



P.O. Box 3149 • Nantucket MA 02584 • Tel: 508.228.4422 • Fax: 508.228.4915 • [www.nantuckethousingoffice.org](http://www.nantuckethousingoffice.org)

## **S.1773: An Act Establishing the Nantucket Community Housing Bank (see also Parallel Act S 1776 An Act Establishing The Martha's Vineyard Housing Bank)**

### **A HOME RULE PETITION**

S.1773 authorizes Nantucket to impose a 1% seller-paid fee on real estate transactions over \$2,000,000; the proceeds of which would be used exclusively for the acquisition, construction, maintenance and support of community housing on Nantucket for low, moderate, and middle-income islanders. Nantucket is an island community facing perhaps the most severe housing crisis in Massachusetts, if not the country. **S.1773 affects only real estate transactions on Nantucket, and would have no impact on any other part of Massachusetts nor would there be any costs to Massachusetts taxpayers.**

**Legislative History:** The proposal made great progress during the last legislative session, where a combined Nantucket and Vineyard bill gained strong Senate support, but faltered in the House. The House, favoring separate bills for each island, dropped the Nantucket element from the previous bill being debated.

**Local Support:** The Community Housing Bank Home Rule Petition has been repeatedly and overwhelmingly approved at Nantucket's Town Meetings (2003 – 2006) and has the unanimous support of the Board of Selectmen. The Community Housing Bank also has the support of the Nantucket Planning & Economic Development Commission, the Nantucket Finance Committee, the Nantucket Association of Real Estate Brokers and the Nantucket Builders' Association. If approved by the Legislature, the proposal would also require another round of support by Island voters in the form of a ballot vote.

### **THE AFFORDABLE HOUSING PROBLEM ON NANTUCKET**

Nantucket is facing a severe housing crisis. Real estate has escalated over 550% since 1995. **In order to afford the mortgage on a median priced home of \$1.6 million, a working island family would need to earn approximately \$300,000 a year.** The least expensive house sale in 2006 was \$420,000 for a one-bedroom. Rentals are similarly unaffordable, and also scarce. For islanders who do not already have housing, finding it has shifted from difficult to impossible.

In addition to factors contributing to the dearth of affordable housing everywhere in Massachusetts, Nantucket must contend with a disproportionately active second home market, and housing affordability that is exacerbated by geographic isolation from the mainland (28 miles off the coast). Nantucket's housing needs thus extend well beyond the conventional mainland definition of "affordable," as even those in the upper moderate-income range cannot find a home they can afford. In other Massachusetts communities, the housing market is driven by people from Massachusetts. **However, on Nantucket, the housing market is driven by wealthy vacationers from other states.** Islanders simply cannot compete financially in an open market with these second home and investment home buyers.

Nantucket is also the fastest growing county in the Commonwealth. Nantucket's population growth rate of 58% between 1990 and 2000 was 10 times that of Massachusetts as a whole. Moreover, each year between the months of May through September the population increases by 500%. As a result of its unique and desired location, Nantucket faces a unique set of problems apart from other municipalities, including the least affordable market for housing in Massachusetts and the dubious distinction of being ranked in the top ten least affordable communities in the nation.

Affordable housing is a necessary ingredient to fill and retain quality personnel in service positions. While Nantucket's thriving second home market stimulates Nantucket's economy, providing more revenue for hospitals, schools, and the police force, it has simultaneously driven affordable housing off of the island, providing **no reasonable place for nurses, firefighters, school teachers, or police officers to live**. In the absence of affordable housing, Nantucket cannot retain or attract these service professionals. The community is finding it increasingly difficult to hire employees of any kind, including seasonal workforce, because of this issue. Failing to provide housing options to those necessary to sustain Nantucket's infrastructure is a disservice to the community which will ultimately undermine and erode the local economy.

### **MODEST COST TO LEVERAGE SIZABLE GAINS ON NANTUCKET**

---

**In a community where the average house sells for \$2.4 million**, the proposed fee is modest and appropriate. Proceeds will be used for a variety of housing initiatives, including homeownership and rental programs serving islanders earning up to 150% of the median income.

While providing affordable housing to all who need it on Nantucket is costly, the Community Housing Bank is just one link in a variety of initiatives Nantucket has undertaken to increase funding for reasonably priced housing. Nantucket has adopted the Community Preservation Act, has a Housing Authority, a private-not-for-profit Housing Office, a Nantucket chapter of Habitat for Humanity, affordable elder housing, a to-be-built Human Services Center which will include affordable apartments, a Nantucket Education Trust housing project providing housing for teachers and staff, and two private 40B developments. In addition, Nantucket town meeting voters recently approved a \$15.5 million dollar vacant-land purchase with the intent to develop for housing. And still this isn't enough. On the Department of Housing and Community Development's affordable housing inventory, Nantucket is listed as having 3.4% affordability. The state goal is 10%.

**The Nantucket Community Housing Bank fee is Nantucket-oriented solution to a Nantucket-oriented problem. It would apply only to those who sell real estate on Nantucket, and only to those who sell real estate at a price that is beyond the sizable exclusion provided for under the bill (\$2,000,000).**

***Please support this effort to address a severe housing crisis; support Nantucket by granting them the authority to address their own needs with solutions that affect and work for their unique community.***