

# Peaked Hill Pastures Affordable and Community Housing Project

Community Engagement Session 2, July 26, 2021

This project is supported by the Chilmark Select Board, Planning Board, and Affordable Housing Committee.

# Project Background

Work on this project has been coordinated to date by members of the Planning Board's Peaked Hill Pastures Subcommittee including:

- Janet Weidner, Chair
  - Peter Cook
  - Richard Osness (Planning Board Chairman)
  - Cathy Thompson
  - Ann Wallace
- With support from other local leaders and the Martha's Vineyard Commission (MVC).



# Session #1 Agenda

- The first community engagement session, held on June 14<sup>th</sup>, attracted more than 40 participants and focused on the following issues:
  - What is affordable housing?
  - A brief summary of local and Island-wide demographic shifts and housing conditions, including impacts of COVID-19.
  - A discussion of site conditions.
  - Planning Board project goals.
  - Questions for participants related to development concerns, priority housing needs, and project opportunities.
  - Next steps.
  - For a recording of this session, go to <https://chilmarkma.gov/planning-board>

# Session #1

## What we heard

- There was general support for developing the site including:
  - A thoughtfully designed cluster development or pocket neighborhood.
  - A recognition that the most pressing housing need was year-round rentals with recommendations for including some homeownership units as well.
  - Multi-generational development with a mix of incomes to address year-round workforce and senior housing needs.
  - The need to provide a sense of community and preserve Chilmark's rural values.
  - Creative solutions to project resiliency and sustainability as well.
  - Suggestions ranged from more limited development of about 30 bedrooms to maximizing the limits on the property.
  - The "friendly Chapter 40B" process under the state Local Initiative Program (LIP) is an efficient and effective permitting tool.

# Session #2 Agenda

- A brief review of Session #1.
- A review of key project issues and parameters.
- Pros and cons of various development approaches related to rental/ownership, financing, and permitting.
- A review of project opportunities, presenting a range of potential development models for consideration.
- Participants' perspectives on how best to develop the property.

# Development Constraints

- 16.67 total Town-owned acres of which 6.4 acres are considered best for development.
- Access and utilities exist on the site and will need to be extended.
- Site analysis indicates that the project is not located in a Nitrogen Sensitive Watershed.
- Perk tests identify most appropriate areas for development, primarily in upland area, including best placement of Advanced Denitrifying (IA) Septic System(s).
- Site analysis identified two potential well sites, however, more could be installed. Public water infrastructure is likely to be costly.
- Ballfield will be preserved.
- Development costs, already high on Martha's Vineyard, have increased due to the pandemic, perhaps as much as 25%.

# Major Development Questions

- How can the project best address the range of local needs?
- At what scale should the project be built and/or should it be developed in phases?
- What's the appropriate balance of rentals vs. homeownership?
- How does rental vs. ownership affect financing as well as who can be served and in what numbers?
- What's the appropriate mix of unit sizes to create multi-generational housing opportunities?
- What development prototypes can best limit costs and leverage local and state resources?
- What scale and amenities (e.g., community gardens, community center) can promote a sense of community as part of the development?

# Rental Considerations

- Rental is first priority as included in all Housing Needs Assessments and Housing Plans largely because:
  - Provide greater housing diversity as 80% of Chilmark's year-round housing stock is owner-occupied and all but 23 housing units are single-family detached dwellings.
  - Better leverage of local and state resources as almost all current state funding is directed to rentals.
  - Take advantage of greater economies of scale.
  - All rental units will count towards the SHI under Chapter 40B.
  - Serves greater numbers of households over time.
  - Provide more appropriately sized units for increasing numbers of smaller households.
  - Can incorporate several income tiers depending on project size, potentially including units for lower income residents with incomes at or below 60% AMI.



# Ownership Considerations

- Provide starter housing for families who are priced out of the market.
- Offer a mix of housing needs on the site by addressing a range of incomes and dwelling types.
- Add to the continuum of housing opportunity by providing some units for those with incomes above 80%.
- Enable those who were raised in town to purchase their own home.
- Provide more affordable housing for municipal employees or other workers who earn more than the 80% AMI cap.

# “You-Build” Model Considerations

- Chilmark has a history of “you-build” homesites (e.g., Middle Line Road, Nab’s Corner), but there are few if any comparables in other communities across the state.
- Success was predicated on low-cost transfer of property to individuals to construct their own homes without subsidy.
- Changes in market conditions and state regulations (Chapter 40B and MVC) have moved to support turnkey ownership development.
- Requires an income above 80% AMI and cannot be included on the Subsidized Housing Inventory (SHI).
- You-build can lead to confusion and management challenges for owners, lenders, Town officials, abutters, etc.
- Lack of building plans is a further challenge for owners who have to build their own homes and further encumbers financing, public review of site and building design, and long-term affordability monitoring.
- Fair housing standards applicable to everyone across the Commonwealth.
- Likely to take longer to build with potential additional costs.

# Turnkey Model Considerations

- Developer builds units to Town's terms and conditions in the RFP.
- Town sets a price point that targets specific local needs and simplifies the development process.
- Can take advantage of some economies of scale.
- Design can be better controlled.
- Developer is motivated to build in a timely fashion.
- Greater predictability of project outcome for Town, lenders, abutters, and general community.

# Financing Considerations

- Project size and whether rental or ownership matter. Per unit costs approaching \$400,000 which are now likely higher given COVID-19. Economies of scale and ability to leverage other sources of financing are important.
- Rentals:
  - Projects of 30+ units might access Low Income Housing Tax Credit, CPA, Housing Trust Funds, and other sources of financing. Could target lower income tiers at or below 60%, 50% and 30% AMI.
  - Smaller projects would involve a combination of CPA, Housing Trust Funds, perhaps state Community Scale Housing Initiative funding (for projects of up to 20 units), other donations, and permanent financing. Target those with incomes at or below 80% AMI with perhaps some units at less than this threshold with Project-based Section 8 or up to 100% AMI for some higher income households.
- Homeownership:
  - CPA, Housing Trust Funds, sale proceeds, and other sources of funding.
  - Potential state funding proposed by Governor Baker.
  - Mix of income tiers.

# HUD 2021 Income Limits

HUD AREA INCOME LEVELS FOR DUKES COUNTY, 2021

# Persons in Household	30% AMI	50% AMI	80% AMI	100% AMI	120% AMI	150% AMI
1	\$23,100	\$38,500	\$59,200	\$73,290	\$87,938	\$109,935
2	\$26,400	\$44,000	\$67,650	\$83,760	\$100,512	\$125,640
3	\$29,700	\$49,500	\$76,100	\$94,230	\$113,076	\$141,345
4	\$33,000	\$55,000	\$84,550	\$104,700	125,640	\$157,050
5	\$35,650	\$59,400	\$91,350	\$113,076	\$135,691	\$169,614
6	\$38,300	\$63,800	\$98,100	\$121,452	\$145,742	\$182,178
7	\$40,950	\$68,200	\$104,850	\$129,828	\$155,794	\$194,742
8+	\$43,600	\$72,600	\$111,650	\$138,204	\$165,845	\$207,306

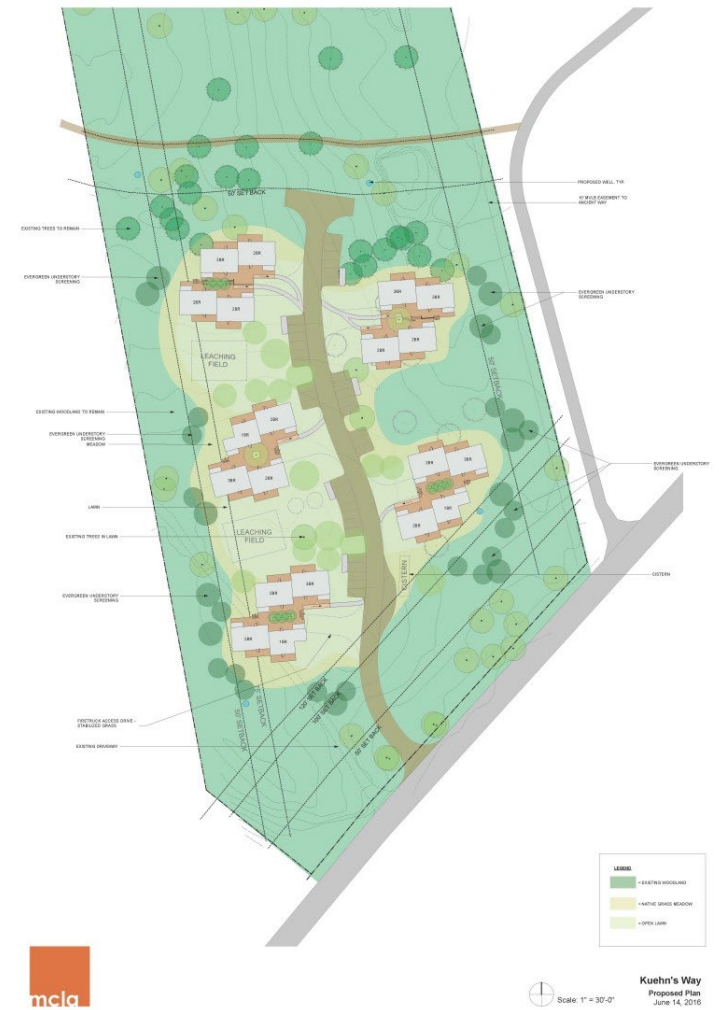
Sources: U.S. Department of Housing and Urban Development (HUD) and the Community Preservation Coalition for 100% AMI levels. The 120% and 150% levels based on 1.2 and 1.5 times CPA limits, respectively.

# Permitting Considerations

- The Chapter 40B comprehensive permit process is an effective and efficient permitting tool. (If it were necessary, a special bylaw to allow cluster development and somewhat higher densities would add considerable time and resources to the project.)
- Review by Martha's Vineyard Commission would be required for a special permit bylaw or 40B.
- The permitting would be part of the Local Initiative Program (LIP), also referred to as the "friendly 40B" process, overseen by DHCD.
- 40B would enable units to be included on the Subsidized Housing Inventory (SHI) including all units in a rental development.
- 40B allows local preference of up to 70% of the units for those who work or live in Chilmark.
- The developer must engage a lottery/marketing agent and a monitoring entity to annually oversee compliance with affordability requirements.

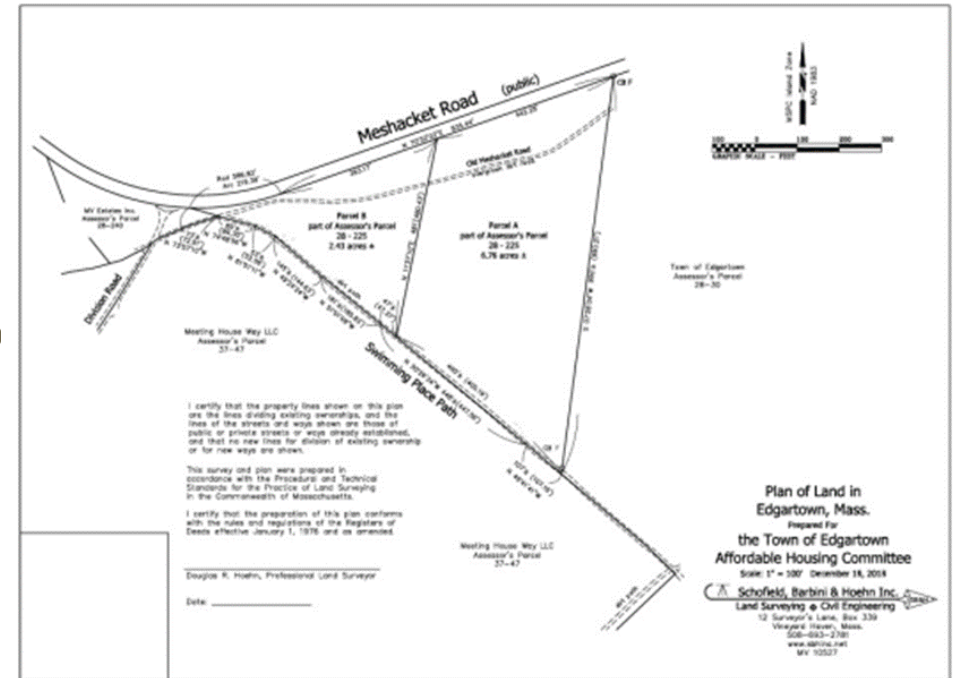
# Recent Island Projects and RFPs

- Kuehn's Way in Tisbury
  - Recent groundbreaking
  - 5 pairings of 2 duplex buildings
  - 20 rental apartments/40 bedrooms
  - 15 acres/12 of which would be protected open space
- Southern Tier in Oak Bluffs
  - RFP recently issued
  - Phase 1 – 15 to 25 units
  - Phase 2 – 25 to 40 units
  - Mix of ownership and rentals and mix of incomes
  - 7.8 acres



# Recent RFP

- Meshacket in Edgartown
  - 6.7 acres
  - 36 rentals for households with incomes up to 100% AMI
  - Will enable developer to access Low Income Housing Tax Credits
  - 4 ownership units to serve a higher income range of up to 140% AMI
  - Mix of unit sizes
  - Town Meeting approved conveyance of development rights through a 99-year ground lease
  - Town commitment of \$800,000 of CPA and other funds for infrastructure work





# Chilmark Projects

- Middle Line Road
  - 12 total units including 6 homesites and 3 duplex rentals
  - Town acquired 2 properties for a total of 21 acres.
  - DCRHA managing rentals
- Nab's Corner
  - 4 homesites up to 150% AMI
- Other Homesites (16 from 2005-2014) and Youth Lots (35 from 1975-2018)
- *Photo: Rental duplex as part of the Middle Line Road project*



IHT Rental  
Models:  
Scott's Grove/9  
units  
Sepiessa Apts./  
3 units





IHT Ownership  
Models:  
Jenney Way/  
9 homes  
Smalley's  
Knoll/2 homes



IHT Ownership  
Models:  
Eliakim's  
Way/8 homes  
Lambert's  
Cove/4 homes





Off Island  
Models:  
Riverwalk in  
Concord/13  
units  
Danielson  
Grove in  
Kirkland  
WA/16 homes



Emerson  
Green Home  
Styles/Devens/  
124 units  
Cottages on  
Greene/E.  
Greenwich, RI/  
15 units





Brewster Cottages/  
Brewster MA/  
31 units  
Conceptual drawing for site in Norwell  
mix of rentals and ownership



# Questions to Be Addressed Tonight

- What development options make most sense to you?
- What do you think will be the biggest hurdle in obtaining project approvals?



# Next Steps

- Community Engagement Session 3 scheduled for September 20<sup>th</sup> at 6:00 p.m.: Focus on terms and conditions for an RFP including goals and design guidelines.
- Issue an RFP.
- Select most qualified developer.



Thank you for  
your  
participation!

- Members of the Planning Board's Peaked Hill Pastures Subcommittee and Consultant, Karen Sunnarborg, thank you for your participation in this 2<sup>nd</sup> of 3 Community Engagement Sessions.
- For a recording of this session, go to <https://chilmarkma.gov/planning-board>
- To make further comments, contact the following link:
  - <https://www.chilmarkma.gov/user/1251/contact>