

MARTHA'S VINEYARD
WORKFORCE HOUSING STUDY
2023



EXECUTIVE SUMMARY

This study addresses feasibility of small, independent housing employer-furnished affordable housing. A series of case studies on representative sites throughout the Island of Martha's Vineyard are used to illustrate possible building programs, their suitability on selected sites and the financial viability of the projects.

Key findings:

1. Prototype projects built on employer-controlled land can be built and maintained on a break-even basis based on current market-rate construction and financing costs and affordable rents to employee-tenants.
2. Small, thoughtfully designed and sited buildings can have minimal, if any visual impact on the Island's built environment.
3. Impetus for this concept would be provided by Island employers seeking a larger labor pool and improved ability to retain key workers
4. The regulatory process, including project review by the Martha's Vineyard Commission and the individual towns' Planning and Zoning Boards represent a significant disincentive for smaller, break-even projects.

TABLE OF CONTENTS

1. Introduction

2. Prototype Designs

- a) Prototype A - year round
- b) Prototype B - seasonal

2. Case Study Sites

- a) MV Public Charter School
- b) MGH Martha's Vineyard
- c) Aquinnah Public Safety
- d) Island Gymnastics
- e) MV Boys & Girls Club
- f) MV Regional High School - Staff housing
- g) MV Regional High School - Shark Tank
- h) Ghost Hollow Farm

3. Financial Feasibility

4. Summary, other observations

Appendix

- i. Cost Estimate - Right Angle MV
- ii. Financing Statement - MV Bank
- iii. Meeting List - Acknowledgments

INTRODUCTION

Beginning in the winter of 2022-2023, MKA Architecture sponsored an independent viability study of workforce housing on the Island of Martha's Vineyard, Massachusetts. This effort was made possible with the assistance of the Independent Activities Period internship program at the M.I.T. School of Architecture.

Recent socio-economic factors including the Covid-19 pandemic has brought the availability of affordable housing for the residents and workforce on the Island, both year-round and season, to a crisis level. While several larger, subsidized projects intended to address this Issue have been completed with others in development, these projects are not projected to remotely fulfill the need for affordable housing in any of the six towns of Martha's Vineyard.

The intent of this case-study was to introduce an alternative path to affordable housing, in this case for workforce housing. The proposal for small-scale, low-cost individual structures to be built on land that is already under the ownership or control of Island employers using resources already available on the Island and without subsidy or reliance on outside programs is tested for financial and environmental viability.

Eight sites scattered around the Island are used to study the placement of two prototype designs. Construction cost estimates and financing costs are balanced against projected income of the properties to determine economic feasibility. Proposed siting and selected views of the projects are used to illustrate the visual impact on the unique character of Martha's Vineyard. It should be noted that these sites were utilized for the purposes of this case study and do not represent actual design proposals. The authors of this report thank the representatives of these sites for generously contributing their time and insight to inform this study.

PROTOTYPE DESIGNS

Prototype A - year round

Prototype A consists of five compact dwelling units contained within and intended to duplicate a typical colonial style single-family home. At approx. 3,000 square feet, a single center entry and wood shingle siding and a gable roof, the exterior of this house would be indistinguishable from a typical building in the existing Island housing stock. The interior configuration of the house would reveal 4 spacious studio units designed for year-round occupancy, ideal for single residents, e.g. teachers, police & fire officers, nurses, etc. that make up a substantial portion of the Island workforce that are beneficially housed on-Island and who prefer independent living quarters. A slightly larger fifth unit with two bedrooms would be placed in the attic. Each of the units would be heated and cooled with electrical heat pump systems, with compact but fully equipped kitchens and baths in an arrangement to maximize living space.

This choice to populate this building with small studio apartments is intended to address a market need - small, affordable apartments are exceptionally rare on Martha's Vineyard, whose housing stock is predominately single family detached homes, both seasonal and year-round. The program of Prototype A simultaneously presents a regulatory challenge as the zoning by-laws, unique to each of the six towns, largely do not address or allow this virtually non-existent building type.

Prototype B - seasonal

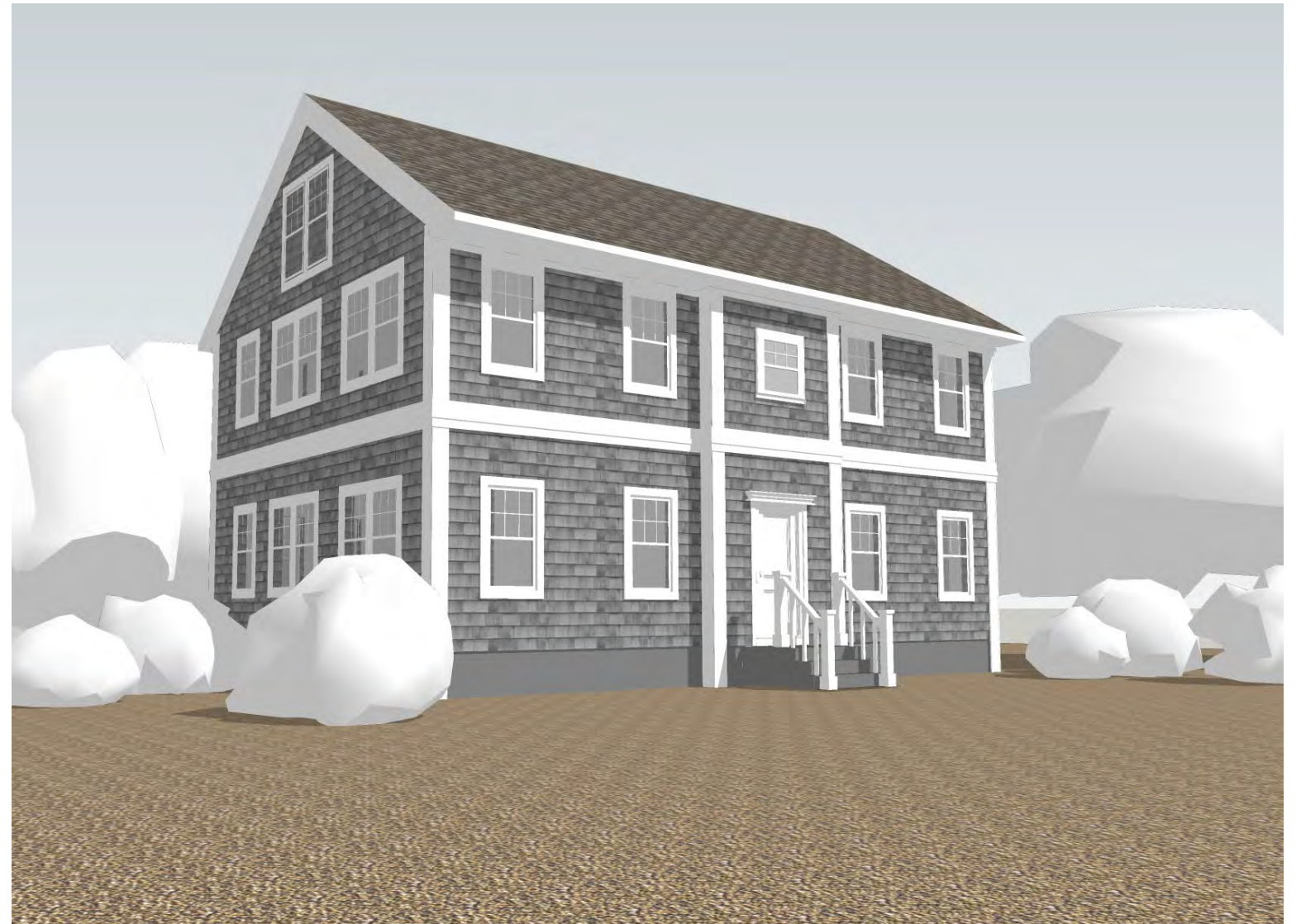
The second prototype is designed to address seasonable occupancy. The population of Martha's Vineyard swells during the summer to five times the winter number, with housing for seasonal employees the greatest challenge to Island businesses, the majority of which are dependent on "the season".

Prototype B is designed as an extremely low-cost structure that could be built in a matter of months. Taking advantage of the mild summer climate, the MA Building Code allows for unheated living structures for seasonal occupancy. Here four bedrooms surround a central living/dining/kitchen space, with a compartmentalized bathroom to accommodate up to six summer residents. The structure would be well ventilated but lightly constructed without insulation. The design is flexible, allowing many of the materials and components to be recycled. The building would be built on piers, further reducing the cost and time needed for construction.

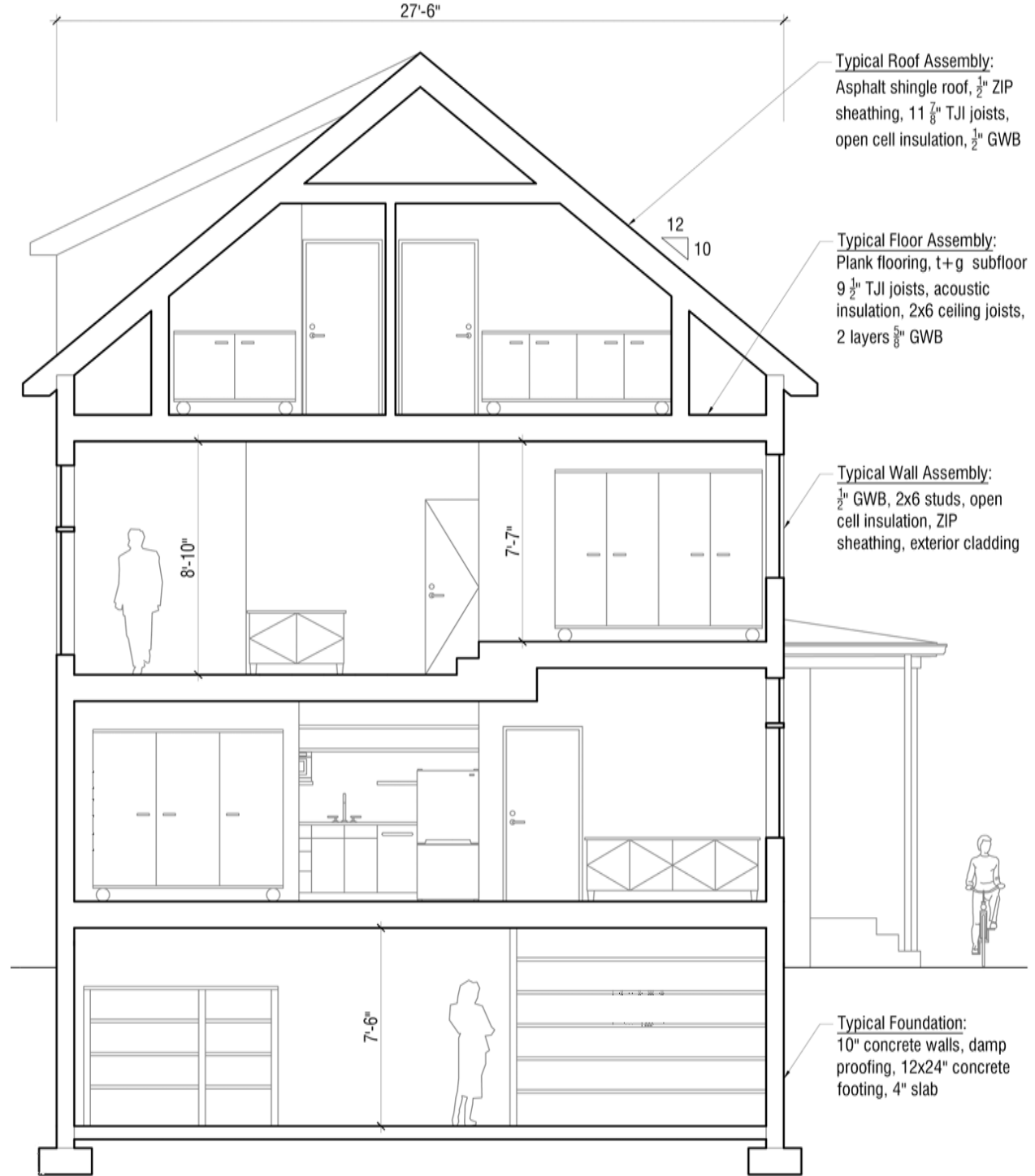
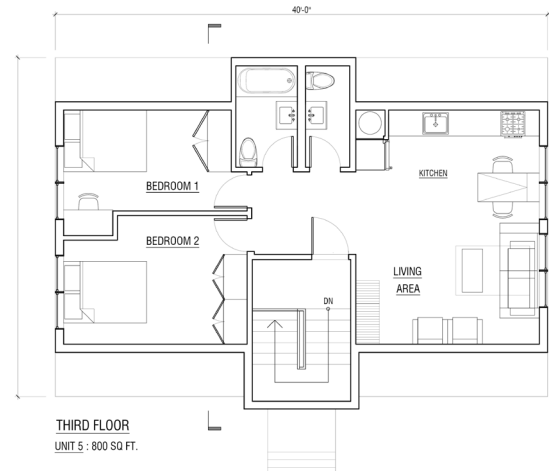
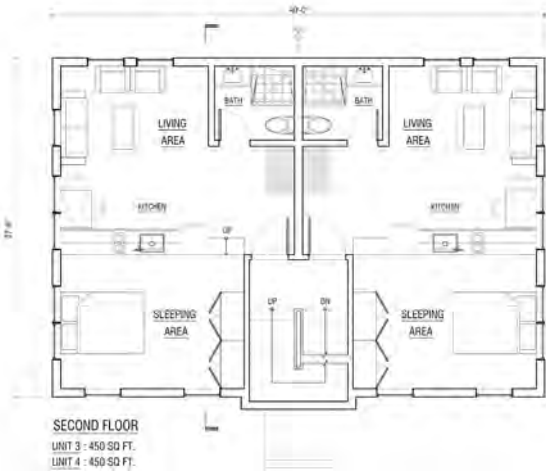
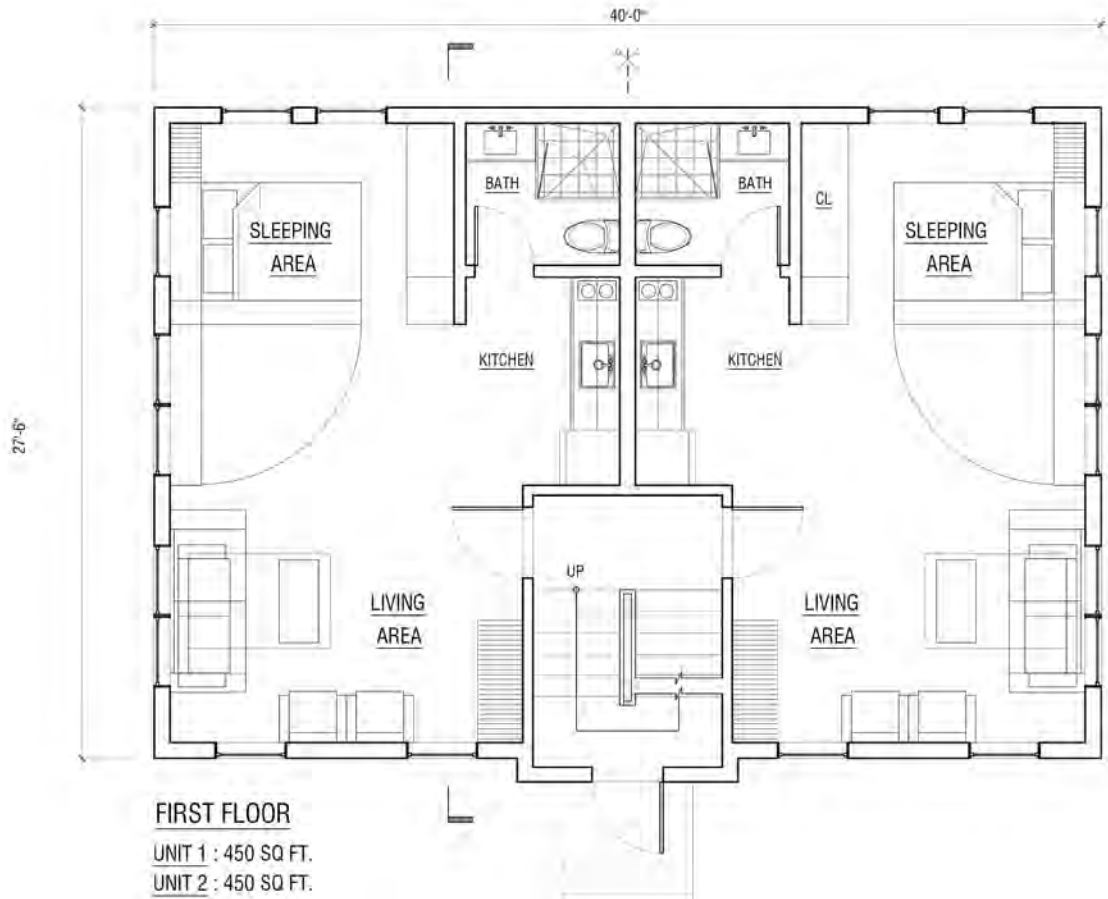
An alternate Prototype B-1 was developed as a result of the financial analysis where the center living/dining/kitchen area would be insulated and climatized for use as a new studio apartment during the nine months off-season. Code approval for this hybrid seasonal/year-round occupancy would need to be approved.

PROTOTYPE A

- Year Long Occupancy
- Studio Configurations
- Comfortable spaces for gathering and living
- Five units, four studios and a two bedroom room unit in the attic
- Preserves community character

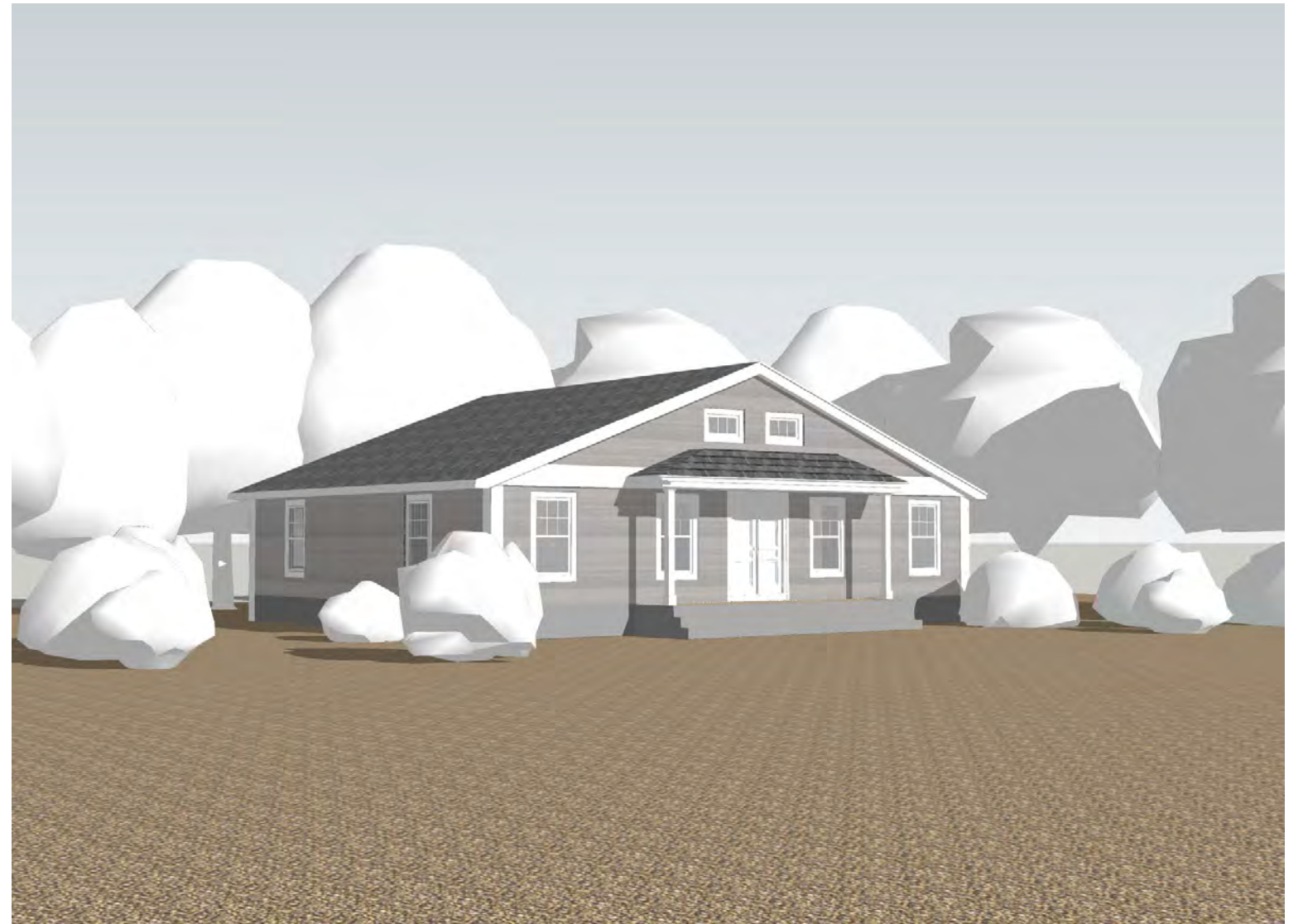


PROTOTYPE A

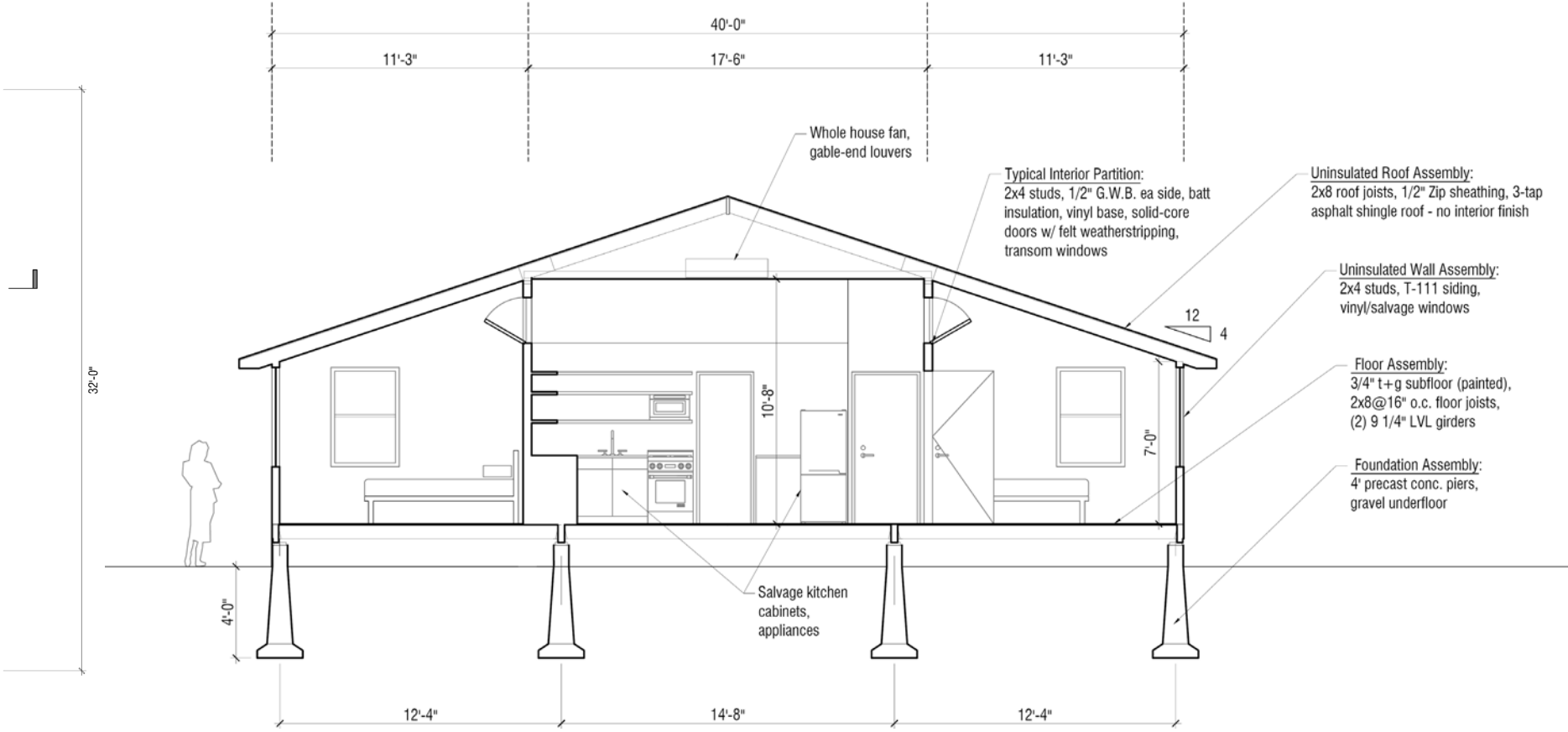
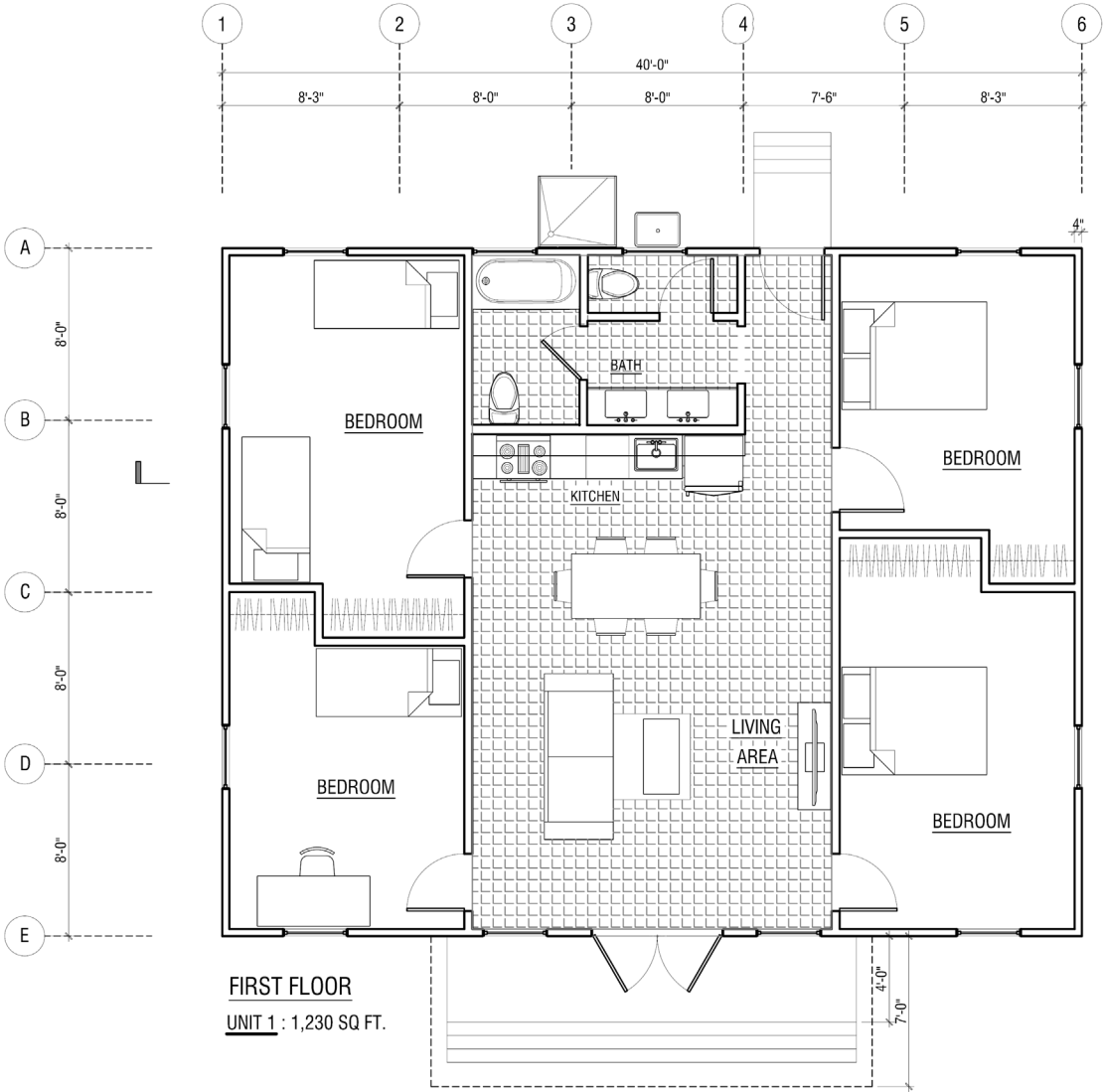


PROTOTYPE B

- Seasonal Occupancy
- Building Code allows for structures with no insulation
- Cost efficient
- Four bedrooms, outdoor shower, and shared spaces



PROTOTYPE B



CASE STUDY SITES

Using the two prototypes as examples, sites were chosen to test the fit of the buildings in context. A strategy of siting the new structures adjacent to similar building types was employed to ensure continuity of the existing built environment. Predictably prototype A, when placed adjacent to other existing homes simply appeared to shift the property line between the residential and institutional or business uses, thus rendering the new buildings as unobtrusive neighbors. This strategy was expanded in the case of the hospital/former inn site, where the building was modified to 4 units in order to mirror a carriage house on the abutting lot and to achieve the most sympathetic streetscape in the existing neighborhood. Prototype B ended up in locations adjacent to utility buildings, where the addition of a similar structure would gain little, if any notice. Interestingly, all of the selected sites were within several hundred yards of other residential properties, a characteristic of the built character of a geographically small Island.

In most cases, the projects would need review by both the Martha's Vineyard Commission and the applicable local planning and zoning boards. The Dover Amendment in the MA general laws would exempt the projects for schools, farms and churches, which comprise half of the selected sites.

SITE STUDIES

GHOST ISLAND FARM
274 STATE RD, VINEYARD HAVEN, MA 02568

ISLAND GYMNASTICS
410 STATE RD, WEST TISBURY, MA 02575

MARTHA'S VINEYARD HOSPITAL
81 NEW YORK AVE, OAK BLUFFS, MA 02114

MARTHA'S VINEYARD CHARTER SCHOOL
424 STATE RD, WEST TISBURY, MA 02575

MARTHA'S VINEYARD REGIONAL HIGH SCHOOL
100 EDGARTOWN VINEYARD HAVEN RD, OAK BLUFFS, MA 02557

AQUINNAH TOWN HALL COMPLEX
67 STATE RD, AQUINNAH, MA 02535

MARTHA'S VINEYARD BOYS & GIRLS CLUB
44 ROBINSON RD, EDGARTOWN, MA 02539



MARTHA'S
VINEYARD
REGIONAL
HIGH SCHOOL

100 Edgartown Vineyard Haven Rd,
Oak Bluffs, MA 02557

Lot size: 1,032,259 sq ft

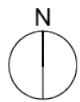
Owner: Martha's Vineyard Regional
High School

Serviced by town water and sewage

Zone: R3 Front side & rear setbacks:
50ft | Refer to section 4.2.7. Of the oak
bluffs zoning by-laws

NOTES

- Probable Users would be Year Round School Staff/Community
- Position in front corner lot extends abutting residential neighborhood
- Classification issue with residential structure divided into studios
 - Apartment building use not classified except as conversion.
 - Land-lease to non-profit developer/operator? Dover Amendment exemption?



0 30 60 90 ft





Year-Round

MARTHA'S
VINEYARD
REGIONAL
HIGH SCHOOL

100 Edgartown Vineyard Haven Rd,
Oak Bluffs, MA 02557

Lot size: 1,032,259 sq ft

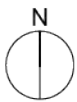
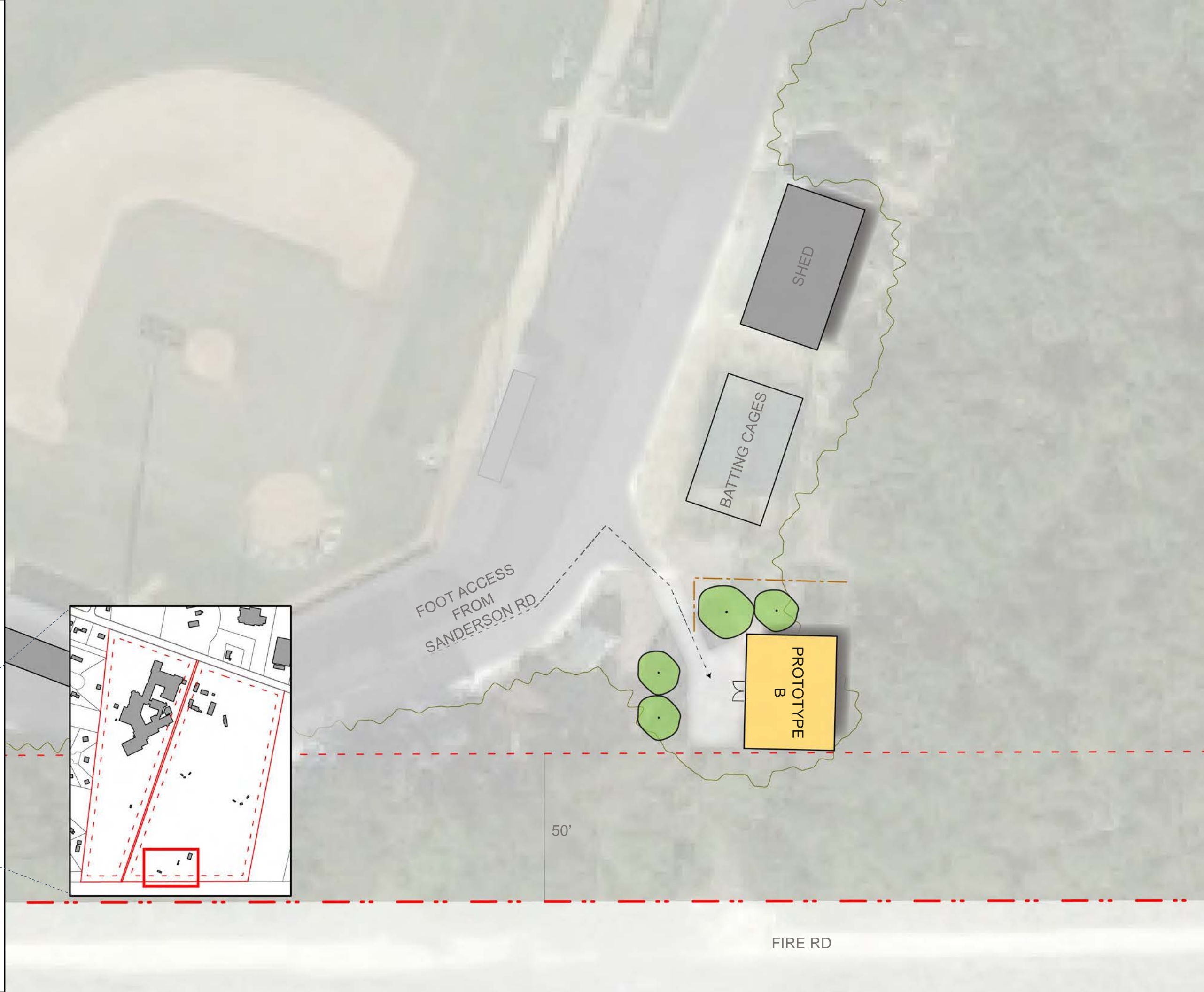
Owner: Martha's Vineyard Regional
High School

Serviced by town water and sewage

Zone: R3 Front side & rear setbacks:
50ft | Refer to section 4.2.7. Of the oak
bluffs zoning by-laws

NOTES

- Rear lot - adjacent to "Shark Tank",
minor league baseball field
- Probable Seasonal use for baseball
team coaches, groundskeepers,
school maintenance staff.
 - Off-season storage
- Convenient access to Fire Rd in
state forest.
- Favorable solar panel exposure.
- Bluffs water + sewer - capacity?
Dover Amendment?





Seasonal

MARTHA'S
VINEYARD
BOYS & GIRLS
CLUB

44 Robinson Rd, Edgartown, MA 02539

Lot Size: 1.1 Acres

Owner: Martha's Vineyard Boys & Girls
Club Inc

Serviced By Town Water & Sewer

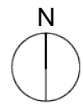
Zone: R20

Front Setbacks: 30ft | Side Setbacks:
10ft | Rear Setback: 10ft |

Refer To Section 1.4 Of The Edgartown
Zoning By-laws

NOTES

- Probable Year Round users include club staff, adjacent library, and school staff.
- Edgartown Zoning R20 + Staff Apartment section 10.3.F. allows for employee housing in any district. Current prototype meets criteria
- Edgartown town sewer - capacity?



0 30 60 90 ft



Year-round



Year-Round

GHOST ISLAND FARM

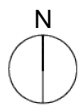
274 State Rd, Vineyard Haven, MA
02568

Lot Size: 49.16 Acres
Owner: Private
Zone: RU

Not Serviced By Town Water Or Sewer
Minimum Side & Rear Yard Setbacks
50ft, Maximum Height 30ft
*Refer To Dimensional Table P.21 In
West Tisbury Zoning Bylaw

NOTES

- Probable users include Seasonal Summer field help with the possibility of a year-round manager?
 - Within Zone II
- Ample land area, leased land + facilities, need owner cooperation.
- Availability of 1% federal financing for 33 years? Perhaps via the Rural Home Loans (Direct Program)
 - Dover Amendment?
 - Septic-I.A.?



0 30 60 90 ft

OPEN
EVERYDAY

Nip 'n' Tuck
FARM
39 Davis Look Road
Fred Fisher Jr. & Family

GHOST
ISLAND
FARM

Seasonal

MARTHA'S VINEYARD HOSPITAL

81 New York Ave, Oak Bluffs, MA
02114

Lot Size: 30,057 Sq Ft

Owner: Martha's Vineyard Hospital Inc
Serviced By Town Water Not Town
Sewer

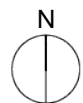
Zone: R1

Front Setback: 20ft | Side Setback: 20ft
| Rear Setback: 20ft | Maximum
Building Height: 32ft

*refer To Section 4.2.7 Of The Oak
Bluffs Zoning By-laws

NOTES

- Zoning 7.2.4 permits 27 units allowed per lot area.
- Special permit required. 1 parking space/per unit - appeal based on walking distance to hospital, size of units, car-share apps, bicycle parking.
- I.A. septic system assumed.



0 30 60 90 ft





Year-Round

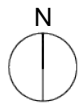
AQUINNAH
TOWN HALL
COMPLEX

67 State Rd, Aquinnah, MA 02535

Lot Size: 2 Acres
Owner: Town Of Aquinnah
Not Serviced By Town Water Or Sewer
Zone: Rural Residential
Setbacks: 30ft From Any Lot Line
*Refer To Section 3.5 In Aquinnah
Zoning By-law

NOTES

- Town-owned property with standard septic system.
 - Priority to seasonal summer employees?
- Probable users include police, fire, public services
 - Land-lease?





Seasonal

ISLAND GYMNASATICS

410 State Rd, West Tisbury, MA 02575

Lot Size: 3 Acres

Owner: Private

Zone: Rural

Not Serviced By Town Water Or Sewer

Minimum Side & Rear Yard Setbacks

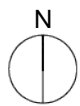
50ft, Maximum Height 30ft

*Refer To Dimensional Table P.21 In

West Tisbury Zoning Bylaw

NOTES

- Probable users include Seasonal coaches, other island business.
- Rural Zoning/overlay district, zone ii, employee dormitory use special permit.
 - Facility developed under MV Commission DRI.
 - I.A. Septic system necessary



0 30 60 90 ft





Seasonal

FINANCIAL ANALYSIS

Construction costs for both prototypes were priced by Right Angle MV, an active member of the Martha's Vineyard Builders Association and a company with recent experience with smaller new-construction projects on the Vineyard. It is acknowledged that each site offers different challenges which could not be accommodated in pricing for this study. A conservative estimate for year-round rental income was determined by a local realtor. Min. wage for a 40-hour work week was used for seasonal income for Prototype B.

Financing for both prototypes were projected by MV Bank, using standard commercial mortgage rates with 25% down. With a combination of operating income, amortization and appreciation, a modest return on the down payment over a 10-year period is projected. No subsidies are anticipated under this model, however programs for low interest financing for farms and down payment assistance could be applied.

Absent other development costs, this financial model shows a break-even proposition for these small project. Conversely, without financial return, the impetus for the project would have to be labor security for the employer/developer, combined with long-term increase in business assets.

	Prototype A	
Task		Done
Base Construction Cost	\$	1,244,000
Loan Amount @ 70%	\$	870,800
Mortgage payment (monthly)	\$	5,793
Taxes	\$	450
Insurance	\$	300
Total payment (monthly)	\$	6,543
Total payment (yearly)	\$	78,516
Income		
Studio rents (4 units@\$1,750)	\$	7,000
2BR rent	\$	2,500
Est. Expenses @ 25%	\$	(2,375)
Net income (monthly)	\$	7,125
Net income (yearly)	\$	85,500
Operating income (yearly)	\$	6,984
Investment		
Down payment @ 30%	\$	(373,200)
Net income (10 yrs)	\$	69,840
Amortization (10 yrs)	\$	123,461
Appreciation (10 yrs @ 1.5%)	\$	199,713
Net Capital	\$	19,814

	Prototype B-1	
Task		Done
Base Construction Cost	\$	268,000
Insulation + HVAC Option	\$	40,000
Loan Amount @ 70%	\$	215,600
Mortgage payment (monthly)	\$	1,435
Taxes	\$	115
Insurance	\$	150
Total payment (monthly)	\$	1,700
Total payment (yearly)	\$	20,400
Income		
Seasonal rents (6 people@\$2,400/12wks)	\$	14,400
Off season rental (\$1,500x9 mo.)	\$	13,500
Est. Expenses @ 25%	\$	(6,975)
Net income (yearly)	\$	20,925
Operating income (yearly)	\$	525
Investment		
Down payment @ 30%	\$	(52,400)
Net income (10 yrs)	\$	5,250
Amortization (10 yrs)	\$	30,589
Appreciation (10 yrs @ 1.5%)	\$	42,880
Net Capital	\$	26,319

CONCLUSION

The results of this study point to the real possibility of building small, scattered workforce housing facilities at near-zero cost to the owner and without adverse effect to the character of the island. The benefits of providing affordable housing to the members of the Island workforce who are necessarily based on-Island are apparent, as are the benefits to the local business community. A collateral benefit would be making available existing property that is currently leased for workforce housing, many of which represent the most affordable housing properties on the Island.

The regulatory environment represents a formidable obstacle to the success of potential projects. Experienced professional assistance to navigate the regulatory and managerial hurdles is limited without prospects of deep profits, whether through market return or program subsidy. The need to blaze a clear path through the development process for the citizenry to follow would be essential to the widespread adoption of workforce housing.

Unlike most reports, the conclusion is that further study is NOT needed. Action, in the form of a BUILT project to serve as an example for others to follow is warranted. This constructed case-study would also reveal the true costs and challenges of building this concept, which cannot be replicated on paper. Assistance, both financial and professional is warranted, could be obtained for a fraction of the cost of current subsidized housing projects, and could prove a worthwhile investment for the Martha's Vineyard community.

APPENDIX

- Construction Cost Estimate - Right Angle MV
- Financing Pro-forma - MV Bank
- Meeting List



15 Renear st., Vineyard Haven, MA 02568

Prototype A \$1, 244, 000

Prototype B \$ 268, 800

Prototype A

\$1,244,000 Construction Costs

70% Financing

Loan Amount:	\$870,800
Interest Rate:	7%
Amortization:	30 years
P&I payment:	\$5,793.45
Est. RE Taxes:	\$450.00
Est. Insurance:	\$600.00
Total PITI:	\$6,843.45

**Projected Monthly Rental Income Per Unit
4 Studios & 1 Two Bedroom**

Studio:	\$1750 x 4 =	\$7000
Two Bedroom:	\$2500	\$2500
Gross rental income:		\$9500
Est. Expenses: (25% gross rents)		\$2375
Monthly PITI:		\$6843.45
Net Income After Expenses:		\$281.55

Prototype B

\$268,000 Construction Costs

70% Financing

Loan Amount:	\$187,600
Interest Rate:	7%
P&I payment:	\$1248.11
Amortization:	30 years
Est. RE Taxes:	300.00
Est. Insurance:	400.00
Total PITI:	\$1248.11

**Projected Monthly Rental Income Per Unit
4 Seasonal Rooms w/Shared Space**

Bedroom:	\$800 x 4 =	\$3200
Gross rental income:		\$3200
Est. Expenses: (25% gross rents)		\$800
Total Annual PITI:		\$1248.11
Net Income After Expenses:		\$1,151.89

Meeting Schedule					
	Name	Position	Organization	Date	Location
1	Adam Turner	Executive Director	MVC	12/30/2022	Stone Blg
2	Dan Doyle	mapping	MVC	1/12/2023	Zoom
3	Doug Sederholm	Attorney	Sederholm Law	1/19/2023	Zoom
4	Laura Silber	Housing Planner	MVC	1/22/2023	Stone Blg
5	Sheri Caseau	Water Resources Planner	MVC	1/22/2023	Stone Blg
6	Beth Goodell	Owner	Island Gymnastics	1/22/2023	West Tisbury
7	Gustavo Batista	General Contractor	Right Angle MV	1/22/2023	Edgartown
8	Chris Alley	Civil Engineer	Schofield, Barbini & Hoehn	1/22/2023	Vinyard Haven
9	Mike Cosgrave	Chief Admin Officer	MGH Martha's Vineyard	1/22/2023	Hospital site
10	Tripp Barnes	owner, housing developer	Clarence Barnes Moving	1/22/2023	West Tisbury
11	Mike Hebert	Aquinnah Housing Cmte	Town of Aquinnah	1/23/2023	Town center
12	Sam Hart	Special Projects Coord.	MVRHS	1/23/2023	school site
13	Peter Steedman	Principal	MVPCS	1/23/2023	school
14	Rusty Gordon	Farmer	Ghost Island Farm	1/23/2023	West Tisbury
15	James Anthony	President	MV Bank	4/14/2023	Zoom

Special thanks to all individuals and organizations above who generously responded with their time and experience to inform this study.





