

# **Nantucket Lease to Locals Program**

## **Program Description and Guidelines September 2024**

*revised 8//24*

## 1 PILOT PROGRAM OVERVIEW

The Lease to Locals Program (the “Program”), offers cash incentives to homeowners who rent their homes to qualified households. The goal of the program is to increase the supply of year-round housing available for locals and full employees working on Nantucket. The Program starts on Sept 1, 2024.

## 2 PROGRAM DEFINITIONS

- (a) Adult: An adult is any individual 18 years or older.
- (b) Housing Unit: A housing unit is a house (primary or secondary dwelling), an accessory dwelling unit, a single room or multiple single rooms intended for occupancy living quarters (excluding commercial lodging).
  - a. Excludes deed-restricted and subsidized units.
  - b. Excludes new construction or newly acquired properties (in past 12 months) that are not owner-occupied which can be verified by residential exemption from the Town of Nantucket Assessor’s office.
- (c) Long-Term Lease: A long-term lease is a lease of 12 consecutive months or greater.
- (d) Property Owner: The individual(s) or legal entity that holds the deed to the property, as reflected on the Assessor or Registry of Deed records.
- (e) Qualified Household: A Qualified Household is any group of individuals living together in one home as their primary residence, where at least half of the adults are Qualified Tenants.
- (f) Household Size: Defined as the total number of Qualified Tenants
- (g) Qualified Tenant: A Qualified Tenant is an adult who is not of blood relation or employed by the Property Owner. All Qualified Tenants in the Qualified Household can not exceed the Income Limits for the Household Size and must meets at least one of the following criteria:
  - a. Employed year-round at least 30 hours per week (over 1,500 hours per year) for an employer based on Nantucket or with a physical location on The Island. Exceptions to the 1,500 hours per year requirements can be made for education providers.
  - b. A dependent child of a Qualified Tenant
  - c. Meet one of the following exemptions:
    - i. A person unable to work or who does not have a work history due to qualifying for disability as defined by the Americans with Disabilities Act (ADA)
    - ii. A full-time, parent or guardian of a child under the age of 4
- (g) Income Limits:
  - a. Qualified Tenants shall have a total household income that does not exceed 175 percent of the Nantucket County Area Median Income (AMI) Limits, adjusted for Household Size, established by the U.S. Department of Housing and Urban Development (HUD).

- b. The following chart contains the maximum household income limits for 2024

<b>Household Size</b>	<b>Maximum Gross Income</b>
1	\$187,600
2	\$214,375
3	\$241,150
4	\$267,925
5	\$289,450
6	\$310,800

### **3 PROGRAM ADMINISTRATION**

Housing Nantucket will administer the Program, in coordination with, and with support from, a third-party administrator and independent contractor, Placemate Inc (“Placemate”). Placemate is a California Benefit Corporation, based in Truckee, California, which provides administrative services for non-profit and government entities across the country.

#### **3.1 Housing Nantucket’s Role**

Housing Nantucket will oversee Program administration. This includes managing the contract with Placemate, Inc., accepting public and private funds to implement the program, granting disbursements to Property Owners, and evaluating program metrics.

#### **3.2 Town of Nantucket’s Affordable Housing Trust**

The Affordable Housing Trust (“The AHT”) will provide the funding for the Lease to Locals incentives.

#### **3.3 Placemate’s Role**

Under a contract with Housing Nantucket, Placemate will provide the following services for the Program: program development, customer service, marketing, compliance, reporting, and processing applications per Program Guidelines.

### **4 PROGRAM GRANT FUNDING**

#### **4.1 Grant Amounts**

The AHT will provide a \$4,500 to \$9,000 grant per Qualified Tenant housed through the Program for a Long-Term Lease. Dependent children will count as one (1) additional Qualified Tenant, regardless of the number of children present. The maximum grant amount per Housing Unit is for three (3) Qualified Tenants.

The table below shows the available grant amounts.

<b>Unit Size</b>	<b>Incentive per qualified tenant</b>	<b>Max per unit</b>
Room	\$4,500	\$4,500

Studio	\$7,000	\$14,000
1 Bedroom	\$9,000	\$18,000
2 Bedrooms +	\$9,000	\$27,000

#### 4.2 Grant Disbursement

- (a) Prior to disbursing grants, Housing Nantucket will review documentation submitted by Placemate, Inc. including:
  - i. A copy of the fully executed lease agreement(s),
  - ii. Proof of status for Qualifying Tenants,
  - iii. Property Owner Application
- (b) Housing Nantucket will issue the first half of the grant payment to the Property Owner within forty five (45) days of the Qualified Household taking occupancy of the Housing Unit.
- (c) Housing Nantucket will issue the second half of the grant payment to the Property Owner within forty five (45) days of the end of the lease.
- (d) Payments shall be issued to the Property Owner, as their legal name(s) appear on recorded property ownership documents.

## 5 PROPERTY OWNER ELIGIBILITY & REQUIREMENTS

### 5.1 Grant Application

Property Owners must submit a complete on-line form and sign a self-certification checklist with Placemate, Inc. and comply with the following criteria to have their home considered for the grant program.

### 5.2 Eligibility & Requirements

To participate in the Program, Property Owners must meet the following requirements.

- (a) Location: The Housing Unit must be located in the County of Nantucket, MA.
- (b) Type: A whole home or room(s) in a home can be rented, but there is a maximum of two (2) grants per property owner or ownership group.
- (c) Status: The Housing Unit must be a legally permitted dwelling unit and each bedroom in the property must have a door and window.
- (d) New Rental: The Housing Unit must not have already been occupied as an existing year-round rental in the past 12 months.
- (e) Eligible Properties: The Housing Unit is a house (primary or secondary dwelling), an accessory dwelling unit, a single room or multiple single rooms intended for occupancy living quarters (excluding commercial lodging) that have not been rented year-round in the past 12 months. Excludes deed-restricted and subsidized units.
- (f) Property Condition: The Housing Unit must meet basic health and safety criteria as may be required per Massachusetts law and regulations.
- (g) Signed Lease Agreement and Complete Application Packet: The Property Owner must complete an application and sign a Long-Term Lease with a Qualified Household. The complete application packet must be submitted within 45 days of

the start of the lease.

- (h) Lease Compliance Checks: The Property Owner must comply with the lease agreement for the full length of the lease and will be checked for compliance by Placemate, Inc., at six (6) months and (12) months. Failure to comply with the lease requirements at any time shall disqualify the Property Owner for grant payments.
- (i) Rental Affordability Cap: The Property Owner cannot charge monthly rent that exceeds the following rent cap by unit size:
  - Private Room: \$1,500/month
  - Studio: \$2,000/month
  - 1BD: \$2,700/month
  - 2BD: \$3,500/month
  - 3BD or greater: \$4,000/month
- (j) Fair Housing Act Compliance: The Property Owner must comply with the Federal Fair Housing Act which prohibits discrimination on the basis of race, color, religion, sex, or national origin.

### **5.3 Contingencies**

- (a) Change of Ownership: If the Housing Unit is sold during the lease period, the lease remains intact, and the new owner receives the second half of the incentive if they remain qualified. An executed agreement between the buyer and seller must describe new Property Owner's obligations under this program.
- (b) Failure to Comply with Lease: If the Property Owner plans to replace a tenant, Property Owner must notify Placemate and Tenant 30 days in advance and work with Tenant to see if an alternative agreement can be reached. If the Property Owner does not meet the Program agreement at the six-month mark, Placemate, Inc. will attempt to rectify the situation. If an agreement cannot be reached, the Property Owner will be disqualified from receiving the second installment of the grant disbursements.
- (c) Property Condition: If the Housing Unit is deemed in violation of Massachusetts law or regulations the grant payment(s) may be withheld.

## **6 TENANT ELIGIBILITY & REQUIREMENTS**

### **6.1 Individual & Household Qualification**

Individuals and households applying to the program must meet the definitions set forth in Section 2 of these guidelines.

### **6.2 Documentation**

As part of the application, each Qualified Tenant must submit the following:

- (a) Copy of current driver's license or other photo ID

- (b) One recent pay stub from the past 60 days to verify employment and income or financial statements and list of clients (if self-employed)
- (c) 2023 tax return
- (d) A completed Lease to Locals Tenant Verification Form