordi
Executive Director
P.O. Box 779
West Tisbury, MA 02575

Dear Mr. Jordi,

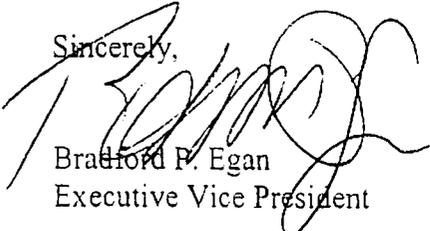
As requested I have reviewed the Middle Line Affordable Housing proposal Island Housing Trust has prepared for the Town of Chilmark. At this stage it looks to be an exciting project with strong potential.

Dukes County Savings Bank has a strong interest in discussing the construction and development financing for the project, as well as potential later stage permanent mortgage financing. We understand as outlined in your proposal you anticipate initial development cost of \$2,600,000 and project permanent mortgage financing of approximately \$2,300,000 inclusive of the rental and sales properties. Based on the preliminary review these figures appear reasonable estimates, subject to further due diligence and confirmation.

Thank you for the opportunity to review the project and we look forward to working with you as this project evolves.

Please note this is not a commitment to lend, but is an expression of our strong interest in pursuing this further.

Sincerely,


Bradford P. Egan
Executive Vice President

14. DESCRIPTION OF DEVELOPMENT TEAM

The Island Housing Trust as non-profit developer, South Mountain Company as designer and builder, and the Dukes County Regional Housing Authority as owner and manager of the rental units will work in association with the Chilmark Affordable Housing Committee and the Town of Chilmark to complete the design, permitting, and construction of the Middle Line Affordable Housing development consisting of nine buildings and associated site work and landscaping, according to the Concept Plan by South Mountain Company, Inc., approved by the Town of Chilmark. The majority of the Development Team has more than five years of experience in affordable housing development on Martha's Vineyard.

Island Housing Trust

The Island Housing Trust (formerly the Island Affordable Housing Development Corporation established in 2001) will serve as the project developer and provide oversight and administration of the Middle Line Road Affordable Housing's initial planning, design, permitting, contracting, financing and grant funding, construction, tenant selection and lottery, and home ownership and rental unit sales; as well as the provide long-term monitoring and enforcement of the home ownership and rental units under the terms of the IHT ground lease.

The IHT developed and owns a rental duplex in West Tisbury that is managed by the Duke County Regional Housing Authority. The IHT also owns five properties in four island towns that it currently is developing or has plans to develop, including a total of ten ownership units and one resident homesite lot involving approximately \$2,722,132 in total development costs. See attached list of IHT affordable housing projects.

South Mountain Company

South Mountain Company, Inc. (SMC) will provide all architecture and general contracting services. SMC has extensive experience with similar projects, having had full responsibility for the design and construction of many Martha's Vineyard affordable housing development projects. See attached list of SMC affordable housing projects and letter of commitment.

South Mountain Company expects to employ the following consultants and primary subcontractors on this project:

- | | |
|-----------------------------|--|
| • Vineyard Land Surveying | Surveying, Civil Engineering |
| • Energysmiths | Systems engineering |
| • Indigo Farm | Site and landscape design and construction |
| • John Keene Excavation | Roads, site work, sewage disposal systems |
| • Island Water Source, Inc. | Wells and water systems. |

Dukes County Regional Housing Authority

The Dukes County Regional Housing Authority will purchase the six rental units and management them under the terms of an approved Tenant Selection Plan and Criteria. Founded in 1986, the Dukes County Regional Housing Authority is a state-chartered countywide public housing authority serving the islands of Martha's Vineyard and Cuttyhunk. The housing authority provides and facilitates the development of affordable, quality, year-round housing for the residents of Dukes County. The Housing Authority now owns and manages 48 permanently affordable rental units on scattered sites throughout the island. See attached list of current properties and letter of commitment.

January 2006

ISLAND HOUSING TRUST CORPORATION – AFFORDABLE HOUSING PROJECTS

<u>Project Name</u>	<u>Town</u>	<u>Builder(s)</u>	<u>Type</u>	<u>AMI</u>	<u>Units</u>	<u>Status</u>
Halcyon Way	West Tisbury	Sunrise Construction	Rental	80%	2	Completed 2002
Takemmy Path	Tisbury	Good House Associates	Ownership	80%	1	Completed 2005
			Ownership	110% & 140%	2	Under Construction
Twin Oaks	Oak Bluffs	Habitat for Humanity South Mountain Company	Ownership	60%	1	Completed 2006
			Ownership	110% and 140%	2	Under Construction
Sandy Road	Edgartown	?	Ownership	120%	1	Permitted
150 State Road	Tisbury	?	Ownership	80%, 100%, 120% & 140%	4	Permit Review
Beach Rose Way	Aquinnah	?	Ownership	120%	1	Planning

January 2006

SOUTH MOUNTAIN COMPANY, INC –AFFORDABLE HOUSING PROJECTS

<u>Project Name</u>	<u>Town</u>	<u>Client</u>	<u>SMC Role</u>	<u>Units</u>	<u>Status</u>
Twin Oaks	Oak Bluffs	Island Housing Trust	Plan/Design/Build	3	In construction
Middle Line Road	Chilmark	Town of Chilmark	Feasibility/Concept Plan	12	Completed plan 2005
Jenney Lane	Edgartown	IAHF	Develop/Plan/Design/Build	13	Permits Granted 2004
House Moves	Edgartown	Town of Edgartown	Develop/Plan/Design/Build	4	Completed 2003
Island Cohousing	West Tisbury	Island Cohousing LLC	Develop/Plan/Design/Build	16	Completed 2000
Sepiessa	West Tisbury	DCRHA	Develop/Plan/Design/Build	4	Completed 1997
Up-Island RHP	WT/Chilmark	DCRHA	Develop//Plan/Design/Build	3	Completed 1990
Weiss/Blakeley	Tisbury	Farmers' Home Admin.	Develop/Plan/Design/Build	2	Completed 1982
South Mountain Company, Inc.		Red Arrow Road	West Tisbury, MA 02575	508 693 4850	

SOUTH MOUNTAIN COMPANY INC.

ARCHITECTURE · BUILDING · WOODWORK · INTERIORS · DEVELOPMENT

Resource Conscious · Employee Owned

TO: Philippe Jordi, Executive Director, Island Housing Trust
FROM: John Abrams, President, South Mountain Company, Inc.
DATE: January 17, 2005
RE: Middle Line Affordable Housing

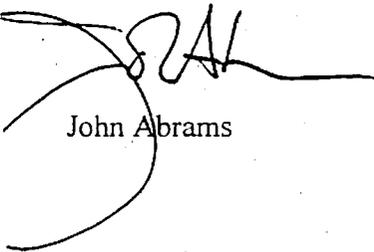
Dear Philippe,

We at South Mountain are excited to be collaborating with you on your proposal to the Town of Chilmark. We are prepared to fully engage in the design and construction of this project, and committed to its success.

As you well know, we have a serious interest in this endeavor, having worked closely with the Town and its Affordable Housing Committee to create the conceptual plan and establish feasibility.

We applaud the Town's resolve to push ahead, and we look forward to the opportunity to marshal our resources to work with you and the Town to make results that Chilmarkers will be proud of - a wonderful place to live for many deserving households for decades and generations to come.

Sincerely,



John Abrams

Dukes County Regional Housing Authority

Founded in 1986, the Dukes County Regional Housing Authority is a state-chartered county-wide public housing authority serving the island's of Martha's Vineyard and Cuttyhunk. The purpose of the housing authority is to provide and facilitate the development of affordable, quality, year-round housing for the residents of Dukes County. It is a priority of the DCRHA to address the housing needs of residents with low and moderate incomes. The Housing Authority now owns or manages 48 permanently affordable rental units on scattered sites. Current properties include:

Halcyon Way Apartments, *West Tisbury*

Built in 2002 by the Island Affordable Housing Development Corporation and managed under an agreement by the Regional Housing Authority, this duplex has two 2-bedroom units.

Household income must not exceed 80% of the area's median income limits.

Fisher Road Townhouses, *Edgartown*

This complex of townhouses consists of eight 3-bedroom apartments designated for family housing. Purchased in 1996, renovation work was completed in 1998. Each townhouse contains two apartments. Fisher Road Townhouses are located off Upper Main Street in Edgartown

Household income must not exceed 60% of the area's median income limits.

Vineyard Village Apartments, *Tisbury*

Dedicated in 1999 to the memory of Betty Ann Bryant, life-long advocate for affordable housing.

These twelve apartments of family housing, consisting of 2 and 3 bedroom units, were purchased in 1996 and completely rehabilitated over a three-year period. One of the apartments is handicapped accessible. The atmosphere at Vineyard Village has a distinct sense of community and neighborhood. Vineyard Village is located off State Road in Vineyard Haven.

Household income must not exceed 65% of the area's median income limits.

Sepiessa Point Apartments, *West Tisbury*

This multi-family apartment complex consisting of four 1 and 2 bedroom units was built in 1997 by the island's design/build firm of South Mountain Company. The property is located next to the Sepiessa Point Land Bank Property on the Tisbury Great Pond. One of the apartments is handicapped accessible.

Household income must not exceed 80% of the area's median income limits.

Greenough House, *Tisbury*

This 100-year-old colonial revival home, located off Main Street in Vineyard Haven, has been renovated into six independent living apartments. These one bedroom apartments are designated for residents who are 55 years or older.

Household income must not exceed 60% of the area's median income limits for four of the units and 50% for two of the units.

Lake Street Apartments, *Tisbury*

Built in 1998 by the Town of Tisbury in collaboration with the Regional High School Vocational Arts Department, these apartments consists of three 2-bedroom units and one 3-bedroom unit.

Household income must not exceed 80% of the area's median income limits.

Lagoon Pond Apartments, *Tisbury*

This multi-family apartment complex in downtown Vineyard Haven consisting of three 1-bedroom units and one 3-bedroom unit was purchased and renovated in 2002 by the Regional Housing Authority.

Household income must not exceed 80% of the area's median income limits.

DUKES COUNTY REGIONAL HOUSING AUTHORITY

346 State Road · P.O. Box 4538
Vineyard Haven, MA 02568
PHONE: (508) 693-4419 · Fax: (508) 693-5710

January 19, 2006

Philippe Jordi
Executive Director,
Island Housing Trust

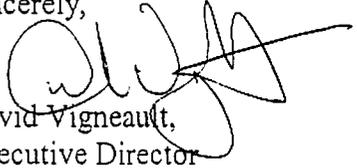
Dear Philippe,

The Dukes County Regional Housing Authority would like to affirm its interest in participating in the Island Housing Trust's response to the Town of Chilmark's Middle Line Rd. RFP. The Housing Authority currently owns and manages 48 apartments, facilitates 54 market rentals through the Rental Conversion Program and oversees 20 accessory apartments created by a West Tisbury zoning by-law. The construction of 6 rental units on the Middle Line property would be a wonderful and needed addition to the housing opportunities available to year-round working individuals and families.

The Trust proposal recognizes Chilmark's goal of addressing the rental needs of families with incomes up to 150% of the Area Median Income (AMI) and includes the possibility of further assistance through CPA subsidy of rents. Data citing current Chilmark applicant incomes at or around 85% AMI is corroborated by the Housing Authority's management experience where only a small portion of our tenants fall outside the 50% to 80% AMI range. Rental subsidy would insure a financially viable and flexibly managed pursuit of the Town of Chilmark's rental objectives for its Middle Line property.

The Housing Authority would like to thank the Island Housing Trust for the opportunity to be involved in the development of important housing options at Middle Line Rd, Chilmark.

Sincerely,


David Vigneault,
Executive Director

Lagoon Heights Houses for Persons of Special Needs, Oak Bluffs
Vineyard Village Apts., Tisbury · Fisher Road Townhouses, Edgartown · Greenough House, Tisbury · Lagoon Pond Apts., Tisbury
Sepiessa Point Apts., West Tisbury · Lake Street Apts., for Town of Tisbury