

**EXECUTIVE ORDER 418 HOUSING CERTIFICATION
COMMONWEALTH OF MASSACHUSETTS
FY2004**



**DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT**



Nantucket

**Addition to the EO418 Housing Supply affordable to households with a
broad range of income**

The housing supply in Nantucket increased by 167 ownership units and 8 rental units in the period 1/1/2001 - 12/31/2001.

Affordable ownership units assessed in the range of **\$230,000 - \$342,824: 8**

Affordable rental units with monthly rent in the range of **\$800 - \$1,199: 8**

An additional 21 rental units were created for which rent could not be determined.

Summary of the community's housing strategy

EXECUTIVE ORDER #418
HOUSING PLAN
NANTUCKET, MASSACHUSETTS
JULY 2003

Existing Housing Studies and Local Comprehensive Plan:

"The Nantucket Comprehensive Community Plan", Nantucket Planning and Economic Development Commission. Chapter 2-"Housing Needs" Date of Completion: November 2000 (Ratified by Special Town Meeting: January 8, 2001). Other housing plans include "Current and Projected Housing Needs on Nantucket", Stockard, Engler and Brigham. Date of Completion: November 1997 and "Report on Affordable Housing in Nantucket", Jonathan F. P. Rose, Affordable Housing Development Corporation. Date of Completion: November 1998. "Housing Our Community: A Year-round Housing Needs Assessment", John J. Ryan, Development Cycles. Date of Completion: June 2002. "Nantucket Community Housing Action Plan", John J. Ryan, Development Cycles. Date of Completion: June 2002.

Community Needs:

Nantucket was designated as a National Historic Landmark in 1966 because of our large concentration of nineteenth century buildings. Built during the heydays of whaling, our cobblestone streets, weathered-shingled houses, windmills, and church steeples are now attracting droves of affluent vacation homeowners. There seems to be an unquenchable demand for summer homes on Nantucket. This has forced property and housing prices to higher and higher levels, creating a housing crisis. As Nantucket's Comprehensive Community Plan states, "Housing is without question the most critical issue on Nantucket's agenda . . . this crisis lies at the heart of most of Nantucket's economic, social and even environmental problems."

During the last decades we have seen our population jump 58.3% from 1990 and increase an astounding 152.25% from 1970, as Nantucket became a destination summer resort. The County of Nantucket is now the fastest growing county in Massachusetts. We have seen an enormous growth since 1990. An examination of the 2000 U.S. Census shows that total household growth was up 42.4% and the total housing unit growth was up 31.2%. Since 1993 the price of homes has tripled. Nantucket in 2000 was ranked 7th in the state for highest median price at \$577,500. While, the real estate market has slowed a bit for homes above \$1 million, the median price rose to \$675,000 and is still unaffordable. With 45.6% of residents considered LMI (low- to middle-income), many of them are struggling because of housing costs. Twenty eight percent of homeowners and 35.2% or renters are paying more that 35% of their household income for housing. A 2001 Renter Survey found that "at least 200 lower income households are paying more than half they gross income for rent." Although, wages have risen they have not kept up with rising housing costs.

More LMI residents are struggling to get by. Affordable rentals with year round leases are becoming non-existent. Fair market rental rates for Nantucket are 50% higher than those of Dukes and Barnstable Counties and even higher than the Boston PMSA. The gap between housing costs and affordability (based on median household income) is growing. Based on median wages the "typical Nantucket resident can afford a home from \$250,000 to \$350,000". But in 2001 only a few homes were sold under \$300,000 and the cheapest detached single home this year is listed for \$425,000. The income needed to purchase a median priced home would require a salary of at least \$250,000. This difference results in an affordability gap that is the highest in the state. Of the entire housing stock in Nantucket nearly 39% was built before 1969, 32.6% was built before 1959 and 24% was built before 1939

Analysis of Infrastructure

Our aging infrastructure is not equipped to handle the current population. The majority of roads are privately owned, but many are not maintained to the extent necessary to ensure delivery of emergency services. This results in an additional

burden to the Town. While water quantity is not generally a problem, peak demand at times exceeds supply, mostly due to irrigation. Quality issues arise because Nantucket depends on a sole source aquifer, and its wellhead district (Zone II) is situated in an area of town that contains much of the island's commercial establishments. Nantucket's Five Year Capital Plan estimates that Nantucket needs to spend at least \$50 million dollars by 2005 just to meet identified needs. But even this enormous amount will be insufficient to meet future demands. Protection of our sole source aquifer is essential because increased new construction stresses the capacity of the Town's wastewater & sewer systems; we are currently constructing a new wastewater treatment facility at a cost of \$14.6 million; estimated cost for other needed upgrades (treatment plants and existing sewers) is between \$40 and \$45 million. These upgrades and increased capacity are essential if affordable housing continues to be developed.

Development Constraints

Currently, Nantucket's main wastewater treatment facility has major capacity issues. The Department of Environmental Protection is not processing pending sewer extension permit applications and is not accepting new extension permit applications at this time, pending the execution of a consent order. If this is not resolved, it presents an almost insurmountable hurdle for projects other than small scale, scattered site and infill developments that utilize septic systems and meet the requirements of Title V of the Public Health Code.

An additional challenge to developing affordable housing on Nantucket has been the capacity and protection of our sole source aquifer and within harbor watersheds. The construction of homes outside the local sewer system is adding more septic systems in areas that are nitrogen sensitive.

Historic traffic patterns, while adding to Nantucket's historic appeal, also present development constraints. It is the Town's policy not to utilize traditional means to mitigate congestion and manage traffic capacity, such as road widening, added lanes, and street lights.

And, finally, Nantucket is constrained by land availability and cost. Estimates have conservation land at 42% and developed land at 41%. This leaves only 17% of Nantucket as potentially developable; a major limitation on land availability for housing. And this 17%, while mostly smaller land tracts, is garnering higher and higher prices. – in 2001 the average land transaction was over a half million dollars.

Nantucket's approach to dealing with these constraints has been to try to develop affordable housing within the town's sewer system by use of existing

units through rehabilitation, conversion, or purchase and to focus on developing smaller scattered site housing outside the sewer district. Nantucket has also developed Town and County Overlay Districts, which are based on smart growth principles. The Town established the Town Overlay District, where growth can be directed based on the existence of sewer, water, roads and municipal and commercial services infrastructure. This area creates opportunities for infill and second dwelling development. Conversely, the Country Overlay District discourages growth in areas where infrastructure and services are lacking, and where large lot zoning and development dominates.

Census 2000 Data

A Total households, 2000 Census 3,699

B Total households, 1990 Census 2,597

C Total household growth, 1990 – 2000 $C=(A/B)-1$ 42.4%

D Average annual household growth, 1990 – 2000 $D=C/10$ 4.24%

E Total housing units, 2000 Census 9,210

F Total housing units, 1990 Census 7,021

G Total housing unit growth, 1990 – 2000 $G=(E/F)-1$ 31.2%

H Average annual housing unit growth, 1990 – 2000 $H=G/10$ 3.1%

I Total occupied year-round ownership units, 2000 Census 2,334

J Total occupied year-round ownership units, 1990 Census 1,628

K Growth in year round ownership units, 1990-2000 $K=(I/J)-1$ 43.3%

L Total occupied year-round rental units, 2000 Census 1,365

M Total occupied year-round rental units, 1990 Census 969

N Growth in year round rental units, 1990-2000 $N=(L/M)-1$ 40.9%

O Vacancy rate for year-round ownership units, 2000 Census 2.4%

P Vacancy rate for year-round rental units, 2000 Census 3.9%

Q Vacancy rate for year-round ownership units, 1990 Census 2.9%

R Vacancy rate for year-round rental units, 1990 Census 13.0%

Analysis of 2000 Census data for Nantucket indicates that growth in year round ownership units of 43.3% has kept pace with the household growth of 42.4%. The growth in year round rentals has slightly lagged at only 40.9%. The vacancy rate for both the ownership and rental units has decreased over the last decade. The rapid growth patterns plus the rising median housing prices indicates the increasing need for more affordable housing and especially rental units.

Building Permits for Last Five Years for Residential Units:

1998 = 251

1999 = 230

2000 = 196

2001 = 245

2002 = 162

Total = 1,084

Goal: Our goal is to provide for the housing needs of LMI islanders by creating a permanent pool of covenanted, affordable housing for year round islanders, both rental and home-ownership.

Targeted Unit Generation per Year

Single Family Homes created within EO 418 guidelines: 5% of total units created from the previous year.

Rental Units created within EO 418 guidelines: 5% of total units created from the previous year.

Summary of the Community Housing Strategy

Housing is without question the most critical issue on the Nantucket agenda. The housing crisis, caused by escalation of real estate prices, lies at the heart of most of Nantucket's economic, social, and even environmental problems. It distorts the cost structure of the economy, rippling inflated costs across all economic sectors. Our local community plan is not just about preserving the physical nature of Nantucket town and its rural landscape setting. It is about maintaining our diversity and unique sense of community, about which so many of us feel strongly. The housing issue is our top priority and we are resolved to do whatever is needed to solve it or our traditional quality of life cannot be maintained.

Strategies

We do not expect the free market, by itself, to create affordable housing that is

within the purchasing power of Nantucketers. In order to meet its housing need, Nantucket is either in the process of or has completed the following:

1. Amendment of the building cap point system to include the full context of Community Plan strategies designed to benefit the Nantucket community (1999 Annual Town meeting: exemption added for first-time home buyers from Nantucket; 2000 Annual Town Meeting: point system approved; 2001 Town Meeting: the option to reinstate the building cap was defeated in its entirety).

2. Establishment of the Nantucket Housing Needs Covenant as the fundamental instrument that provides for long-term or permanent limitations on resale price and affordability, based on Nantucket's unique housing requirements to include medium-income households (2003: covenant and related legal documents finalized).

3. Requirements that commercial development create covenanted units as a condition of their permits.

4. Provisions for incentive/compensation for placing Nantucket Housing Needs Covenants on existing residences by the Town of Nantucket or a nonprofit housing entity.

5. A requirement that some lots be subject to Nantucket Housing Needs Covenants in future AR subdivisions, thus adding to the inventory of lots affordable to year-round residents.

6. Allowance of co-op or condominium ownership of secondary dwellings, provided that one of two units is under a Nantucket Housing Needs Covenant.

7. Incentives to encourage apartments over, or contiguous to, businesses and in multifamily buildings, but only if they are under a Nantucket Housing Needs Covenant and are located in the Town Overlay District that is well served by water and sewer infrastructure and public transportation.

The Objectives for Increasing Housing are Listed Below

Objective 2.1: To create a Nantucket Housing Office that will promote, implement, and administer programs developed to meet the housing needs of those committed to year-round residency.

Objective 2.2: To establish a Nantucket Resident Commitment Housing (NRCH) market that creates a stable supply of housing meeting the needs of those committed to year-round residency.

Objective 2.3: To provide incentives, especially in the Town Overlay District,

for the creation of NRCH units.

Objective 2.4: To develop public/private partnerships to create new housing opportunities for those committed to year-round residency.

Objective 2.5: To provide housing that is safe, decent, and compliant with applicable codes.

Objective 2.6: To provide seasonal (SE) housing.

Objective 2.7: To provide dispersed housing for seasonal employees.

Objective 2.8: To support and promote any efforts of the Town of Nantucket or other entities to expand affordable housing opportunities for senior citizens.

Objective 2.9: To meet the need for housing and related care for special populations.

Action Steps Taken to Implement Strategy

1. Held a local or regional forum open to the general public on the housing needs or strategies to address housing needs in the community or region:

Location: Nantucket High School Cafeteria, 10 Surfside Road, Nantucket Date: March 22, 2001 Number of Attendees:40-50 (est.) Publicized: Local newspaper Inquirer & Mirror; Location: Nantucket High School Large Group Instruction Room, 10 Surfside Road, Nantucket Date: November 15, 2001 Number of Attendees:50+ (est.) Publicized: Local newspaper Inquirer & Mirror

Public Meeting presenting "Housing Our Community – A Year-round Housing Needs Assessment" Location: Nantucket High School Large Group Instruction room, 10 Surfside Road, Nantucket, Date: August 8, 2002, Publicized: Local newspaper Inquirer & Mirror, Number of Attendees: 40 + (est);

Public Information Presentation on the Nantucket Housing Needs Covenant Program, Location: Nantucket High School Large Group Instruction room, 10 Surfside Road, Nantucket, Date: July 1, 2003, Publicized: Local newspaper Inquirer & Mirror, Number of Attendees: 30+ (est)

2. Completed a local or regional plan that includes information on how the community/region will provide housing for people across a broad range of incomes.

Name of Plan/Study: "Current and Projected Housing Needs on Nantucket", Stockard, Engler and Brigham. Date of Completion: November 1997.

Name of Plan/Study: "Report on Affordable Housing in Nantucket", Jonathan F. P. Rose, Affordable Housing Development Corporation. Date of Completion: November 1998.

Name of Plan/Study: "The Nantucket Comprehensive Community Plan", Nantucket Planning and Economic Development Commission. Chapter 2- "Housing Needs" Date of Completion: November 2000 (Ratified by Special Town Meeting: January 8, 2001).

Name of Plan/Study: "Housing Our Community – A Year-round Housing Needs Assessment", John J. Ryan, Development Cycles. Date of Completion: June 2002.

Name of Plan/Study: "Nantucket Community Housing Action Plan", John J. Ryan, Development Cycles. Date of Completion: June 2002.

3. Created and funded a full or part time position to address housing issues, process permitting applications, or otherwise facilitate or encourage housing development.

For Fiscal Year 2003 the Community Preservation Act funded the creation of the Nantucket Housing Office, a private, not-for-profit corporation whose mission is to create community housing opportunities for Nantucket by: Programs - Creating and administering Nantucket scale and style community housing programs; Partnerships - Participating in community housing partnerships and collaborations; Plans - Developing and promoting the Nantucket Community Housing Plan. CPC funding for the Nantucket Housing Office was increased for FY 2004.

Additionally, the Interfaith Council funds a part time Housing Advocate position, a job that focus on finding homes for those in immediate need and on educating citizens about housing.

4. Identified municipally owned or controlled land and/or buildings that are suitable for the development of housing.

Parcel: Map 55, parcels 613 and 614 Location: 2 and 4 Cow Pond Lane Estimate of number of affordable units: 16 (housing for teachers and school employees); Parcel: Map 76, part of parcel 145 Location: 7 Miacomet Road Estimate of number of affordable units: 8 Parcel: Map 69, part of parcel 3.1 Location: 2 Nobadeer Farm Road Estimate of number of affordable units: undetermined (being considered as part of Airport Master Plan); Parcel: Map 80, parcel 1 Location: 21 South Shore Road Estimate of number of affordable units: 12 units plus 4 –6 employee units. Parcel: Map 79, parcel 149 Location: Okorwaw Avenue Estimate of number of affordable units: 2 (lifeguard housing); Parcel: Various tax title parcels (see 2000 ATM Articles 82, 83, 84, 86, 88) Location: Tom Nevers, Surfside, 5 Saratoga Lane Estimate of number of affordable units: 20 (estimate); Parcel: Map 55.1.4, parcel 105 Location: 109 Washington Street

Estimate of number of affordable units: 2

5. Identified other publicly owned or controlled land and/or buildings that are suitable for the development of housing.

Parcel: Map 41, parcel 485 Location: 38 West Chester Street Estimate of number of affordable units: 2 Owned by the Nantucket Land Bank. Traded to the Town in exchange for open space land (see Warrant Article 99 ATM 2000); Parcel 54, parcel 120 Location: Polpis Road Estimate of number of affordable units: 2-12; Owned by the U.S. Coast Guard, identified in 1995 inventory and discussed with local representative for several years.

6. Formed and currently participate actively in a local or regional housing partnership or other housing group.

In 2000, an ad hoc citizen group comprised of housing stakeholders called the Nantucket Resident Partnership was formed. The Nantucket Resident Housing Partnership initiated a citizen's petition to put the Community Preservation Act on the April 2001 ballot; lobbied for the passage of S.B. 2006 "An Act to Establish Nantucket Affordable Housing Covenants"; and sought Community Preservation Act funds for the establishment of the Nantucket Housing Office, among other things. In 2002 the group was awarded the Citizen Planner of the Year Award by the Nantucket Planning and Economic Development Commission.

In 2002 the Nantucket Housing Alliance was formed from the foundation of the Nantucket Resident Housing Partnership. The Nantucket Housing Alliance is a group comprised of representatives of organizations currently active in housing. This group meets to share resources, ideas and developments in Nantucket's affordable housing arena. Those involved in the Alliance represent, among others, the following organizations: Chamber of Commerce, conservation groups, Habitat for Humanity, Interfaith Council, Nantucket Association of Real Estate Brokers, Nantucket Board of Selectmen, Nantucket Education Trust, Nantucket Housing Authority, Nantucket Housing Office, Nantucket Humans Services, Inc., Nantucket Planning & Economic Development Commission, Nantucket Sustainable Development Corporation, preservations groups. Sherburne Commons, Inc.

7. Interested residents or organizations in the community or region raised money for the rehabilitation or development of housing.

The House Recycling program of the Nantucket Housing Office raised \$40,000 from private donors for the relocation and rehabilitation of a single family rental dwelling.

Habitat for Humanity began construction on its first Nantucket Habitat home.

Various local non-profits started construction on dwellings for employees, raising funds in part from their supporters and members (Nantucket Cottage Hospital, Nantucket Boys & Girls Club).

8. Worked with local lenders or non-profit agencies to provide first time homebuyer education and counseling, housing search to assist people to buy their first home.

The Nantucket Housing Office is working closely with two local banks - Nantucket Bank and Pacific National Bank - to facilitate implementation of the Nantucket Housing Needs Covenant Program.

The Nantucket Housing Office is also working with Mass Housing Partnership Fund to try to establish a "SoftSecond" program that will assist first-time homebuyers with down-payments.

9. Received grants for technical assistance expressly for the purpose of finding ways to produce housing and/or to streamline the permitting process.

FY 2004 Community Preservation Committee Grants Awarded:
Town Employee & Resident Housing on Town Land (feasibility study)

10. Received grant or public funds that increased the supply of low-, moderate- and or middle-income housing and/or assisted the promotion of affordable homeownership.

FY2003 Community Preservation Committee Grants Awarded:
Habitat for Humanity, Inc. – first year of 5-year project to build 8 homes
Nantucket Housing Office – year one
Sherburne Commons, Inc. – seed capital budget for assisted/independent living community

FY2004 Community Preservation Committee Grants Awarded:
Habitat for Humanity
Nantucket Housing Office
Affordable Housing Infrastructure Fund
Nantucket Human Services
Sherburne Commons, Inc.

FleetBoston Charitable Foundation Grant – downpayment assistance/gap financing project start-up

11. Received grant or public funds to take part in a local or regional program for housing rehabilitation and/or septic system repair program to preserve existing housing stock or enable housing production.

FY2003 Community Preservation Committee Grants Awarded:
Development of 3 Vacant Lots for Affordable Housing (surveying, septic)
Habitat for Humanity

FY 2004 Community Preservation Committee Grants Awarded:
House Relocation Program (2 rehabilitations)
Habitat for Humanity

At 2003 Annual Town Meeting voters approved a tax on new construction of larger homes that would create a fund available for affordable housing projects (home rule petition is now filed and in committee).

12. Worked with private lending institutions, other financial service establishments, Mass Housing, or other quasi or non-profit agencies to make available concessionary financing or other mechanisms that improve housing affordability and/or provide home ownership opportunities for low, moderate and middle-income families.

The Nantucket Housing Office is working closely with two local banks - Nantucket Bank and Pacific National Bank - to facilitate implementation of the Nantucket Housing Needs Covenant Program.

The Nantucket Housing Office is also working with Mass Housing Partnership Fund to try to establish a "SoftSecond" program that will assist first-time homebuyers with down-payments.

FY2004 Community Preservation Committee approved a grant funding down payment assistance and gap financing for housing for year-round residents.

FleetBoston Charitable Foundation Grant – downpayment assistance/gap financing project start-up

13. Provided municipally owned or controlled land or buildings at no cost or below market cost to a housing developer for the purpose of creating low- and moderate-income housing.

Location: 5 Saratoga Lane, Okorwaw Avenue, Pochick Street-west, Pochick

Street-east, Norwood Street, Dartmouth Street, Irving Street Developer: Nantucket Housing Authority Properties (NHAP) Amount of Land: 3.5 +/- acres (seven parcels) Total number of units to be created: 12+; Date of Town Meeting Vote: April 2000 and subsequent transfers; Location: Cow Pond Lane Developer: private developer selected by Nantucket School Committee Amount of Land: .92 acres; Total number of units to be created: 16 Date of Town Meeting Vote: October 2001; Location: 21 South Shore Road Developer: Sherburne Commons, Inc. Total number of units to be created: 60 to 66 affordable units will be 16 to 19. Date of Town Meeting Vote: April 2000. Location: 4 Norquarta Developer: Habitat for Humanity Total number of units to be created: 1 Date of transfer: 2002.

14. Formed a local or regional Affordable Housing Trust that can receive tax-deductible, charitable and other donations that would be used to develop or rehabilitate housing.

The Nantucket Housing Office is a 501(C)3 organization.

15. Adopted the Community Preservation Act.

The Community Preservation Act was passed at the 2001 Annual Town Meeting held in April. In 2003, 39% of funds disbursed went to housing; in 2004 53%.

16. Raised or appropriated municipal funds for the rehabilitation or development of housing.

Date: Project finished August 2001, authorized in FY01 budget. Amount: \$ 115,000; Purpose of the Appropriation: Repair roof at former LORAN station housing seasonal police officers Note: This appropriation followed a \$160,000 renovation in 1999. Date: Project completed May 2001, authorized in FY01 budget. Amount: \$360,000 Purpose of the Appropriation: Rehabilitation of a relocated, donated house at 47 Okorwaw Avenue for lifeguard housing.

Appropriations Made at 2003 ATM to support Affordable Housing:

Article 14: Enterprise Funds Capital Expenditures - \$300,000 allocated to Nantucket Water Commission to construct employee housing.

Article 22: Community Preservation Committee - \$1,074,000 allocated under Community Preservation Act for Affordable Housing initiatives, including Habitat for Humanity, Affordable Housing Infrastructure Fund, Town Employee and resident Housing on Town Land; Nantucket Human Services Center; Nantucket Housing Office: Down-payment Assistance and Gap Financing; Nantucket Housing Office: Housing Relocation Program; Nantucket Housing Office: Administrative Costs for Year 2; Sherburne Commons, Inc. (Assisted

Living).

Additionally, at the 2003 Annual Town Meeting Nantucket voters approved a tax on new construction of larger homes that would create a fund available for affordable housing projects (home rule petition is now filed and in committee).

17. Expedited the local administrative process for foreclosing on tax title properties for creating or restoring housing that results in foreclosure within 18 months of demand for taxes.

The Town of Nantucket has adopted two methods to expedite the acquisition of tax title property, both of which do not utilize the procedures discussed above. The most recently used method is for the Town to seek the authority, from Town Meeting, to acquire the property by eminent domain or otherwise. The Town then conducts a detailed title search to find lost heirs. Nantucket is in a somewhat unique position as many of Nantucket's tax takings date from the early 1900's when property was considered worthless and the original owner's heirs are now impossible to locate. Depending on the results of the search, the Town then executes the taking, keeping reserve funds in the event that an heir that has not been identified comes forward. The taking clears title and then the property is able to be transferred to the Nantucket Housing Authority or other appropriate entity for development of housing. This approach has been used to expedite the foreclosure procedure, which had been initiated in some instances twenty years ago, only to languish in Land Court. The Town also submitted a special legislation petition, which was granted in 1990. Chapter 334 of the Acts of 1990 corrects the deficiencies of early takings, which had procedural flaws. The Town has filed affidavits upon several such parcels and in turn conveyed the parcels to appropriate affordable housing entities or dedicated the parcels to open space as appropriate.

18. Adopted Incentive Zoning Provisions to Increase Housing Density.

139--7-F Major Residential Development (MRD) bylaw (7) Allows the use of non-contiguous parcel for up to 50% of open space requirement if the non-contiguous parcel has "importance to the Town/County for recreational, water supply or other municipal use. (8B) Bonus for inclusion of "affordable" and "moderately priced" units. Allows an extra market priced unit for every affordable unit, meaning attainable to those households earning less than 80% of median income. Inclusion of two moderately priced units, attainable by households earning 80-120% of medium income, could net an additional market rate unit.

Bylaw amendments pertaining to affordable housing approved at 2003 ATM:

Article 29: Mid-Island Design Overlay District – Includes a provision to grant an incentive of 5% additional building coverage for each affordable dwelling unit, up to a maximum of two, provided that the units have a Nantucket Housing Needs Covenant (Chapter 301 of the Acts of 2002).

Article 31: Residential–Commercial Downtown Zoning District – Includes provision for higher density if affordable apartment units are provided under the Nantucket Housing Needs Covenant (Chapter 301 of the Acts of 2002) – incentives for “top of the shop apartments”.

19. Adopted Zoning/Land Use Regulations.

Duplexes or two-family units: Duplex dwelling units are allowed by right in six zoning districts: R-1, SR-1, RC, RC-2, LC, and R-10 (139-8 A). In two of the six districts, RC and RC-2 they can be condominiums and these units have become the most affordable option for moderate-income buyers.

* In addition, Nantucket's Zoning Bylaw allows a secondary dwelling (a detached single family dwelling) on any lot in any district as a matter of right

* Accessory or in-law apartments: Nantucket zoning allows accessory apartments (139-7 C) in all dwellings in any zoning district.

* Multi-family housing more than 3 family buildings by special permit with 31 units permitted in 2001.

Bylaw amendments pertaining to affordable housing approved at 2002 ATM:

Article 37: Town and Country Overlay Districts. Based on smart growth principles, establishes Town Overlay District, where growth can be directed based on existence of sewer, water, roads, and municipal and commercial services infrastructure. This area creates opportunities for infill and second dwelling development. Conversely, the Country Overlay District discourages growth in areas where infrastructure and services are lacking.

Article 43: Multi-Family Overlay District – Expansion approved to accommodate affordable housing site proposed by Nantucket Public Schools. Inclusion in the overlay district allows higher density.

Bylaw amendments pertaining to affordable housing approved at 2003 ATM:

Article 27: Assisted / Independent Living Community District – amendment approved that clarifies that employee housing is not included in the total unit cap for any property in the zoning district.

Article 34: Mixed Income Residential Development (MIRD) – Proposal tabled,

but referred to Planning Board for further study. Proposed creation of smaller lots under affordable covenant provided that the overall density of the surrounding development did not change.

Article 35: Elder Housing Facilities – Allows elderly housing complexes in an Limited Commercial Zone. Has no explicit affordable component, but bylaw creates an opportunity for affordable elderly housing on a broader scale than permitted previously.

Article 36: Hooper Farm Road Area Rezoning. This rezoning doubled the density in a limited area of the Mid-Island occupied primarily by the year-round community, and therefore creates an opportunity for more affordable housing construction.

20. Adopted zoning provisions authorizing.

Separate ownership of primary and secondary dwelling, provided that one dwelling has affordability covenant. Since the adoption of Nantucket's first zoning bylaw in 1972, a secondary dwelling has been an allowed use, provided that the primary and secondary dwelling are in the same legal and beneficial ownership. This provision allows a freestanding single-family dwelling to be built upon any lot provided that the structure meets certain dimensional requirements. The purpose of the secondary dwelling was formalized in a 1996 amendment to the Zoning Bylaw, 139-7B. This amendment states that the "principal purpose" is to "create housing opportunities through the provision of affordable rental housing for year-round residents, including senior citizens, while affording the owner of the primary residence with the opportunity to generate supplemental income". Voters at the Nantucket Town Meetings have been hesitant to support any major structural changes to the existing language or efforts to significantly tighten restrictions. The allowance of the secondary dwelling has assisted many household achieve home ownership as the extra income and value of the property frequently allows the household to qualify for a mortgage that would otherwise not be in financial reach in Nantucket's inflated housing market.

At the 2001 Annual Town Meeting, a further incentive was added to the bylaw by permitting the condominiumization and co-opting of secondary dwellings in all zones for the first time, provided that an affordability covenant is placed on the secondary dwelling. Conceding that Nantucketers can no longer compete in the open real estate market dominated by second homes, the program entails the creation of a second market consisting of homes permanently restricted by covenant to year-round occupancy by individuals and families with incomes up to 150% of median income. The authorization for such a covenant in perpetuity was approved by the legislature in 2002, the program regulations, covenant and

legal documents finalized in the first half of 2003, and the program is underway currently and the guidelines for the Program have been drafted and are undergoing legal review. The program is overseen and enforced under the auspices of the Housing Authority and the Nantucket Housing Office (as the Housing Authority's authorized agent).

Home occupation: Artisan Studio provision: Nantucket has a generous provision allowing a studio which is loosely defined as a "building or a room or rooms where an artist, artisan, photographer or the like does his or her work." There has been anecdotal evidence or abuse of this provision as studios are not restricted from having bathrooms or kitchen facilities. Town officials suspect that many such studios are used as dwelling units as a studio apartment. Town Meeting has twice rejected efforts, supported by the Planning Board, to tighten these restrictions by not allowing bathrooms or kitchens and limiting their size. Many stated their support for this use to remain as-is despite possible zoning violations. The chapter and section is 139-2A and 15.

Housing units for seasonal employees: Article 37, 2001 ATM Neighborhood Employee Housing Overlay District. Bylaw amendments to allow 6-12 persons per dwelling unit in the developed areas of Town. The amendments provide specific standards and identify areas where smaller scale dormitories can be appropriately located in residential and commercial areas. The chapter and sections are 139- 2A, 3E, 7D, 12, 12C, 24C (4) (c).

Also created at the 2001 ATM is a Dormitory Overlay District, allowing up to 100 beds per acre in a district located near the airport.

Mixed uses such as commercial, office, or industrial with residential use: The Town has had mixed use zoning districts since the inception of zoning in 1972. The zones now permitting such mixed uses are the ROH, SOH, RC, RC-2, and LC zones.

Congregate care facilities or assisted living facilities Nantucket rezoned a valuable piece of Town owned property consisting of 21.7 acres of land to a newly created Assisted/Independent Living Community District (ALC-see 139-14 C) to allow a 66-unit Assisted Living complex with attendant facilities and employee housing. The successful bidder on a Request for Proposals, Sherburne Commons, Inc. has been granted a 50-year lease with 5-year extensions for the site and ground-breaking is scheduled within the next one to two years.

Conversion of large scale single-family structures, vacant mills, industrial buildings, commercial space, or schools, etc. into multi-family developments

21. Steps to eliminate any building caps or building moratoriums.

At the 2001 Annual Town Meeting, the required 2/3 majority was not reached to continue a building cap originally instituted in 1997 and modified since that time. The proposed warrant article would have extended a 120 unit per year cap until 2008. Building cap supporters called a special town meeting in October, 2001 and voters again declined to continue the cap provision. It therefore lapses

on December 30, 2001. The building cap was originally instituted over concerns about both the quantity of building permits issued and the perception that off-island contractors were being imported to the detriment of long term availability of local workers. However, testimony from first-time homeowners, retirees and others who incurred hardship because of delays associated with the implementation of this cap provision, was received at both town meetings, and, coupled with the economic downturn, was a significant factor in eliminating the cap.

22. Have a phased growth or other development bylaw that provides exemptions and/or incentives for affordable housing that has been utilized within the past two years.

Although the building cap, or Interim Growth Rate (139-24 B) has not been continued, provisions exempting first time homebuyers depending upon years of residency or giving "points" in a building permit ranking system amendment adopted in 2000 but never implemented, have always been included. Also exempted were affordable dwelling units constructed or sponsored by the Nantucket Housing Authority, Town/County or a non-profit; elderly housing; employer dormitories; units required as part of commercial developments, referred to as "inclusionary" and relocated houses, often recycled by moderate income households Chapter 139-24 A Phased Development has exempted "Nantucket domiciliaries (sic)" since adoption in 1981 and through amendments in 1990, 1994 and 2000. A covenant is signed by the owner restricting primary use of the dwelling to year-round occupancy for a period of five years.

23. Other activities that promote planning, remove barriers, and create a positive atmosphere for housing development affordable to individuals and families across a broad range of incomes.

Demolition delay bylaw: the Town adopted Chapter 139-26 A 1, in 1997 to among other purposes "-create an incentive for reuse of residential structures". Because land on Nantucket is so valuable, there has been a lot of pressure to remove structures that are considered obsolescent or unfashionable. The Building Inspector can delay acting upon a demolition request until a procedure is followed which advertises a structure for relocation and provides a thirty-day period to allow a prospective buyer to arrange for the house to be relocated. The Town of Nantucket, several organizations including the Nantucket Housing Authority, the nonprofit Nantucket Housing Authority Properties, Inc., Family and Children's Services, Inc, and LMI individuals have all benefited.