



# Town of Shelter Island

## COMMUNITY HOUSING PLAN

January 2023





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## Community Housing Plan Highlights for the First Five Years

This Community Housing Plan for the Town of Shelter Island provides the Town's goals and objectives for increasing year-round attainable housing on the island as well as priorities for expenditure of funds collected through the Peconic Bay Region Community Housing Fund real estate transfer fees. The funds collected through a 0.5% real estate transfer fee will be used exclusively for the purpose of increasing year-round community housing on Shelter Island guided by the Community Housing Board and the contents of this Plan.

This section provides the key strategies and recommendations for implementation focusing on the first 5 years; the plan also provides several ongoing and longer-term recommendations. In addition, towards the end of the fourth year, at the latest, the Town will initiate an update to the Plan, with public input, to evaluate progress and ensure that the implementation targets are still appropriate. If necessary, the Town can update the Plan at an earlier date whenever there is the need to reassess the Town's objectives and strategies for increasing year-round community housing.

### Construction of Year-Round Rental Community Housing Units

- ❖ Housing units to be located on 2 Town owned properties (see Section 5.2.1):
  - 69 North Ferry Road; and,
  - 12 South Ferry Road.
- ❖ All new community housing will meet the requirements of Town Code, Suffolk County Sanitary Code, and other environmental and building regulations (see also Sections 3.2 and 4.4).
- ❖ The size of the properties limit development to a maximum of 2 housing units at 69 North Ferry Road and maximum of 8 housing units at 12 South Ferry Road (see Section 5.1 and 5.2.2).
- ❖ The design process for the two projects has not started. However, due to the density limitations for the properties, the development will be limited to single family homes with apartments, or manor house apartments (see Section 4.3). Multistory, multifamily buildings are not an option, nor are they appropriate for the Town of Shelter Island and are not proposed (see Section 5.2).
- ❖ There will be an open and transparent process in developing the plans for community housing projects beginning with initial concepts, development of architectural and engineering plans, permitting and environmental review, with opportunities for public input throughout the process (see Section 5.2.4).
- ❖ The design standards developed for community housing will ensure that any new housing is consistent with the character of Shelter Island, minimizes environmental impacts, and is developed in a way that is safe and comfortable for residents (see Section 5.2.7).
- ❖ The Town will select a housing management entity to oversee the development, lottery, and administration of renting the units (see Section 5.2.3). A public hearing will be held prior to selection to identify management options and the best fit for Shelter Island.
- ❖ Community housing will be made available to eligible individuals with income limits defined by the Peconic Bay Region Community Housing Act. If permitted under Federal Law, a lottery system

should be implemented to provide that residents, former residents, workers, and volunteers, including firefighters, teachers, essential workers, EMTs and police (see Section 5.2.3) be given preference.

### **Increase Year-Round Accessory Dwelling Units (ADUs)**

- ❖ The objective is to make it easier for homeowners to create new year-round ADUs and convert existing short-term rental units to year-round ADUs through a variety of techniques (see Section 5.2.1).
  - Provide grants/low-interest loans for creation of new ADUs (See Section 5.2.2).
  - As new ADUs will require the installation of an Innovative/Alternative Onsite Wastewater Treatment System on many properties, funds may be used to offset the cost for homeowners to install a system for construction of a new ADU to provide year-round rental units.
  - Support Year-Round Accessory Dwelling Units (ADUs) through the development of a Homeowners Guide to Accessory Apartments on Shelter Island (See Section 5.2.2).
  - Conduct a comprehensive review of the Town Code to ensure the existing Code is consistent with the goal of increasing year-round community housing opportunities. Clarify and update the Town Code where necessary.

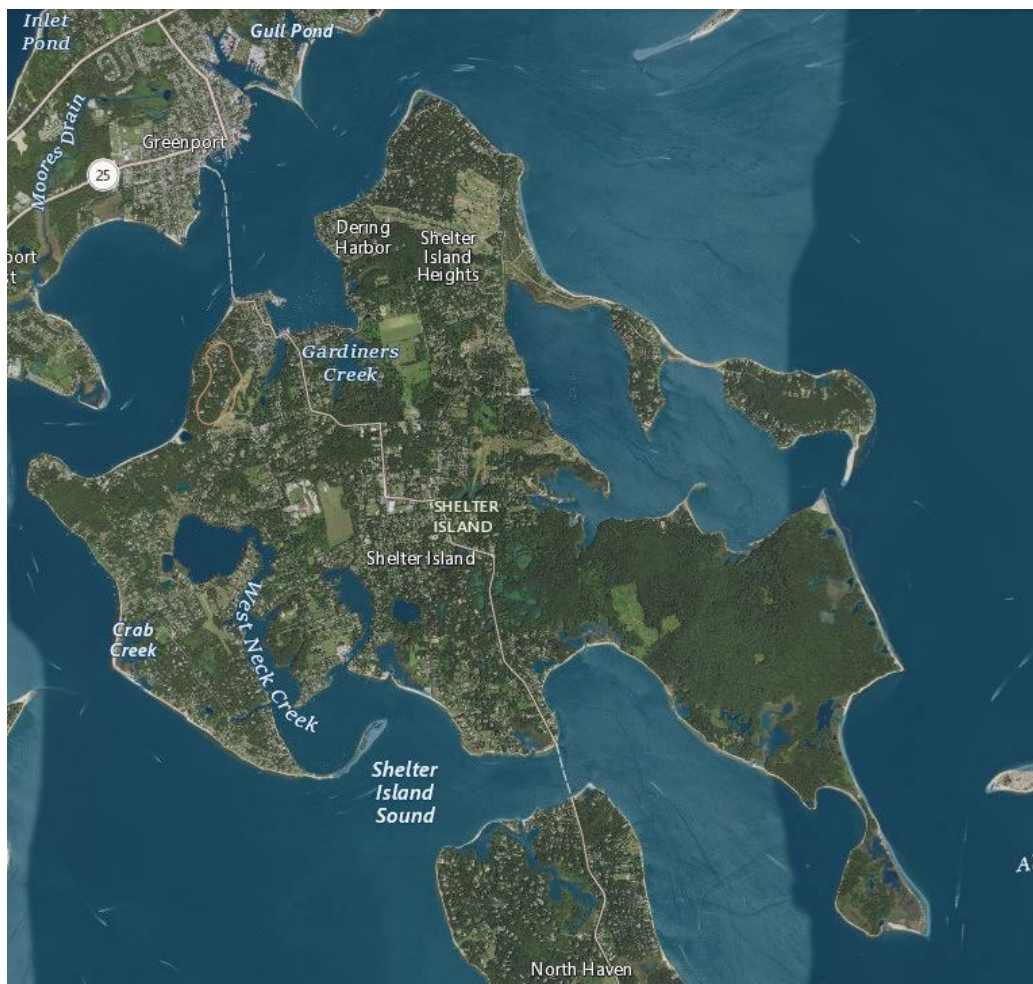
## 1.0 Introduction

This document is the Community Housing Plan for the Town of Shelter Island, New York. Below is discussion of the purpose and need for this Plan (**Section 1.1**), as well as the goals that have been formulated to guide its development (**Section 1.2**).

### 1.1 Overview

Shelter Island has a unique geographic setting, situated between the North and South Forks of the Long Island mainland and accessible only by ferry. As a result, Shelter Island is, by far, the most rural of the ten townships in Suffolk County, which is an essential aspect of the Town’s character, dearly cherished by the community and of foremost importance to its inherent “sense of place.”

The whole Island encompasses an area of 27.1 square miles with the developed portion predominantly consisting of single-family residences. There are small commercial areas in Shelter Island Heights and in the center of town. Also in the center of town are community services as well as small, scattered areas of agricultural and park land. Approximately one-third of the Island is made up of the Mashomack Preserve, owned and operated by The Nature Conservancy.



Source: USGS National Map

Shelter Island is blessed with a rich cultural heritage as well as environmental resources. This heritage includes the Manhasset Tribe, the original inhabitants, and European settlers who can date their arrival as far back as the mid-1600s. Environmental resources include a complex network of coastal embayments that are part of the Peconic Bay System, one of only 28 recognized “Estuaries of National Significance” identified by the U.S. Environmental Protection Agency’s National Estuary Program. The Town also benefits from its proximity to New York City, which contributes to the overall economy of Long Island’s East End, notably in the second homeowner, tourist, and vacation industries. The combination of these attributes makes Shelter Island a very desirable location for residency.

While all of the foregoing are clearly positive aspects of the Town’s setting, these conditions also have contributed to an escalation in local residential real estate prices, limiting the availability of housing for low- and moderate-income individuals and families. Seasonal vacation homes comprise the majority of the housing stock, with many of these residences occupying the luxury end of the housing market. The human foundation of the community consisting of public employees, the workforce of local businesses, people in various crafts and trades, and many more are finding it increasingly difficult, or even impossible, to find housing that is priced within their means.

Recent circumstances have significantly widened the residential affordability gap in the region and on Shelter Island. A steady upward trend in home values has been occurring over many years, outpacing the average increase in personal income during that period. Further exacerbating this gap has been the Covid-19 pandemic since early 2020, which has prompted the flight of upper-income residents from urban areas such as New York City to nearby areas with a more rural setting like the East End of Long Island.

The lack of sufficient community housing supply is a widespread issue, affecting the broader region beyond Shelter Island. However, the disruptive effects are strongly felt locally in each municipality. The impacted segment of the population includes a diverse range of integral members of the community, causing adverse societal consequences. This includes the younger generation of people who grew up on the island and are compelled to move away due largely to the unavailability of suitable housing options. At the other end of the age continuum, seniors who need to downsize their homes are not afforded the opportunity to remain in the community where they have made their lives. Additionally, because of the growing disparity between wages and the high relative cost of housing, businesses are experiencing ever-growing difficulty hiring and keeping employees, resulting in disruption to the local economy. Similarly, volunteer and emergency service organizations (e.g., fire department, ambulance, medical, etc.) are encountering shortfalls in personnel recruitment and retention, again driven largely by the unaffordability of local housing for their member pool. Thus, the formulation and implementation of effective measures to address the issue of affordable housing are critical to the future of Shelter Island.

The subject of affordable housing (or community housing) is not a new one for Shelter Island. Shelter Island’s 1994 Comprehensive Plan reported that only 6 percent of year-round households could afford to purchase a house of \$200,000, which at that time was less than the median value of an owner-occupied home on Shelter Island. The 1994 Comprehensive Plan proposed goals to create and maintain affordable housing opportunities for a diversity of age and income groups, noting that young working households, first time homebuyers and seniors could benefit. It also recommended the creation of an organization on the Island to facilitate affordable housing.

The 2009 Comprehensive Plan Advisory Committee Report indicated that there had been little progress on the issue of affordable housing since completion of the 1994 Comprehensive Plan and acknowledged

continuing challenges on this issue, noting limited progress in achieving the goals of the 1994 Plan for affordable housing.

In 2008 the Town Board enacted Chapter 51 of Town Code (“Community Housing”) to facilitate a supply of affordable housing on Shelter Island over time adequate to serve the varied needs of the Island's population and to ensure that any new housing be developed in harmony with the Island’s environment. Chapter 51 also established the Community Housing Board to oversee the Town’s affordable housing program. In addition, the Town amended the Zoning Code to allow for year-round rentals of units accessory to single-family homes and to allow (or legalize existing) second units subject to stringent restrictions.

The need for community housing is well established, particularly for rental housing as demonstrated in **Section 4.1** and **Appendix A**. Based on these considerations, this Community Housing Plan is primarily focused on addressing the established need for year-round rental housing.

This Community Housing Plan has been prepared as an independent component of the overall Comprehensive Plan Update for the Town of Shelter Island, which is in preparation. This ongoing effort will update the 1994 Comprehensive Plan which, as noted above, highlighted the housing challenges that Shelter Island was facing at that time. In the subsequent years, this situation has become more pressing, as the gap between income and housing costs has further widened, increasing the importance of effective action to provide a broader range of housing options to address local needs that extend beyond the single-family homes that predominate the Island.

This Community Housing Plan has been developed in consideration of the work completed to date on the Town’s Comprehensive Plan Update. This Plan also encompasses the considerable work that has been ongoing since the establishment of the Community Housing Board (CHB) in 2008; and, most recently, the outreach, research, and collaboration of the Community Housing Fund Advisory Board (CHFAB) which was established by the Town Board in January 2022 as a separate body for this specific purpose.

Technical assistance in the preparation of this Plan has been provided by Nelson, Pope & Voorhis, LLC (NPV). However, the direction of the Plan and its recommendations are the product of the dedicated efforts of the CHFAB, as guided by community input received during two public open house meetings, Town Board work sessions, and other forms of outreach (particularly a public housing questionnaire made available at the public open house meetings and on-line). This is a community-based plan which reflects the goals and desires of the residents, service providers, business owners and operators, and other local stakeholders on Shelter Island.

This document assesses local housing needs based on available census data, trends in population, and the Town’s community housing goals. In addition, consideration was given to community housing types appropriate for Shelter Island, the requirements for a community housing program, and standards for community housing that are consistent with the Town’s desire for sustainability and context-sensitive design. It is important to recognize that properly addressing housing needs is a very localized issue which must be tailored to the specific circumstances of the given community. In the case of Shelter Island, this means that any initiative to address local housing needs must be unobtrusive, accomplished in a manner that does not disrupt the essential fabric of the existing setting, and is protective of the sensitive environment. Preservation of the bucolic character and sensitive environmental resources of the Island is of equal importance to enhancing the housing stock to better serve the community.

While the fundamental impetus for this Community Housing Plan comes from the ongoing work on the Town’s Comprehensive Plan Update and an associated, widespread recognition that there is a critical need

for more varied housing options to better serve the Shelter Island community, it is noted that this initiative is being undertaken in conjunction with the Peconic Bay Region Community Housing Act (CHA) which was signed into law by the Governor in October 2021. The CHA establishes a funding mechanism to provide revenues from levies on local real estate transfers (i.e., 0.5 percent of the sale price, subject to certain thresholds and exemptions, expanding upon the existing 2.0 percent levy under the Community Preservation Fund), along with a program to administer these funds. Both the preparation of a Community Housing Plan (i.e., this document) and approval of a mandatory referendum are required for Shelter Island to participate in the CHA program (and to partake of the funding attached thereto); this referendum was approved by voters in November 2022.

Below is an outline of the remaining sections of this document, which comprise the elements of the Town of Shelter Island Community Housing Plan:

Section 1.1 – Community Housing Plan Principles and Goals

Section 2.0 – Methodologies used in the investigation

Section 3.0 – Inventory of Existing Conditions, including housing/demographic setting of the Town, and relevant laws, regulations, and plans

Section 4.0 – Analysis, including a summary of the housing needs analysis, community preferences, available options for community housing, and constraints to the advancement of the community housing goals

Section 5.0 – Objectives and Recommendations, identifying recommended actions to advance the community housing goals

## **1.2 Community Housing Plan Principles and Goals**

Chapter 52 of the Town Code (Community Housing Fund), enacted by the Town Board in April 2022, establishes a series of principles to which the Community Housing Plan should adhere to the degree practicable. These principles are founded in the tenets of smart growth, which covers a range of development strategies that are directed at enhancing the cohesiveness and economic vitality of communities, while also minimizing adverse environmental impacts that are associated with suburban sprawl. The special environmental sensitivity of Shelter Island establishes a particularly strong basis for smart growth planning, as has been consistently expressed in public input received during this planning process and has been given a high priority by the CHFAB. As identified in the Peconic Bay Region Community Housing Act, the eight smart-growth principles that are to guide the Community Housing Plan are as follows:

1. **Public Investment.** To account for and minimize social, economic, and environmental costs of new development, including infrastructure costs such as transportation, water, schools, recreation, and loss of open space and agricultural land;
2. **Development.** To encourage development in areas where transportation, water, and sewage infrastructure are available or practical;
3. **Conservation.** To protect, preserve, and enhance the Town's resources, including agricultural land, forests, surface waters, groundwater, recreation and open space, scenic areas, and

significant historic and archeological sites;

4. Coordination. To promote coordination of state and local government decisions and cooperation among communities to work toward the most efficient, planned and cost-effective delivery of government services by, among other means, facilitating cooperative agreements among adjacent communities, and to coordinate planning to ensure compatibility of one's community development with development of neighboring communities;
5. Community design. To strengthen communities through development and redevelopment strategies that include integration of all income and age groups, mixed land uses, and compact development, traditional neighborhood development, planned unit development, open space districts, downtown revitalization, brownfield redevelopment, enhanced beauty in public spaces, and diverse and community housing in close proximity to places of employment, recreation, and commercial development;
6. Transportation. To provide transportation choices, including increasing public transit and alternative modes of transportation, in order to reduce automobile dependency, traffic congestion, and automobile pollution;
7. Consistency. To ensure predictability in building and land use codes; and,
8. Community Collaboration. To utilize, through a collaborative community-based effort, smart growth plans that include long term land use and permit predictability and coordination, efficient decision making and planning implementation.

The CHFAB considered these Smart Growth principles in development of the Community Housing Goals specific to the Town of Shelter Island. The following are the community housing goals for the Town of Shelter Island, as identified by the CHFAB. These goals provide overarching guidance to the Town's community housing planning initiative and are reflected in the recommendations that emerged from the process.

1. Provide attainable housing opportunities for islanders at economic levels not currently available in the housing market.
2. Create quality housing that aligns with the architectural context and heritage of the island.
3. Build and design housing following best practices and principles of sustainable building design and site development, minimizing impact upon the natural resources of the island.
4. Develop and manage housing projects in a manner that fully respects our residents.
5. Provide a variety of housing types and options that remain affordable in perpetuity.
6. Mitigate population loss and grow the percentage of year-round resident workers in all fields, including teachers, first responders, and essential service providers.
7. Increase the overall percentage of year-round residents on the island to support the vitality of our community, the availability of retail services in the off season, and support the year-round island businesses.
8. Develop housing that conforms with smart growth initiatives enhancing the livability and vitality of Shelter Island – i.e., locate development in areas where transportation, infrastructure, and



resources are already present.

As noted previously, and as reflected in the goals formulated by the CHFAB (Goals #2, 3 and 4, in particular, consistent with Principle #3), it is worth highlighting again that a key, overriding priority for the preparation of a suitable Community Housing Plan was to ensure that its implementation strategy is at a scale that is appropriate for Shelter Island, respecting the Island's existing character and the sensitivities of its residents. The magnitude and nature of any future community housing must be able to integrate seamlessly into the existing development landscape.

## 2.0 Methodologies

Preparation of this Community Housing Plan for the Town of Shelter Island involved a range of methods to gather relevant information, analyze this information, and formulate recommendations. This process was overseen by the Community Housing Fund Advisory Board (**Section 2.1**) and included a robust program of community engagement (**Section 2.2**) and technical assistance provided by a planning consultant (**Section 2.3**).

### 2.1 Community Housing Fund Advisory Board (CHFAB)

The CHFAB was established by Town Board resolution in January 2022. The CHFAB serves in an advisory capacity to the Town Board and has been charged with overseeing the preparation of this Community Housing Plan, including the conduct of the community engagement program discussed in **Section 2.2** and directing the planning consultant whose role is described in **Section 2.3**. The CHFAB chair presented at Town Board work sessions and all CHFAB meetings were held on Zoom and were available for the public to attend or view the recorded proceedings later.

### 2.2 Community Engagement

Broad community participation and effective communication contributes greatly to the quality of any planning process and increases the likelihood for success. Community engagement was an essential component in the development of the recommendations for this Housing Plan. Input received from the public identified priorities for, and preferences related to, community housing. To provide ample opportunity for the residents to provide input, two open houses were held by the CHFAB, and a coordinated questionnaire made available online for a month beginning on July 20, 2022. Paper copies of the questionnaire were also available at Town Hall.

#### Public Open Houses

The CHFAB conducted a public open house event on two dates to provide an educational forum for the Shelter Island Community Housing Plan and to obtain public input. The first open house was held on Saturday, July 16, 2022, at the Shelter Island Library and the second open house was held on Saturday, August 6, 2022, at the Presbyterian Church. At least 68 people attended the open houses.

The open house sessions were organized as a series of information display stations for participants to visit. Each station contained a poster board and a corresponding hand-out. The stations included information on the Peconic Bay Region Community Housing Act, smart growth, the need for community housing,

housing fund uses, housing preferences, and community housing projects in the conceptual planning stage. Participants were provided with a packet upon arrival, which included a questionnaire that corresponded to each of the stations. This allowed for a standardized format for public input, with additional space to allow for questions or further comments. Participants progressed through stations at their own pace and had the opportunity to revisit stations if desired. A Town representative was available at each station to facilitate discussion and to answer questions raised by the participants.



### Online Housing Questionnaire

For those individuals who were unable to attend either of the in-person meetings, an online questionnaire was generated corresponding to the open-house packet. The online questionnaire mirrored the information and images presented at the open-house stations and asked the same questions to facilitate a single compilation of all community input. The questionnaire was made available on the CHFAB website and was publicized through the local newspaper, social media, and via direct emails from members of the CHFAB.

### Town Hall Meeting

On Saturday, October 15, 2022, a Town Hall Meeting was held to provide an opportunity for the public to have their questions about the Community Housing Plan and the Peconic Bay Region Community Housing Fund Act answered. The Town Hall consisted of a panel including New York State Assemblyman Fred W. Thiele, Jr. (sponsor of the Peconic Bay Region Community Housing Fund Act bill) and representatives from the Town of Shelter Island. The event was attended by over 50 residents in person (and many additional attendees participated via Zoom video conference).

## **2.3 Technical Investigation**

Nelson, Pope & Voorhis, LLC (NPV) was retained by the Town to provide technical assistance in the preparation of this Community Housing Plan. Among the services provided by NPV were research and analysis of census and other available data, review of prior planning studies, compilation and analysis of the public input received through in-person open house sessions and community questionnaire, and drafting of this document based on the information compiled during the planning investigation.

## 3.0 Inventory of Existing Conditions

### 3.1 Existing Housing and Demographic Setting

The existing housing and demographics of the Island are an important component of the setting which are provided as a part of the needs assessment in **Section 4.1** and **Appendix A**. The purpose of the assessment is to compile a data-based foundation to analyze the potential need for community housing on Shelter Island. An important component of the needs assessment is an analysis of demographic trends over time to study the patterns and changing conditions on the Island to evaluate evolving housing needs as related to economic trends. The needs assessment includes an analysis of population, housing, and economic trends in 2000, 2010, and 2020 as well as a housing affordability gap analysis and analysis of residents that are cost-burdened with respect to housing costs.

### 3.2 Existing Laws, Regulations and Plans

#### Peconic Bay Region Community Housing Act

The adoption of the Act resulted in an amendment to NYS Town Law to add a new Section 64-k to authorize each of the five East End towns to separately establish a Community Housing Fund, provide the authorized funding mechanisms (including by revenue collected from real estate property transfer tax of 0.5 percent), enumerate the requirements for the establishment of the fund, identify eligible expenditures of the fund, and require the establishment of an advisory board and adoption of a housing plan.

Eligible fund expenditures are as follows:

1. Financial assistance to first-time homebuyers who are residents of the town for the purchase of a first home. Such financial assistance may be in the form of a grant or a loan. Additional details as follows:
  - The town may provide financial assistance for the purchase of a first home to a first-time homebuyer who is a **resident of the town** or who is **employed in the town**. A resident of the town shall include a person who is **currently a resident of the town or a non-resident who has been a resident within the past five years**.
  - Such financial assistance shall not exceed fifty percent of the purchase price of the home.
  - If such financial assistance is in the form of a loan, such loan shall be repayable to the town pursuant to the terms agreed to between the recipient and the town, provided that any loan shall be fully repaid by the recipient upon the resale of the home.
  - For the purposes of calculating town tax liability for such property, only, the dollar amount of any financial assistance for the purchase of a first home made by the town pursuant to this section shall be subtracted from the full equalized assessed value of such property.
  - All revenues received by the town from the repayment of a loan shall be deposited in the fund.
  - The town may provide financial assistance for community housing in conjunction with a public/private partnership for employer assisted housing.

2. The actual production of community housing <sup>1</sup> for sale to eligible individuals <sup>2</sup> by the town.
3. The actual production of community housing <sup>1</sup> for sale to eligible individuals <sup>2</sup> in conjunction with a public/private partnership, where the private partner agrees to comply with the profit guidelines of the New York State Affordable Housing Corporation and the provisions of this section.
4. The actual production and maintenance of community housing for rental to eligible individuals <sup>2</sup> either by the town or the town housing authority; or in conjunction with a public/private partnership, where the private partner agrees to comply with the profit guidelines of the New York State Affordable Housing Corporation and the provisions of this section.
5. The rehabilitation of existing buildings and structures in the town for the purpose of conversion to community housing for sale or rental to eligible individuals. <sup>2</sup>
6. The acquisition of interests in real property in existing housing units, which will result in the production of community housing for sale or rental to eligible individuals. <sup>2</sup>
7. The provision of housing counseling services by not-for-profit corporations who are authorized by the United States department of housing and urban development to provide such services.
Notes: <ol style="list-style-type: none"> <li>1. As set forth in the Peconic Bay Region Community Housing Act, <u>Community Housing</u> is defined as “a primary residential property for an eligible individual that does not exceed one hundred fifty percent of the purchase price limits established by the State of New York Mortgage Agency low interest loan program in non-target categories for Suffolk County in effect on the contract date for the sale of such property.”</li> <li>2. An eligible individual is defined as a household with an income that does not exceed one hundred percent of the income limits as established by the State of New York Mortgage Agency low interest rate loan program in non-target categories for Suffolk County in effect on the contract date for the sale of such property. As of July 2022, this income level for a 1 and 2-person household income limit is \$174,360.</li> </ol>

Community Housing: Chapter 51 of the Town Code

The purpose of this chapter is to create and sustain housing opportunities for income-eligible households in order to maintain the local economy, community services, and the economic and social diversity that characterizes the Town of Shelter Island. This legislation established:

- The Community Housing Board (CHB);
- A housing registry for income-eligible individuals or families who live and/or work in the Town or have previously lived in the Town;
- A procedure for permitting the renting of a structure or part of a structure to eligible individuals with a Special Community Housing License (SCHL); and,
- Conditions for a Community Housing Floating Zone (CHFZ).

The CHFZ was established for potential applicability to any property in the Town except the Near Shore and Peninsular Overlay District to facilitate community housing that is more creative and imaginative in its land use and design than is possible under the zoning regulations currently in place, with due regard for existing neighborhood development, economic feasibility, and environmental concerns.

Community Housing Fund, Chapter 52 of the Town Code

The Town Code of the Town of Shelter Island was amended, effective May 23, 2022, to include a new Chapter, Chapter 52, to establish the Community Housing Fund. Chapter 52 establishes a series of term definitions regarding community housing and eligibility, the purposes of the fund, eligible expenses, and the principles to which the Community Housing Plan should adhere to the degree practicable. These principles are founded in the tenets of smart growth, which covers a range of development strategies that are directed at enhancing the cohesiveness and economic vitality of communities, while also minimizing adverse environmental impacts that are associated with suburban sprawl.

Zoning Code: Chapter 133 of the Town Code

The Town of Shelter Island has 6 zoning districts including 3 residential use districts (A, AA and C Residential), 2 business districts (B and B1 Restricted Business), and the Causeway District to protect part of the causeway that leads to Ram Island. In the A and C Residential Districts, a minimum lot size of 40,000 SF is required and within the AA Residential District, a minimum lot size of 80,000 SF is required.

**Figure 1** provides a map of the Existing Zoning in the Town of Shelter Island.

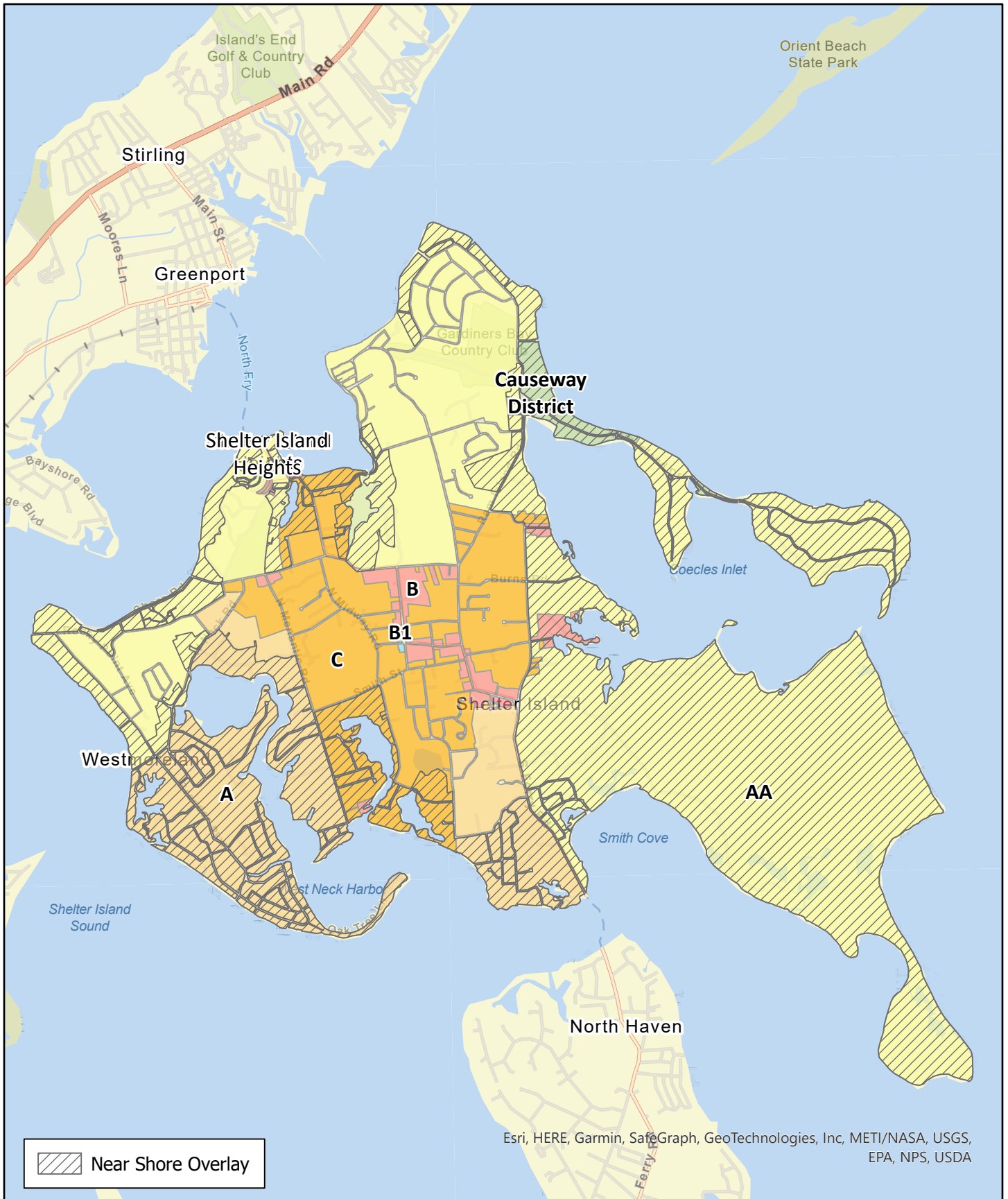
A summary of the residential uses by zoning district is provided in the following table.

Zoning District	Single family	Two-family dwellings	Apartment as Accessory Use*	Boardinghouse**
A Residential	P	SP	P (upon conformance with §133-17)	X
AA Residential	P	X	P (upon conformance with §133-17)	X
B Business	P	SP by Town Board	P (upon conformance with §133-17)	SP by Town Board
B1 Restricted Business	SP by Town Board	X	X	X
C Residential	P	SP by ZBA	P (upon conformance with §133-17)	X
Causeway District	P (size restrictions)	X	X	X
Near Shore and Peninsula Overlay District	Based upon underlying zoning	X	X	X

Key: P: Permitted      SP: Special Permit      X: Not Permitted

\* An accessory apartment is defined as a separate dwelling unit, including a bathroom and a single set of kitchen facilities (a stove plus either or both a refrigerator and sink) not shared with any other unit, for permanent year-round occupancy established within an existing one-family dwelling or a building accessory to such dwelling.

\*\*A boardinghouse is defined as a building with accommodations for three or more boarders, roomers or lodgers who are lodged for compensation, with or without meals.



**FIGURE 1  
EXISTING ZONING**

Sources: ESRI WMS, Town of Shelter Island  
Scale: 1 inch equals 4,500 feet

**Shelter Island  
Community Housing Plan**

**Shelter Island**



As indicated in the table above, new accessory apartments for year-round occupancy are permissible in the A, AA, C and B Districts per the special use provisions of §133-17 of Town Code which includes general requirements, regarding owner occupancy, approval by the SCDHS for water and sewage disposal systems, licensing requirements, and design standards. §133-17 B also provided a mechanism for legalizing existing accessory apartments, whether seasonal or year-round to be brought into conformity of §133-17 by obtaining a license within 18 months of the effective date of the code provision.

The Near Shore and Peninsular Overlay District was created to protect the aquifer in the most sensitive areas of Shelter Island, where depletion of potable water and saltwater intrusion are most likely. Generally, this Overlay District has one or more of the following:

- The freshwater table is close to sea level and risk of saltwater intrusion exists or has occurred through consumptive use of available potable water.
- The land surface is close to the level of the freshwater table, increasing the risk of pollution of the aquifer.
- The land drains toward creek or bay waters, increasing potential pollution from surface or below-ground drainage.
- Density of development and anticipated future development threaten the ecologically sensitive areas.
- The land drains toward freshwater ponds which are hydraulically connected to outcroppings of the freshwater table which may result in pollution of the freshwater table.

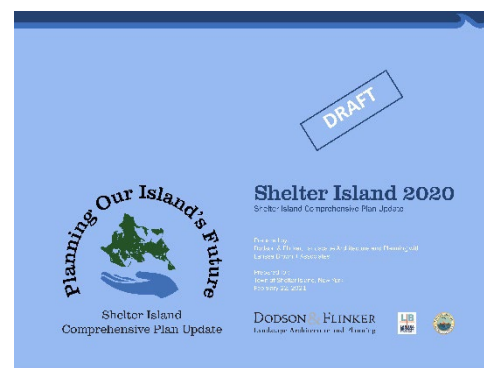
As indicated in the table above, within the Near Shore Overlay District, new accessory apartments are not permitted; however, it is noted that accessory apartments that existed legally prior to the creation of the overlay district may only be used as short-term rentals.

### Town of Shelter Island Comprehensive Plans

The subject of affordable housing (or community housing) is not a new one for Shelter Island. Shelter Island's 1994 Comprehensive Plan reported that only 6 percent of year-round households could afford to purchase a house of \$200,000, which at that time was less than the median value of an owner-occupied home on Shelter Island. The 1994 Comprehensive Plan cited goals to create and maintain affordable housing opportunities for a diversity of age and income groups, noting that young working households, first time homebuyers and seniors could benefit. It also recommended the creation of an organization on the Island to facilitate affordable housing.

The 2009 Comprehensive Plan Advisory Committee Report indicated that there had been little progress on the issue of affordable housing since completion of the 1994 Comprehensive Plan and acknowledged continuing challenges on this issue, noting limited progress in achieving the goals of the 1994 Plan for affordable housing.

The Shelter Island 2020 Draft Comprehensive Plan Update Housing Chapter evaluates and reaffirms the lack of moderately priced housing units and lack of year-round rental housing on Shelter Island. **Section 4.1** of this Housing Plan provides a



summary of the detailed assessment of the housing and demographic trends provided in Appendix A to expand upon the Housing Chapter of the Draft 2020 Comprehensive Plan Update.

### **3.3 Results of Public Outreach**

As discussed in **Section 2.2**, the community engagement process undertaken in preparing this Plan included a questionnaire to assist in identifying public preferences regarding community housing. A total of 159 individuals submitted either a paper copy of the questionnaire at one of the public open-house meetings or at Town Hall or answered the questionnaire on-line. The results of this questionnaire are summarized in a spreadsheet in **Appendix B**.

## 4.0 Analysis

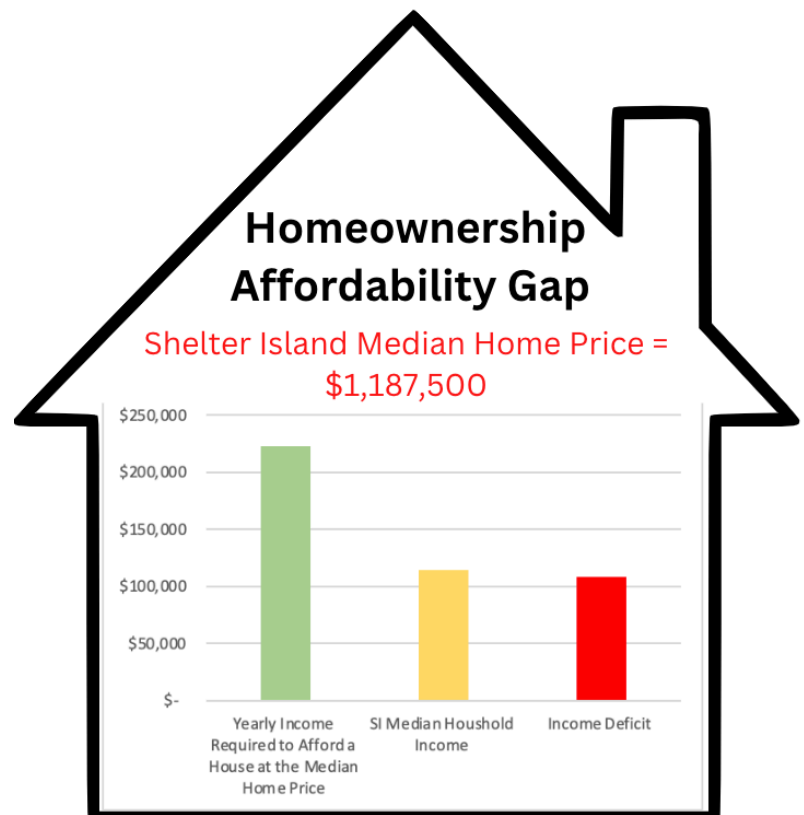
### 4.1 Housing Needs Assessment

The full housing needs assessment including the statistics utilized to support the narrative below can be found in **Appendix A**. It is noted that in addition to the analysis included in the housing needs assessment, the Town has provided the total number of expressions of interest received (expressing the need for community housing). For the years 2020 to 2021, there were 75 names on the list with an additional 14 names for 2022. A summary of the housing needs assessment is provided below.

The overall population on Shelter Island is increasing. The age distribution of the Island is changing as well, resulting in a growing senior population, and decreasing young population. School district data and Census data both support the conclusion that the trend is of population decline among young families.

The number of housing units is increasing, but these units are primarily owner-occupied single-family homes or seasonal homes. These types of units are expensive and typically not attainable for many segments of the population, such as single adults or young families. Home prices have been increasing over time and the increases in price have been exacerbated by the Covid-19 pandemic. Based on a housing affordability gap analysis, the median selling price of a home on Shelter Island is not financially attainable for households earning the median income on Shelter Island. In fact, households need to earn nearly double the median income in order to afford a house listed at the median selling price on Shelter Island as illustrated in the graphic to the right.

There are very few renter-occupied, year-round housing units available on Shelter Island, and the number of this type of housing is continuing to decline. Competition for year-round rental housing will remain high as there are limited housing units overall, and very limited vacant housing units, which contribute to increased rental rates as demonstrated by the data.



Based on a cost burden analysis, which defines “cost burdened” as households spending more than 30% of their income on housing, the percentage of renters that are cost-burdened has been escalating over time. The estimates for 2020 indicate that all renters on Shelter Island are currently cost-burdened, while the percentage of homeowners who are cost-burdened has been decreasing over time. See graphic to the right.

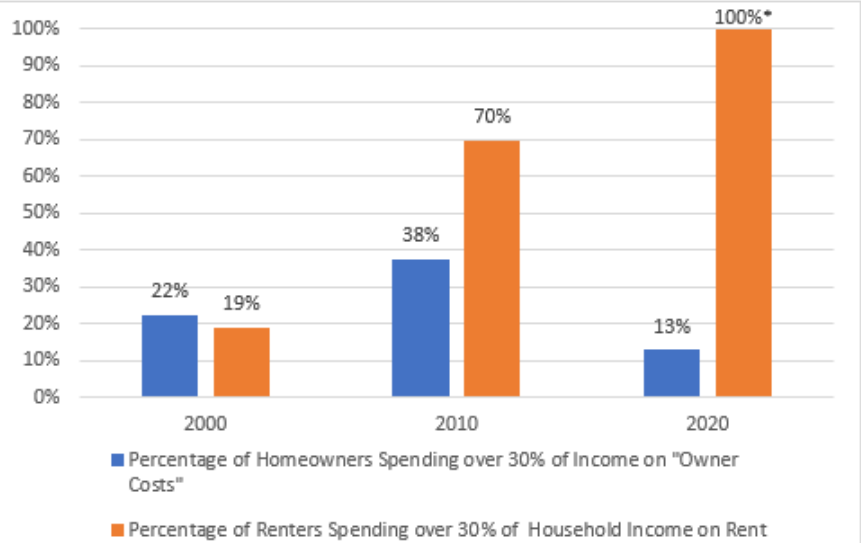
The need for less expensive housing units on Shelter Island has been documented in other planning documents, including the 1994 Comprehensive Plan which reported that only 6% of residents could afford a house costing the median home value in 1994. Goals and objectives in 1994 included creating and maintaining “affordable housing opportunities for the diversity of age and income groups that make up Shelter Island’s year-round population.” The plan identified young working households, first-time homebuyers, and elders as groups that could benefit from less expensive housing. The data compiled and analyzed for this needs assessment provide support that these trends in housing costs and increasing unaffordability have continued through 2020 and there is still a need for more affordable and diverse housing options.

It is challenging to identify exactly how many units of community housing are required to serve the year-round Shelter Island population. This is partially because former residents who had a need for community housing may have already moved off-Island due to unavailability of such housing and therefore are not included in the available statistics. It is noted that the draft 2020 Comprehensive Plan Update estimated that 20-40 affordable rental and purchases units were needed. A valuable tool to understanding the more specific, current needs for community housing would be to update the Shelter Island Community Housing Registry with a robust outreach effort to more accurately quantify the population of interested residents and former residents who recently moved off-Island.

#### 4.2 Community Preferences

As discussed in **Section 3.3**, the results of the public questionnaire were compiled into a spreadsheet, which is presented in **Appendix B**. This format facilitates an analysis of trends and community preferences on various aspects of the housing issue. The overall results of the community input identified a preference for the Town to focus on rental housing units and the need for identification of a housing agency or organization for management of community housing.

**Percent of Households with Housing Costs Greater than 30% of Income**



\*This data for 2020 is based upon the American Community Survey from the Census Bureau, which is based upon a sampling of the population and therefore includes a margin of error associated with statistically derived estimates. While there is a margin of error associated with the data, the intent of this needs assessment is to analyze the trends over time to determine if there are changing housing needs in the community.

## Summary of Input

The majority (over 65%) of questionnaire respondents believe that both the younger population and families are in the most need of community housing, while 28 percent of respondents identified the senior population as having the greatest need. Based on this input, further exploration is warranted to better understand the needs of the Island's growing senior population.

With respect to how community housing funds would best serve the Town's needs, the highest support was expressed for the rehabilitation of existing buildings, planning, design, and other soft costs, purchasing land, implementation of housing for rent and counseling services by a not-for-profit organization. For-sale housing had markedly lower support than rental housing. This may be related to the only community housing project to have been implemented in the past which included for-sale units, which were not deed-restricted and therefore are no longer available as moderate-income housing for the Island. There may be opportunities to implement for-sale homes in the future through a Community Land Trust (CLT) (see Section 5.2.3) – and it is stressed that any community housing implemented through the Fund will be required to remain affordable in perpetuity.

Comments received identified concern that the initiative to implement community housing could diminish focus on protection of the sensitive environment of the island, especially the protection of the aquifer. There were also comments which revealed a concern or lack of understanding about the use of Transfer of Development Rights (TDRs). While the option for applying the transfer of development rights was assumed to be feasible in the design concepts for community housing on Town owned sites, the Town's engineering consultant, PW Grosser, has since completed an analysis of TDRs and presented findings that a TDR program for Shelter Island is not acceptable to the Suffolk County Health Department due to the lack of public water supply. Therefore, any community housing project will be required to meet Suffolk County Sanitary Code (SCSC) which limits density of development. Finally, several responses indicated a concern regarding future management and oversight of community housing projects.

## **4.3 Available Options for Community Housing**

### Housing Types

A variety of housing types can serve as community housing, addressing a range of needs across different segments of the population, as determined by income, family status, age, and other factors. Some types of housing may be more suitable for or preferable to certain discrete groups in the community, but no group would have its needs fully satisfied by a single type of housing and no single type of housing would suffice for the entire population. Accordingly, the most effective community housing plan involves multiple housing products.

As noted previously, the existing housing stock in the Town of Shelter Island is dominated by single-family residences, trending toward luxury homes, with the majority being occupied seasonally. These conditions are at the heart of the Town's desire to implement an effective community housing program, as set forth in this Plan, to provide a wider range of options that better serves the needs of those in the community who cannot afford the available housing. At the onset of this planning initiative, several housing types (i.e., physical forms) were identified as potential options for the Town of Shelter Island; among these housing types there is a further distinction between rental and for-sale units. There may also be additional categorization to direct housing to specific segments of the population, especially seniors, as typically

accomplished by occupancy restrictions, which may be applied to various housing types, either for rental or ownership. The needs of other groups that benefit from community housing – such as empty-nesters, young singles, young couples and families, and first-time homebuyers – are generally addressed simply by offering a wider range of housing products that satisfy their preferences and financial capabilities (i.e., units that are smaller, clustered, and less expensive than the average single-family home).

**Single-family Homes** - Can be an option for community housing, generally as smaller units on smaller lots, and often with subsidies and/or other incentives to improve affordability. Single-family community housing can occur either as rental or ownership model; and management occur through a Community Land Trust or similar organization – see Section 5.2.3 for further discussion.

**Accessory Dwelling Units (ADUs)** - Second residential units on single-family lots, including attached, detached, converted garages, units above garages, and separate units (with a separate entrance) within the main dwelling. In the Town of Shelter Island, ADUs are included in the definition of accessory apartment. Per Town Code Section 133-1, an accessory apartment is defined as a separate dwelling unit, including a bathroom and a single set of kitchen facilities (a stove plus either or both a refrigerator and sink) not shared with any other unit, for **permanent year-round occupancy** established within an existing one-family dwelling or a building accessory to such dwelling.

**Cottage Communities/Pocket Neighborhoods** - Groupings of small, individual units, typically centered around a green. Such developments would require properties large enough to achieve the required sanitary density or provision of wastewater treatment to conform with the standards of the SCSC, which would be a potential limiting factor in the Town of Shelter Island, as discussed elsewhere.

**Two-Family Homes** - Two attached units, with separate entrances, within a single structure. Per Town Code Section 133-1 (Terms Defined), a two-family home is defined as Dwelling, Two-Family – a detached structure containing two dwelling units.





**Manor House Apartments** - Multiple residential units (typically three or four units) contained within a single structure designed to look like a single home. A manor house apartment development on Shelter Island would require a property large enough to achieve the required sanitary density for the proposed number of units or provision of wastewater treatment to conform with SCSC which, as discussed above with respect to the cottage community format, would be a potential limiting factor in the Town of Shelter Island. The images below are of actual manor house apartment development projects on Sandy Hollow Road in the Town of Southampton which consists of 28 housing units in three buildings on a 2.6 acre property. From the exterior, the buildings look like single family homes and a converted barn. This example reflects a higher density than would be possible or appropriate for a development on the Town of Shelter Island. The Sandy Hollow example is included here to illustrate how manor houses have been constructed on the east end of Long Island.



**Apartments above Stores/Offices** - Mixed-use development, can be appropriate within or near commercial centers.

**Senior Communities** - Age-restricted housing; many appear similar to cottage communities in form.

This plan identifies the type of housing that could be explored for the implementation of community housing, with the particular project being dependent upon land availability and adequate infrastructure. Individual projects would be evaluated through a public process as identified in the recommendations.



## 4.4 Constraints on the Provision of Community Housing

### Zoning

Zoning laws which limit growth and density also drive-up home prices. Shelter Island's zoning ordinance requires minimum one to two-acre lots, which limits the ability to build denser housing units that are more affordable and to create walkable centers for community housing in places that would best support them. In addition to zoning limitations, development density is also dependent on other factors such as sanitary and public water availability as discussed below.

With respect to Accessory Dwelling Units (accessory apartments), Shelter Island's zoning code permits accessory apartments only if they are used for year-round occupancy, except in the Near Shore Overlay District. However, Chapter 105 contradicts the Zoning Code and allows, under certain circumstances, short term occupancies within accessory apartments. With the lack of inventory, high short term rental demand, and financial incentives, year-round accessory apartment rental opportunities have been greatly reduced. And while Chapter 51 allows for the issuance of Special Community Housing Licenses, under certain conditions, to retrofit existing accessory residential structures into year-round community housing, to date, none have been applied for. Further, while Chapter 51 permits the creation of an Affordable Housing Floating Zone, the realities of a lack of infrastructure and sensitive environment, limit the feasibility of such a district without the provision of public water and sanitary treatment, as discussed below.

In summary, other than within environmentally sensitive areas defined as the Near Shore Overlay District there is the potential to increase year-round ADUs on properties that have sufficient property area, which meet water and sanitary standards.

### Suffolk County Sanitary Code

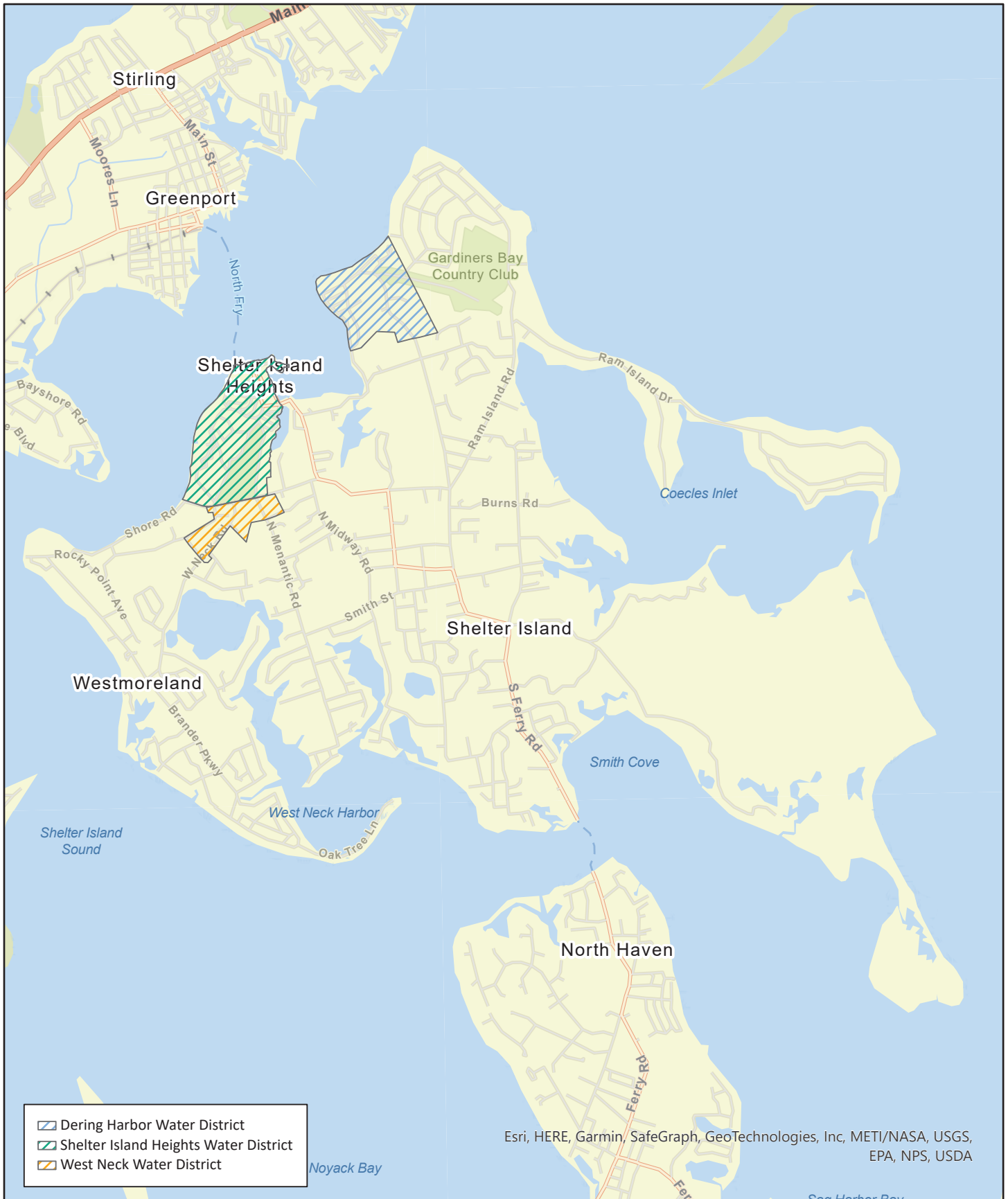
The intent of the SCSC is the protection of groundwater, and Article 6 of SCSC identifies development limitations throughout the County based on the characteristics of the aquifer. Article 6, adopted in 1981, delineates geographic boundaries for "Groundwater Management Zones" (GWMZ). The Town of Shelter Island is located within GWMZ IV. Article 6 further establishes density limitations in unsewered areas to control nitrogen load from on-site sewage disposal and the associated impacts to groundwater and surface water resources. In unsewered areas within GWMZ IV, Article 6 requires single-family lot sizes to be a minimum of 40,000 square feet (SF) where public water is not available; and in areas with public water, the minimum lot size may be reduced to 20,000 SF. For design flow purposes, a single-family dwelling unit is defined by the SCSC as generating 300 gallons per day. Therefore, Article 6 limits density to one dwelling unit per acre in unsewered areas without public water and two dwelling units per acre in areas with public water; or an allowable sanitary design flow of 300 GPD/acre without public water and 600 GPD/acre with public water.

It is noted that the presence of an accessory apartment within the main dwelling does not affect the foregoing sanitary density calculation under the SCSC. However, the sanitary system needs to provide sufficient capacity to allow for the total number of bedrooms including those in the apartment. Based upon the age of the housing stock, for most residences on Shelter Island, an upgraded sanitary system would be required to construct an accessory apartment.

Shelter Island Heights is the only area on the Island that has a sewer district. The rest of Shelter Island has on-site waste disposal systems, the majority of which are cesspools and sanitary systems. On Shelter Island, Innovative/Alternative (I/A) Onsite Wastewater Treatment Systems are required for new developments, where a septic system is being repaired, replaced, or expanded (e.g., to accommodate an accessory apartment), or where it is determined that a septic system is substandard and does not meet SCDHS standards. The expense for installation of an I/A system could discourage the implementation of new accessory apartments.

### Public Water

Shelter Island's water supply is drawn from the Upper Glacial aquifer and only a small percentage of the drinking water on the Island is supplied through public water systems. The remaining water, throughout the vast majority of the land area on Shelter Island, is obtained via private wells. This lack of a public water supply is why a TDR program is not permissible under SCSC (since such a program would allow additional density and associated sanitary discharge on receiving properties served by private wells). **Figure 2** identifies the location of the public water supply districts on the island, including the Village of Dering Harbor.



Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA



**FIGURE 2  
WATER DISTRICTS**

Sources: ESRI WMS  
Scale: 1 inch equals 4,500 feet

**Shelter Island  
Community Housing Plan**

**Shelter Island**

## 5.0 Objectives and Recommendations

### 5.1 Objectives

Objectives for implementation to help advance the goals of this Community Housing Plan have been developed to provide an overall roadmap of the vision for community housing on Shelter Island. As the Community Housing Plan is implemented and updated over time, these objectives may also be revisited and revised as appropriate to reflect the most recent conditions and housing/demographic trends on Shelter Island.

These objectives are based on feedback from the community, data regarding recent demographic trends, and analyses of zoning and environmental constraints present on Shelter Island. The objectives have been grouped together based on the estimated implementation timeline into the categories of short-term, mid-term, long-term, and ongoing actions in order to identify priorities. The recommendations outlined in **Section 5.2** seek to support and provide more details on how to achieve these objectives.

#### Short-Term Objectives

The short-term objectives are focused on the next five years of implementation. The main priority will be to construct year-round rental community housing on the two Town properties at 69 North Ferry Road and 12 South Ferry Road (see Section 5.2.2 for a map of these properties). This would yield a maximum of ten new units of year-round rental community housing.

The main focus for the short-term is on expanding rental units, rather than for-sale units, since rental units had more support from the community, are seen as more feasible at this time, and the provision of rental units would better serve the identified need for year-round housing being made available in the more immediate future.

More specifically, the focus is to implement new rental housing on Town-owned land **that complies with Town zoning, New York State Uniform Fire Prevention and Building Code, and other regulatory requirements for development (Town, County and State regulations) that are in place to protect groundwater and other sensitive environmental resources.**

The greatest limiting factor will be the requirements of the Suffolk County Sanitary Code which will restrict the development to a **maximum** of 10 units subject to SCDHS approval – with a maximum of 2 units on the 69 North Ferry Road site and a maximum of 8 units on the 12 South Ferry Road site.

The management structure for these new units needs to be determined and options will be explored so that the management is not a responsibility of the Town. The selected management entity, which could include a non-profit or established housing authority of a nearby municipality, will be responsible for administering the lottery from a list

#### SHORT TERM OBJECTIVES

- Construct maximum of 2 year-round rental units at 69 North Ferry Road
- Construct maximum of 8 year-round rental units at 12 South Ferry Road
- Provide funding for year-round ADUs provided they can meet the requirements of Town zoning and SCDHS
- Modify Town Code to increase year-round ADUs

of eligible individuals, managing lease agreements, rent collection, maintaining the units, and ensuring that units continue to serve as community housing. Both East Hampton and Southampton Towns have established successful housing authorities that have been operating for many decades. These authorities may be able to provide management assistance to the Town of Shelter Island through an Inter-Municipal Agreement. There are also established housing agencies, such as the Long Island Housing Partnership, that manage housing projects on behalf of municipalities. Outreach to agencies will be required to identify the appropriate arrangement for the Town with the benefits of each of the options weighed by the Town CHB and Town Board and the decision subject to a public hearing process.

Other priorities for the short-term include increasing year-round accessory dwelling units through grants and low interest loans, code amendments, and enforcement. A comprehensive review of the Town Code is needed to ensure the existing Code is consistent with the goal of increasing year-round community housing opportunities. It is important to update the existing registry list for community housing to obtain a sense of the demand for these types of units. Educational materials and resources, such as a Homeowner's Guide to Year-Round ADUs, are envisioned for the short-term as well.

The Town Community Housing Plan must be updated every five years (or sooner if appropriate). Therefore, towards the end of the fourth year at latest, the Town will initiate an update to the Plan which will include the following:

- Updated Housing Needs Assessment.
- Create and circulate an updated questionnaire to obtain input on how the public feels about the progress of community housing initiatives that will guide future procedures and expenditures and will identify changing needs for community housing.
- Hold open houses to gain community input.
- Evaluate progress in creating community housing, fund availability, and potential refinements to program administration and priority expenditures.

## Ongoing Objectives

The ongoing objectives include actions that are accomplished in the short-term and some of which may continue throughout future phases. Researching appropriate partnerships for management of community housing is under way and will continue until a management agency is selected and the details of a partnership are determined. In addition, research is in progress about other models of implementing community housing, such as the Community Land Trust model and Habitat for Humanity partnerships.

The development and implementation of Design Standards for community housing is an important priority of the CHFAB and community to ensure that any new housing is consistent with the character of Shelter Island, minimizes environmental impacts, and is developed in a way that is safe and comfortable for residents. This important work will continue throughout program implementation.

The needs assessment demonstrates that the senior population on Shelter Island is increasing, and this population may have unique housing needs. While the community outreach included some information about senior housing, it is necessary to conduct additional outreach specifically directed towards the senior population to better understand their needs and their interest in aging in-place and supportive housing.

Finally, the ongoing objectives also include implementing creative solutions for increasing community housing. The feasibility of relocating homes slated for demolition and salvaging building materials, as practical, will be explored, as well as identifying other funding sources and incentives for creation of community housing.

### ONGOING OBJECTIVES

- Develop and implement Design Standards for community housing
- Explore community land trust model and other partnership options
- Targeted outreach to seniors on the island to understand the needs of this growing population

### Mid-Term & Long-Term Objectives

In the mid-term period, defined as 5-10 years into the future, the main goal will be to explore options to create additional community housing units through the following techniques:

- CHAB to evaluate the progress made during the initial years of the fund implementation and identify appropriate term for updating the Plan (required every five years – with opportunity to update sooner as appropriate).
- Continue to provide low interest loans and grants to support the conversion of existing accessory structures provided they can meet the requirements of Town zoning and SCDHS to facilitate the creation of new year-round ADUs. This could include funds to support the installation of an I/A OWTS to meet current wastewater standards.
- Continue to support conversion of current seasonal rental units to year-round ADUs through code amendments and enforcement.
- Evaluate the potential for apartments above stores and offices, in order to ensure that these types of units can be supported in the long term.
- Consider the potential of including for-sale units of the community housing stock that is constructed through the program on Shelter Island to serve a wider range of residents. Effective mechanisms, such as deed restrictions, will need to be implemented to ensure that for-sale units remain affordable upon resale in perpetuity. With the establishment of a Community Land Trust, for sale units may become more feasible (see Section 5.2.3 for more about the Community Land Trust model).

#### MID-AND LONG-TERM OBJECTIVES

- Continually evaluate the need to update the Community Housing Plan
- Continue to support implementation of new ADUs
- Evaluate the potential for apartments above stores and offices
- Consider potential for-sale units if opportunities exist
- Support establishment of a Community Land Trust

Long-term objectives are focused on a time period beyond ten years into the future. The establishment of a Community Land Trust would open opportunities for fund expenditures for eligible individuals. During this phase of program implementation, it is anticipated that the construction new community housing will become less feasible due to a lack of additional Town-owned land appropriate for such use. As currently envisioned, it is recommended that the long-term objective shift from the creation of new units through construction and conversion to providing low interest loans and housing counseling services to enable eligible individuals and families to take better advantage of existing community housing opportunities.



## **5.2 Recommendations**

Based upon the community input obtained throughout the planning process and the subsequent analysis, the recommended priority actions for expanding community housing opportunities on Shelter Island are outlined in the subsections below. This discussion identifies the community housing options that are most appropriate for the Town of Shelter Island, in the context of available information. The community input and evaluation of the Town's environmental resource sensitivity, as well as limitations on the availability of public water supply and sewage disposal capacity, indicates that large-scale, multifamily developments are inappropriate for the Town of Shelter Island. Such intensive uses have high resource demands and are out of character with the community and, therefore, are not recommended.

### **5.2.1 Recommended Priority Fund Uses**

The following activities were identified as priorities for the use of public funding including, but not limited to, the Community Housing Fund, in the general order of recommended priority:

- Construction of housing units for rent on Town-owned land which meets density requirements of the SCSC.
- Support additional Year-Round Accessory Dwelling Units (ADUs) ("Accessory Apartments" per Town Code) by Town Code changes and through low interest loans and grants. In addition, a key means of implementing this general recommendation is through the development of a Homeowner Guide to Year-Round ADUs (see further discussion in Section 5.2.2).
- Purchase of land and/or buildings for community housing
- Rehabilitation of existing buildings for rental units
- Planning, engineering, design costs
- Housing counseling services

### **5.2.2 Focus on Planning and Implementation of Rental Housing**

#### **Rental Projects on Town Land**


The CHB has explored the potential for community housing development on two Town properties (see Figure 3). These locations are being considered as appropriate opportunities for community housing as they are proximate to local community resources and along a main roadway, consistent with smart growth principles.





Shelter Island parcels  
 Ferry Road Town Project Parcels

New York State, State of Connecticut, Maxar

	<p><b>FIGURE 3</b>  <b>NORTH AND SOUTH FERRY ROAD TOWN OWNED LAND</b></p>	<p><b>Shelter Island</b>  <b>Community Housing Plan</b></p>
	<p>Sources: ESRI WMS  Scale: 1 inch equals 1,000 feet</p>	<p><b>Shelter Island</b></p>





## **Funding to Support Year-Round Accessory Dwelling Units (ADUs)**

Year-round ADUs are an essential component of meeting the Town's housing needs. The Town recognizes that the costs of establishing new ADUs and bringing existing units up to code (including for sanitary systems) can be prohibitive and an obstacle for many that would otherwise seek to construct an ADU on their property. Therefore, a priority will be given to establishing a program for low interest loans and grants for the purpose of creating new year-round community housing options on private property. The Community Housing Fund (CHF) must be utilized for the creation and maintenance of community housing and thus, restrictions will need to be established to ensure that funds utilized for this purpose are for eligible individuals and remains affordable in perpetuity.

Homeowners that receive CHF for improvements to create community housing would need to abide by the requirements of new code. As rental permits do not run with the land and are owner specific the following options are recommended subject to further investigation and legal input:

1. A low interest loan with terms that ensure that the ADU is used exclusively for community housing (e.g. once it ceases to be used for community housing the entire amount is immediately due-accelerated clause) or,
2. A grant which is protected via a property lien, whereby it will need to be paid back upon a sale if it is not used for community housing (unless the new owner agrees to continue with the use), with a lengthy (e.g. 30-year) term.

It is noted that further research is needed to understand the real property tax assessment implications (i.e. whether the value of home improvements related to year-round ADUs can be exempt in consideration of establishing assessed value so there is no impact on the property taxes paid).

## **Support Year-Round Accessory Dwelling Units (ADUs) through the Development of a Homeowners Guide to Accessory Apartments on Shelter Island**

As with most Long Island municipalities, particularly on the East End, understanding development constraints on Shelter Island is complex and difficult to understand for most residents. Therefore, the preparation of a Homeowner's Guide to Accessory Apartments is recommended to provide a resource for homeowners to obtain answers to questions regarding year-round ADUs, including the feasibility of approval for an accessory apartment and expectations regarding:

- Code Requirements
- SCDHS Requirements, including provisions pertaining to:
  - Lot size
  - Sanitary system upgrade
  - Water certification
  - Whether an accessory apartment would be feasible given the location and lot constraints
  - Expectations for the renting of an accessory apartment
  - Planning/design services to support the creation of additional year-round ADUs (identify typical or template design plans that are generally appropriate for Shelter Island)
  - Other costs associated with ADUs for community housing
  - Requirements for conversion of accessory structures into year-round ADUs

- Funding opportunities, including the availability of:
  - Grants for I/A sanitary systems
  - Loans

### **Legislative Actions to Facilitate the Provision of Year-Round ADUs**

Certain legislative actions may help to facilitate the objective of increasing the availability of year-round ADUs to serve as community housing. A comprehensive review of the Town Code is needed to ensure the existing Code is consistent with the goal of increasing year-round community housing opportunities. In particular, enhancing existing Code provisions which already limit year-round ADUs to long-term occupancy could increase the degree of compliance, which would be expected to move short-term rental units into the long-term market, thereby better serving the Town's community housing goals. As a first step, this approach (i.e., activating existing rental units for year-round occupancy ADUs) should take precedence over new construction. A graduated program of enforcement typically helps to increase the prospects for success; this may involve an initial period of amnesty and incentives to encourage voluntary compliance (potentially including property tax rebates), followed by escalating enforcement (including increasingly higher fines for continuing non-compliance).

### **Apartments over stores/offices**

An additional priority reflected in a high response rate to the questionnaire involves the creation of additional community housing in apartments above stores/offices through the expansion of existing stores and offices. The preferred location for this type of development would be in the heart of the Center, an area which is in close proximity to the library, school, municipal building, court, police department, and shopping. The Center would benefit from additional retail and residential development which, through creative planning and building design, could become a vibrant area benefiting the community at large. However, due to the lack of infrastructure in the Center, apartments above stores/offices should initially be encouraged in the Business B District, where public water and sewage treatment could be made available. It is recommended that a thorough review of the existing Town Code be conducted to identify any obstacles to implementing apartments above stores/offices to determine if code amendments are required to support this housing type. It is noted that a code change would be required, while accessory apartments are permitted in the Business B District as an accessory use, as defined by Town Code, an accessory apartment is defined as "a separate dwelling unit... established within an existing one-family dwelling or a building accessory to such dwelling". The Town may wish to consider exploring the option of permitting a Dwelling Unit as a special exception accessory use within the Business B District with appropriate standards (such as required off street parking and land use compatibility).

### **5.2.3 Management Options**

Achieving the objectives of this Community Housing Plan will require the establishment of an effective management structure, including assigning a Town entity with the responsibility to coordinate and oversee program implementation (which may be the CHB or another Town board, committee or agency). It would also be helpful to have the assistance of an organization(s) with special expertise in community

housing. In the short term, it is recommended that the Town explore the desirability of enlisting the assistance of a Housing Authority, Non-Profit Housing Organization, or other appropriate entity to manage the community housing for the Town projects. A Community Land Trust (CLT) could provide the ideal management solution for the Town over the long term; however, establishment of a CLT requires considerable effort and typically is not quickly achievable. Thus, other management options would be required to provide assistance in the immediate term. The Town Board would have the authority to authorize an agreement with one or more outside housing organizations to provide the necessary assistance.

Responsibilities of the management organization would include ensuring participant eligibility, conducting housing lotteries, ensuring that all revenues received from community housing is deposited into the fund for exclusive use in the community housing program, and following standard procedures to ensure that community housing units remain affordable in perpetuity. If permitted under Federal law, a lottery system should be implemented to provide that residents, former residents, year-round workers (teachers, essential workers and police) and volunteers (including firefighters and EMTs) be given preference. A public hearing will be held by the Town Board prior to selection of a management organization to present available options to the public and identify the best fit for the Town of Shelter Island.

## **Advisory Board**

The Town of Shelter Island already has an established Community Housing Board (CHB), independent of the CHFAB, pursuant to Town Code Section 51-5 to review and make recommendations regarding community housing. The CHB consists of residents of the Town of Shelter Island and as per Code “will include a broad representation of the community such as landowners, persons with skill and knowledge about the environment, real estate, finance, and building.” The Peconic Bay Region Community Housing Act required the establishment of the CHFAB, which was specifically created to provide the recommendations and strategies for increasing community housing through the fund; however, it is anticipated that this advisory group will be dissolved once the Plan has been completed. As the CHB already has been established with advisory authority for making recommendations for community housing, outside of the limited role assigned to the CHFAB in the preparation of this Community Housing Plan, it is recommended that the authority of the CHB continue in overseeing the implementation of this Plan and that this role be expanded to include projects funded through the Peconic Bay Region Community Housing Fund and other funding sources pursuant to this Plan.

During the course of the preparation of this Community Housing Plan, the members of the CHFAB recognized the importance of their collective breadth of experience and knowledge in crafting the recommendations presented herein and believe that requiring such broad-based representation on the CHB would better serve the Town’s goals for community housing as set forth herein. Therefore, it is recommended that Section 51-5 be amended to provide broader composition of membership and encourage representation from each of the following:

- The construction industry (building, engineering, architecture)
- The real estate industry
- The banking industry
- A resident of the Town meeting the definition of an eligible individual under the Peconic Bay

### Region Community Housing Act

If necessary to achieve the range of experience and knowledge identified above, it may be appropriate to increase the size of the CHB.

Chapter 51 outlines the primary functions of the CHB at present, which are:

- Review applications for special community housing licenses
- Participate in the review and approval process on all applications for establishment of a Community Housing Floating Zone (CHFZ)
- Make recommendations to the Town Board relating to community housing eligibility requirements and how established
- Establish and maintain the Town's housing registry
- Serve as a liaison for community members regarding community housing
- Interface with state, county and municipal bodies and other organizations that have similar missions for the purpose of promoting community housing opportunities on Shelter Island.

It is recommended that Chapter 51 be updated to include a specific function for the CHB to explore potential opportunities for expanding the availability of community housing and to make recommendations to the Town Board for the expenditure of funds to undertake planning and feasibility studies, design of potential community housing projects, acquisition of properties to accommodate community housing. A Code revision would also be required to assign the CHB (or other municipal board, committee, or agency, at the discretion of the Town Board) the responsibility for program oversight, including coordination of outside entities providing technical assistance (see further discussion below).

### **Initial Program Management**

In order to ensure the best outcome for Community Housing and the creation of housing opportunities that meets with the stated goals of this plan, it is believed that the Town would be best served by working with an established community housing authority or similar organization to develop and manage all projects, at least during the initial phase of the first five-year (short-term) period for Plan implementation. Possible partners serving in this mentoring capacity include an existing municipal housing authority (e.g., Town of Southampton or East Hampton) or a nonprofit organization whose specific mission and specialization involves the provision of community housing.

The Town should research available options for management and administration of the community housing program for the initial implementation period. Such management options can be accomplished through an intermunicipal agreement (IMA) with a nearby town's housing authority, or through an analogous agreement with a nonprofit entity. The term of such agreement should be established based upon the consideration that the establishment of a Community Land Trust may occur in future to replace the initial program implementation phase (see discussion below).

## Community Land Trusts

Community Land Trusts (CLTs) are nonprofit organizations that maintain community control of property where community housing is located. CLTs obtain land for the construction of housing, and purchase homes and other buildings that have been abandoned, are underutilized, or in need of rehabilitation to refurbish them for residential use and the creation of permanent community housing.

CLTs often fund acquisitions using State grants or other sources and retain ownership permanently, thereby reducing the land costs associated with the real estate and the cost to future residents. Homeownership programs are generally more common than rental programs in CLTs; however, there are models in which a land trust owns and manages rental units as well. CLTs can help mitigate displacement impacts of rising housing costs and support families so they can stay in and grow with their communities. CLTs can oversee construction and management of community housing, receive donations of buildings in need of renovation or conversion for housing and purchase of existing houses for community housing. The Community Land Trust Technical Manual which was produced in 2011 by the National Community Land Trust Network<sup>1</sup> provides a comprehensive, practical guide for the ongoing operation of community land trusts as well as for startups.

### 5.2.4 Establish a Process for Community Housing Project Evaluation and Approval

An evaluation and application process for community housing projects will need to be defined by the Town. It is recommended that funding applications for such projects follow a similar procedure to the one already in place for the Community Preservation Fund, as amended to best serve the needs for of the Community Housing program. As with the Community Preservation Fund, a properly noticed public hearing would occur for any project, where the public would have an opportunity to contribute to the official public record prior decisions on applications. For projects on Town-owned land, it is further recommended that a public process be established to obtain input early in the design process.

The process should include the items identified in the graphics on the following pages. The first graphic shows an overview of the process from initial concept through application to the Town Board and Management Agency Involvement. A separate graphic shows the conceptual plan regulatory review process to identify the appropriate steps and involved agencies. It is noted that the process should provide ample opportunity for public input on construction projects involving two or more units with at least two Town Board public hearings, input at public work sessions, and required hearing for all regulatory boards (Zoning Board of Appeals if two family homes are proposed, and the Planning Board, if a subdivision is required to implement a project).

A process for development of a Request for Proposals for engineering/architecture and or development will need to be provided to the management agency selected by the Town to administer the process. Such a process for RFPs would incorporate the recommendations of this Community Housing Plan, including the need for community input, conformance with environmental regulations, contextual design, conformity with applicable smart growth principles, and consistency with the design standards created to

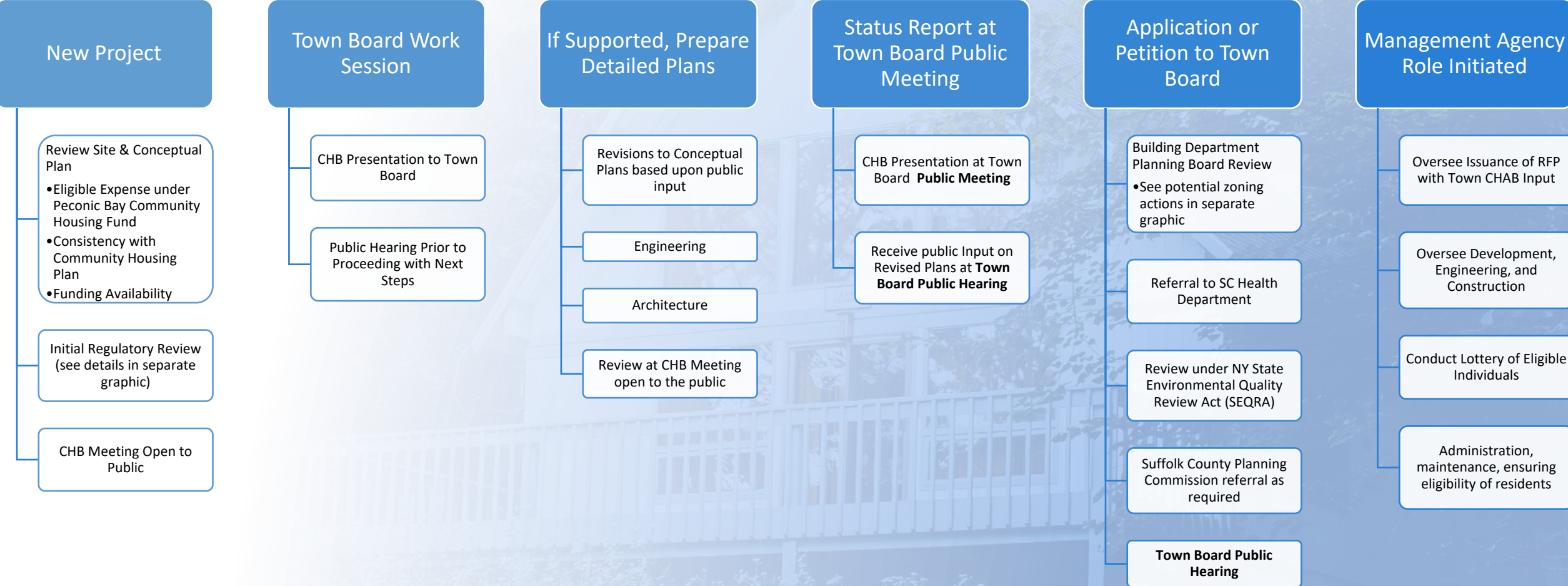
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<sup>1</sup> The National Community Land Trust Network was one of the organizations that merged in 2016 to create Grounded Solutions Network -



implement the intent set forth in Section 5.2.7, or if completed, as adopted by the Town Board for incorporation in the Town Code.

# Community Housing Development Project Review Process



# Conceptual Plan Regulatory Review



Conformance with Suffolk County Sanitary Code

Conformance with Town Code (which may include one or more of the following):

Meets Design Standards for Community Housing

ZBA Special Permit (for 2-family dwelling)

Affordable Housing Floating Zone (Town Board)

Subdivision (Planning Board)

Conformance with wetland setback requirements (if applicable)

### 5.2.5 Outreach and Public Education

As noted throughout, public participation and input have been critical to the preparation of this Community Housing Plan, and continuing public involvement is equally important to ensuring the success of Plan implementation. The following additional outreach initiatives are recommended.

#### **Continuing Outreach**

- Publicize and make available the Homeowner’s Guide to Year-Round ADUs, as recommended above.
- Supplement the input received during the preparation of the Community Housing Plan to better understand housing needs of Shelter Island’s growing senior population, for future consideration. The detailed data regarding the Town’s senior population and their housing needs are to be collected through interviews.
- Publicize that the Town is updating their “expression of interest” list of people interested in living in community housing and use this information to supplement the needs assessment.
- Initiate an update to the Community Housing Plan including an outreach program towards the end of the fourth year of the CHF program (updated questionnaire and open houses).

#### **Counseling**

- Facilitate the provision of housing counseling services to potential homebuyers and individuals seeking community housing through a non-profit organization

### 5.2.6 Update the Housing Plan

Maintaining the relevancy of this Community Housing Plan over time will necessitate that it be kept up to date to reflect the progress and status of the implementation recommendations set forth herein, changes to demographic and housing conditions in the Town, revisions to applicable regulations and laws, evolving land use trends and practices, and other relevant factors. Accordingly, it is recommended that this Plan be comprehensively reviewed and updated periodically; a regular update period of five years (as specified in the Peconic Bay Region Community Housing Act) is recommended. Additional, interim Plan updates may be appropriate at intervals of less than five years if changes to the factors listed above are of such a magnitude or nature to warrant such action.

The process followed for Plan updates should be similar to the process involved in this preparation of the present document. In particular, as discussed in Section 5.1, it will be important to have a robust process of public outreach to obtain useful community input, as was the case for the preparation of this document.

### 5.2.7 Implement Design Standards for Community Housing

Design standards provide specific guidance for development projects to ensure that they are consistent with the community’s objectives and expectations, thereby avoiding suboptimal outcomes that

unnecessarily offset or detract from the intended benefits. As a general matter for Shelter Island, the objective of this recommendation is to achieve the benefits of providing an increased supply of community housing in a manner that does not adversely impact the Town's overall environmental quality and character. Specific design standards that were identified during the community planning process include:

- Conform with all applicable provisions of review and approvals within town, county, and state codes.
- Require incorporation of features for the safety and well-being of the residents (e.g., orientation of entrances for visibility, lighting that is adequate but not excessive, etc.).
- Create housing that is universally accessible and inclusive to provide opportunities for residents with disabilities.
- Require high quality design and architecture that fits in with or elevates the local community character.
- Construct with the most advanced and highest practicable level of green, sustainable practices and architecture in order to balance the economies of building design with energy efficiency and sustainability.
- Require innovative design to incorporate sustainability features as practicable including, but not limited to, use of locally sourced materials and reuse of salvaged building materials where appropriate, energy-saving and water-conserving plumbing fixtures, incorporate design features consistent with the goals for climate-smart communities.
- Require low-impact design landscaping to reduce or eliminate the need for irrigation and maintenance.
- Include native plant species in landscape plans that provide habitat and attract pollinators.
- Incorporate the development goals and policies of the Suffolk County Planning Commission as referenced in their Guidebook as appropriate for the Town of Shelter Island, including:
  - All new buildings be designed and constructed to reduce energy consumption and improve environmental quality;
  - Whenever possible, new buildings should incorporate renewable energy sources; and
  - All new buildings and developments should incorporate general design elements that promote public safety in order to help preserve Suffolk's pleasant places and help improve property values and a general sense of community well-being.

## **Appendices**

- A. Housing Needs Assessment**
- B. Summary of Public Questionnaire**

**APPENDIX A**

**Housing Needs Assessment**

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# Needs Assessment

The purpose of this assessment is to compile a data-based foundation to analyze the potential need for community housing on Shelter Island. An important component of the needs assessment is an analysis of demographic trends over time to study the patterns and changing conditions on the Island to evaluate evolving housing needs. The needs assessment includes an analysis of population, housing, and economic trends in 2000, 2010, and 2020 as well as a housing affordability gap analysis and cost-burdened analysis.

This assessment includes information from the Draft Shelter Island 2020 Comprehensive Plan Update and the following sources:

United States Census Bureau provided the population, housing and economic statistics for the 2000 Census, 2010 Census & American Community Survey (ACS) Five-Year Estimates, and 2020 ACS 5-Year Estimates. All analyses were based on the Shelter Island and Shelter Island Heights Census-Designated Places (CDPs).

Environmental Systems Research Institute, Inc. (ESRI) generated on-demand demographic reports specific to the Shelter Island and Shelter Island Heights CDPs through their Business Analyst Online program. All estimates provided by ESRI draw upon data from sources including the Current Population Survey, American Community Survey, Census of Retail Trade (all via the United States Census Bureau), Consumer Expenditure Survey (via the United States Bureau of Labor Statistics), United States Postal Service, Internal Revenue Service, National Bureau of Economic Research, and other commercial and federal data sources.

New York State Education Department provided enrollment data and information regarding the number of students that are economically disadvantaged for the Shelter Island Union Free School District (UFSD).

The Shelter Island Assessor provided the number of real estate transfers and median sales prices of non-vacant residential properties by year from 2014 to June 2022.

## Population

The year-round population on Shelter Island has been increasing over time. Between 2000 and 2010, the population was estimated to increase by approximately 7%. For this analysis, estimates of the 2020 population were obtained from the 2020 ACS 5-Year Estimates and compared to estimates from the Shelter Island Draft 2020 Comprehensive Plan Update as shown in **Table 1**. Between 2010 and 2020, the population increased somewhat significantly by approximately 15%. The Draft 2020 Comprehensive Plan Update includes 2020 populations estimates for two scenarios: “with Covid” and “without Covid.” The “with Covid” estimates are essentially the same as the ACS estimates. The “without Covid” estimates represent a more modest population increase of approximately 3% from 2010. All estimates analyzed indicate an increase in population and a 2020 population of 2,743 year-round residents was utilized in this analysis.



**Table 1  
Shelter Island Population**

<b>Year</b>	<b>Population</b>	<b>% Change</b>
2000 Census	2,215	-
2010 Census	2,381	7%
2020 5-Year ACS Estimates	2,743	15%
Draft 2020 Comprehensive Plan Update – Best estimates for 2020 population without the pandemic	2,463	3%
Draft 2020 Comprehensive Plan Update - Best estimates for 2020 population with the pandemic	2,745	15%

As discussed in more detail in the Draft 2020 Comprehensive Plan Update, no direct data is available on the current population of part-time, summer, and visitor populations. Suffolk County estimated the seasonal population in 2018 based on various multipliers. More detailed studies would need to be conducted to understand the seasonal population; however, it is noted that the intent of this Housing Plan is to focus primarily on the year-round population of Shelter Island.

**Age Distribution**

As discussed in the Draft 2020 Comprehensive Plan Update, the year-round population on Shelter Island shows age distribution trends that are consistent with other affluent communities. More specifically, these trends include a relatively high median age; fewer people in the younger adult cohorts; and a high percentage of the population over 50 years old. In addition, the Draft Update notes that Millennials (born 1981-1996) and Gen Z (born 1997- 2012) are underrepresented, partially due to the lack of affordable housing for groups at the height of or beginning careers and families.

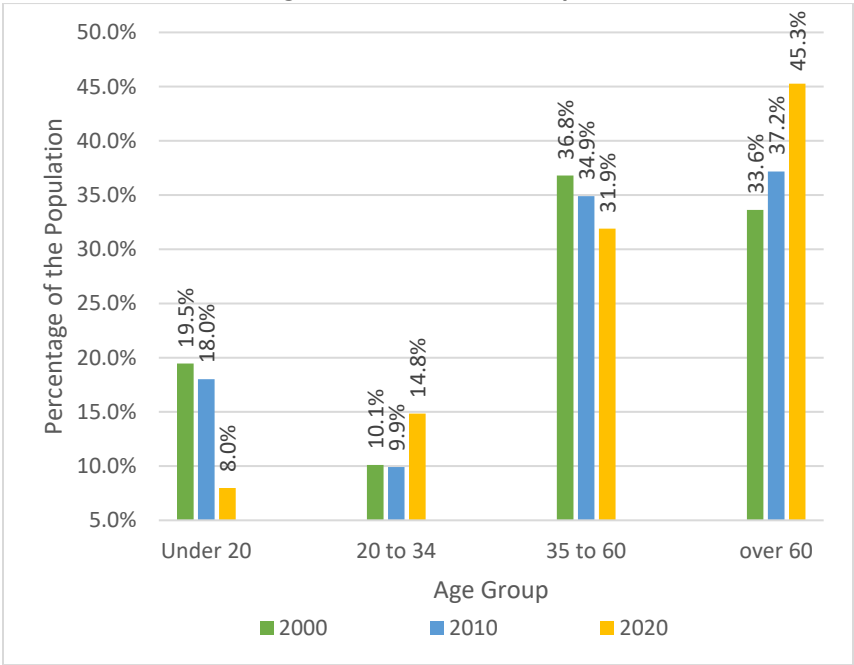
The age distribution of the year-round population is shown in **Table 2** and **Graph 1**. The population of young people (under 20) has declined significantly in the past twenty years from nearly 20% to 8% of the total year-round population. The 20-34-year-old population increased slightly; but when looking further into data, this growth was almost entirely in the 20-24 range, with very little growth in the 25-34-year-old population. This likely represents adult children graduating from college and returning to their family homes.

The 35-60-year-old population has remained fairly constant at slightly over 30%, while the senior population (over 60 years old) has increased to approximately 45% of the total year-round population. These changing demographics indicate a need to analyze if additional types of housing such as senior units are needed to support the year-round population.

**Table 2**  
**Shelter Island Age Distribution Over Time**

Age Range	2000	2010	2020
Under 20	19.5%	18.0%	8.0%
20 to 34	10.1%	9.9%	14.8%
35 to 60	36.8%	34.9%	31.9%
Over 60	33.6%	37.2%	45.3%

**Graph 1**  
**Age Distribution Bar Graph**

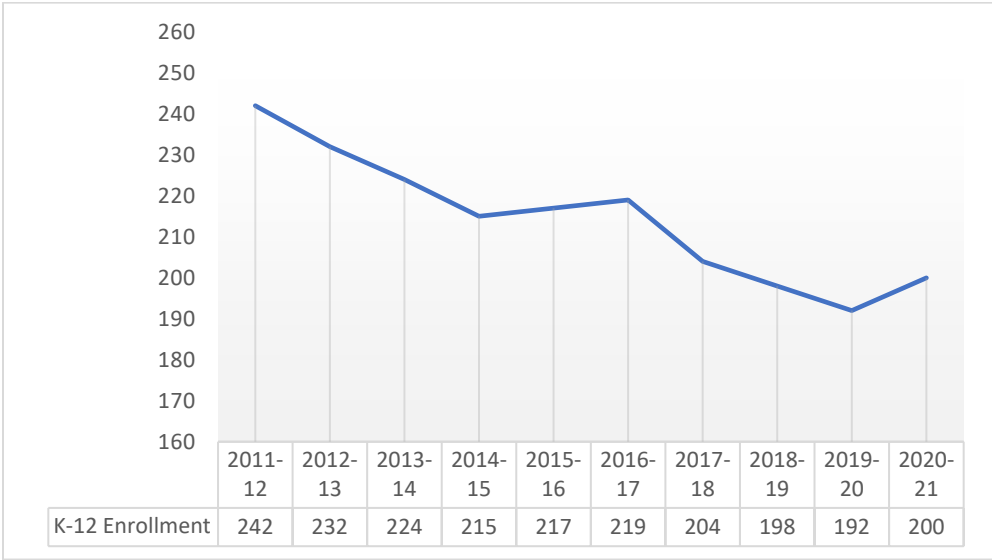


**School District Trends**

The number of children enrolled in the Shelter Island UFSD has been fairly steadily declining in the ten years analyzed, as shown in **Graph 2**. The 2011-2012 school district enrollment was 242 students, which is the largest student population observed in this analysis. By the 2019-2020 school year, the number of students decreased to 192. There was a slight increase in the number of students in 2020-2021, likely due to seasonal residents residing on the Island full-time during the height of the Covid-19 pandemic and enrolling their children in the local schools.

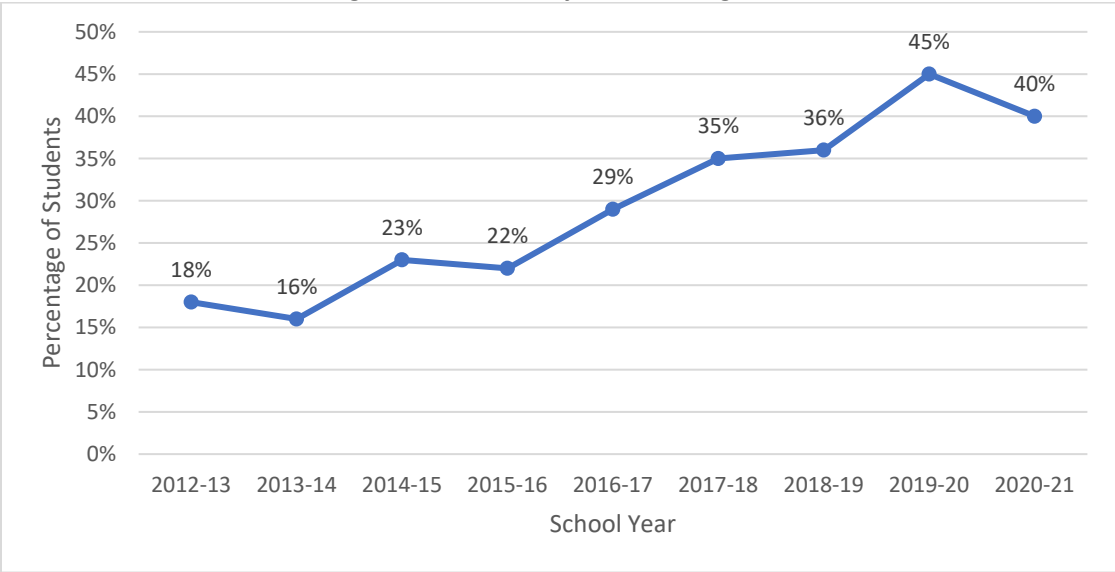
The trends observed in the school district population support the overall population trends from the Census Bureau data showing a decline in the population of young residents. As young families are unable to afford housing on Shelter Island, they may move to other communities and remove their children from the school district.

**Graph 2**  
**School District Trends**



The Shelter Island School District provides information about the number of students that are economically disadvantaged each year. Economically disadvantaged is defined as students who participate in economic assistance programs, such as free or reduced-price lunches, social security insurance, food stamps, and other similar programs. In the 10 years analyzed, the percentage of students considered economically disadvantaged has increased every year with the exception of 2020-21, as shown in **Graph 3**. The decrease in 2020-21 likely represents the addition of new students of relatively wealthy families residing full-time on Shelter Island during the pandemic.

**Graph 3**  
**Percentage of Economically Disadvantaged Students**



### Length in Residency

**Table 3** provides data on the year that year-round residents moved into their current housing unit. Almost half of homeowners moved in between 2000 and 2009. A significant portion of homeowners also moved in prior to 2000 (an additional 40% of the population). More recently, there has been an uptick in new homeowners moving into their homes during 2019 or later, which is likely related to the Covid-19 pandemic.

The trends in renter-occupied housing units are opposite of the trends in owner-occupied units. It is estimated that all renters moved into their current housing unit between 2010 and 2018, whereas very few homeowners moved into their housing units during this time period (approximately 3% of the total).

**Table 3**  
**Occupied Housing Units by Year Householder Moved into Unit**

Year Moved into Unit	Owner-Occupied Units	Renter-Occupied Units
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
Moved in 2019 or later	7.6%	0.0%
Moved in 2015 to 2018	1.6%	63.7%
Moved in 2010 to 2014	1.5%	36.3%
Moved in 2000 to 2009	48.5%	0.0%
Moved in 1990 to 1999	12.8%	0.0%
Moved in 1989 or earlier	28.0%	0.0%

### Median Income

The household median income in the Town has increased significantly in the past 20 years to an estimated \$114,082 in 2020, as illustrated in **Table 4**. This increase in median household income could be related to wealthy residents moving into the community and/or households earning less than the median income leaving Shelter Island.

**Table 4**  
**Median Household Income**

Year	Median Household Income
2000 Census	\$43,625 (SI CDP), \$65,446 (SI Heights CDP)
2010 5-Year ACS Estimates	\$61,438 (SI CDP), \$75,724 (SI Heights CDP)
2020 5-Year ACS Estimates	\$114,082

### Average Household Size

Trends in the average household size on Shelter Island is shown in **Table 5**. Average household size has been decreasing over time from 2.24 residents per household in 2000 to 2.12 residents per household in

2010. This trend continued in 2020, with an average household size of 1.99 residents per household. These findings are consistent with the 2020 Comprehensive Plan Update which found that Shelter Island has had the smallest average household size of all towns in Suffolk County in all census years since 1960.

**Table 5**  
**Average Household Size**

Year	Average Household Size
2000 Census	2.24
2010 Census	2.12
2020 5-Year ACS Estimates	1.99

### Housing Stock

The total number of housing units on Shelter Island has increased during the 20 years analyzed, as indicated in **Table 6**. Occupied housing units include the year-round residences on Shelter Island which are estimated to have increased from 990 residences in 2000 to 1,123 residences in 2010 and finally 1,375 residences in 2020. The vast majority of housing units classified as “vacant” are seasonal residences, with the remaining vacant homes being unoccupied or currently being offered for sale. The number of vacant housing units also increased between 2000 and 2020 from approximately 1,349 residences to over 2,000 residences in 2020. The total percent growth in total housing units was 16% between 2000 and 2010 and 27% between 2010 and 2020, indicating significant growth and residential construction.

**Table 6**  
**Number of Housing Units**

Type of Housing Unit	2000	2010	2020
Total Occupied Housing Units (Households)	990	1,123	1,375
Total Vacant Housing Units (includes seasonal homes)	1,349	1,596	2,080
<b>Total Housing Units</b>	<b>2,339</b>	<b>2,719</b>	<b>3,455</b>

It is anticipated that the vast majority of this new residential construction was single-family homes because it is estimated that over 95% of the homes on Shelter Island are single-family detached homes. This trend has stayed consistent for the 20 years analyzed and likely much longer.

The Draft 2020 Comprehensive Plan Update analyzed building permit data to observe the trends in construction. The building permit data showed a building boom in 2005 and 2006 followed by a dip in construction after the Great Recession, and a relatively consistent but modestly increasing level of construction from 2014. The number of new construction single-family houses represents a small percentage of the overall housing numbers. The Draft Update notes that over the 15 years analyzed, there were 106 demolitions.

The longer-term trends in the age of the housing stock are shown in **Table 7**. A significant number of homes on Shelter Island were constructed prior to 1940 (over 700). A surge in housing construction occurred during 2000 and 2009. The number of housing units constructed in 2010 or later is quite small.

**Table 7**  
**Year Structure Built**

Year Structure Built	# of Housing Units
Built 2014 or later	30
Built 2010 to 2013	51
Built 2000 to 2009	646
Built 1990 to 1999	295
Built 1980 to 1989	408
Built 1970 to 1979	399
Built 1960 to 1969	503
Built 1950 to 1959	361
Built 1940 to 1949	24
Built 1939 or earlier	738
<b>Total</b>	<b>3,455</b>

### Housing Tenure

Housing tenure refers to the ownership or rental structure of housing units. Housing tenure trends on Shelter Island have remained fairly consistent over time. There are significantly more year-round owner-occupied housing units than year-round renter-occupied housing units. The percentage of the total housing stock that is year-round owner-occupied ranged from 32% to 37% between 2000 and 2010. The percentage of renter-occupied units has consistently been low (under 10%) and continued to decline to an estimated 3% in 2020. Over half of the total housing stock is comprised of seasonal homes. The remaining residences in the “Other” category in **Table 8** consist primary of homes that are vacant year-round and homes that are being offered for sale and range between 2% and 6% of the housing stock, depending on the year.

**Table 8**  
**Housing Tenure Trends**

Housing Tenure	2000 (%)	2010 (%)	2020 (%)
Year-Round Owner-Occupied	36%	32%	37%
Year-Round Renter-Occupied	7%	9%	3%
Seasonal Homes	56%	53%	56%
Other	2%	6%	4%

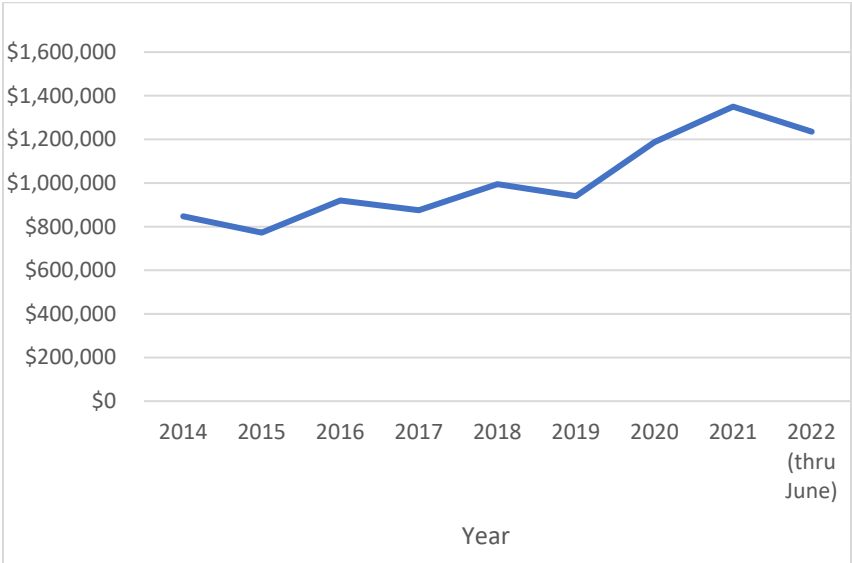
## Housing Prices

The median housing value for residences was obtained from the Town of Shelter Island Assessor for the years 2014 through June of 2022. As shown in **Table 9** and **Graph 4**, the median house price has been trending upwards over time, with even larger increases in sales prices in 2020, 2021, and 2022, likely due to the increased demand for housing during the height of the Covid-19 pandemic. The median home price peaked in 2021 at \$1,350,000. The number of real estate transfers in 2020 and 2021 was also significantly higher than the trends observed in previous years. The number of sales in 2022 as of June was significantly lower than the previous years, but the sales prices have remained at the heightened levels.

**Table 9**  
**Housing Sales by Year**

Year	Number of Real Estate Transfers by Year (Non-Vacant)	Median Sales Price (Non-Vacant Residential)
2014	70	\$847,500
2015	72	\$772,500
2016	86	\$920,000
2017	82	\$875,000
2018	42	\$995,000
2019	67	\$940,000
2020	120	\$1,187,500
2021	119	\$1,350,000
2022 (through June)	18	\$1,235,000

**Graph 4**  
**Median Sales Price of Residential Real Estate Transfers**



Monthly rental rates are increasing over time as well, as shown in **Table 10**. In 2000, rentals were available at a variety of price points, with the majority of rentals in the \$500-\$999 range. By 2010, there was still a variety of price points available; however, the majority of rentals were in the range of \$1,000 to \$1,499. By 2020, there was less variety in price and it is estimated that all rental units cost at least \$1,500 or more per month.

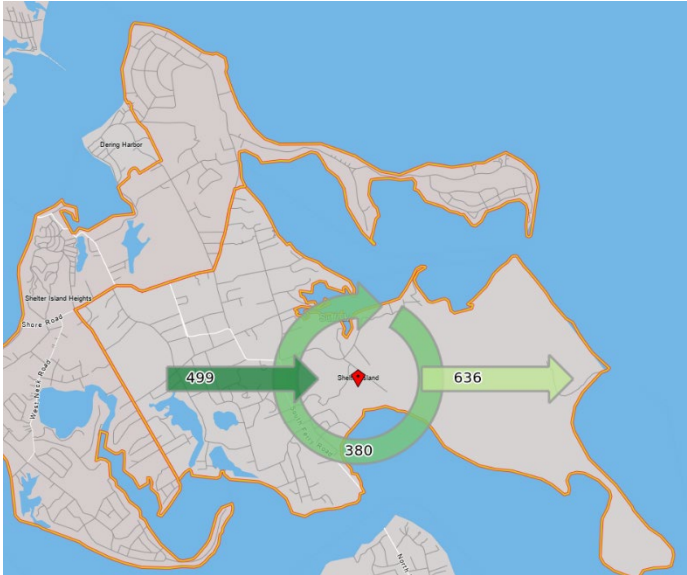
**Table 10**  
**Renter-Occupied Housing Units by Gross Rent**

Rent	Number of Renters by Year		
	2000	2010	2020
Less than \$500	5	0	0
\$500 - \$999	105	10	0
\$1,000 - \$1,499	17	58	0
\$1,500 or more	5	31	102
No Data or No Rent Paid	25	13	0

According to a search of One Key Multiple Listing Service (MLS) in September of 2022, twelve homes were available for sale in the Town of Shelter Island. Listing prices ranged in price from \$975,000 to \$9,750,000. The \$9.7 million home may be an anomaly as all other homes were listed under \$2.7 million. The median listing price of currently available homes is \$1,985,000 and the average is \$2,492,750. Only three rental units were listed; two of which were offered as short-term rentals.

### Shelter Island Jobs Analysis

The United States Census Bureau hosts the “On the Map” tool which allows for detailed analysis of commuting characteristics. An inflow/outflow analysis was performed for the combined area of the Shelter Island and Shelter Island Heights CDPs, which shows the relationship between employees on Shelter Island and their location of residence. The analysis used 2019 data as that was the most recent information available and includes all types of jobs. The results of this analysis are shown to the right. It was estimated that 499 employees of businesses on Shelter Island reside off-Island and 636 Shelter Island residents travel off-Island to work. An estimated additional 380 residents both work and live on Shelter Island.





As discussed in the Draft 2020 Comprehensive Plan Update, the employment base of Shelter Island has largely shifted to tourism-related industries and services for the seasonal market. Accommodations and food service and arts, entertainment, and recreation account for 23 percent of businesses and 31 percent of employees. Businesses in the accommodation, food service, and retail trade industries often employ non-residents because the incomes generated by these positions are not high enough to afford living on Shelter Island. Real estate and construction are also important sectors that generate significant economic activity.

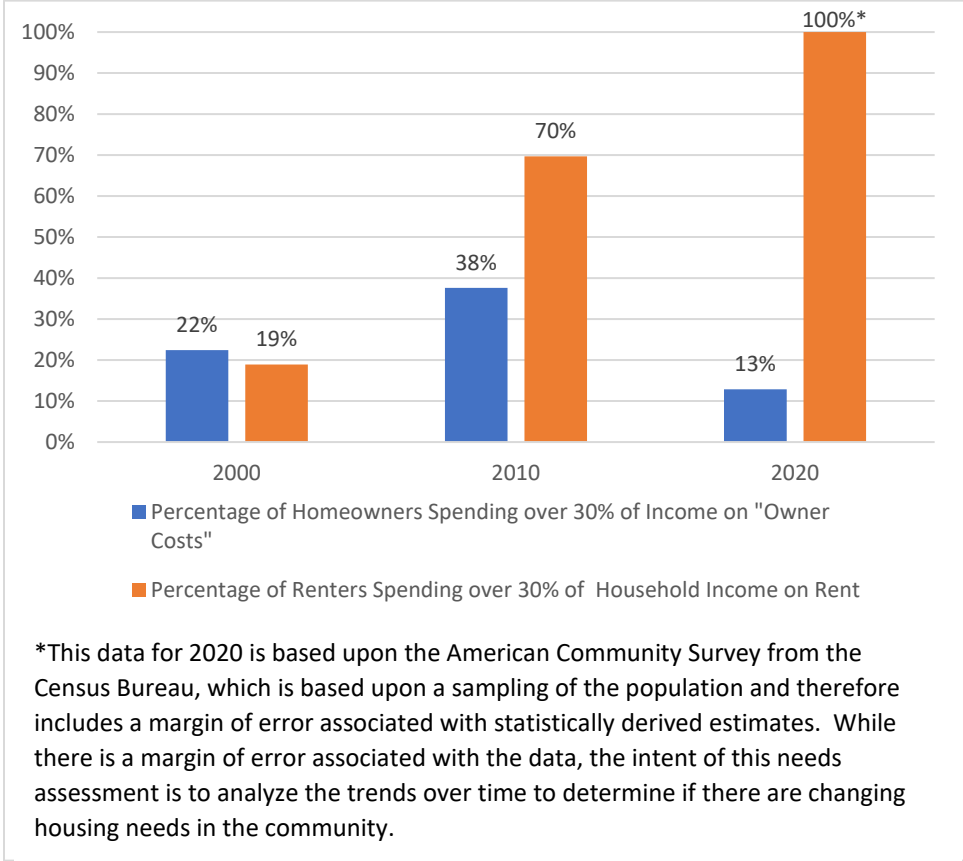
The Draft 2020 Comprehensive Plan Update also discussed commuting characteristics of the Island and found that many businesses on Shelter Island have employees who commute to work from off-Island, and many Island residents work on the mainland. Although the year-round population of Shelter Island has increased, the labor force living on the Island shrank between 2010 and 2018, according to ACS estimated data, which is the only data available and lists that the lack of sufficient workforce housing may be a contributing factor. Finally, the Draft Update noted that many working-age year-round residents and households have multiple jobs in order to allow them to afford to live on Shelter Island.

## Cost Burdened Analysis

The US Department of Housing and Urban Development (HUD) defines housing cost burden as the percentage of household income required to pay for rent or ownership costs. A household is considered housing cost burdened if more than 30% of their income is spent on rent or ownership costs.

A review of the percentage of households spending more than 30% of their income on gross rent or ownership costs is shown in **Graph 5\***. In 2000, the percentage of owner-occupied and renter-occupied households spending over 30% of their income on housing costs was similar, at approximately 20% of households. By 2010, a gap began to emerge where renters were more likely to be cost-burdened than homeowners. In 2010, it is estimated that 70% of renters were cost-burdened and 38% of homeowners were cost-burdened. By 2020, this disparity had increased even further, with an estimated 100% of renters being cost-burdened with respect to housing, while only 13% of homeowners were cost-burdened.

**Graph 5**  
**Percent of Households with Housing Costs Greater than 30% of Income**



### Affordable Housing Gap Analysis

As noted previously, the median 2020 housing value for the Town of Shelter Island was \$1,187,500 according to Town of Shelter Island Tax Assessor data. To determine the affordable sales gap within the Town, certain assumptions were made on the mortgage and underwriting criteria. The calculation, for the purposes of this needs assessment, assumed a standard mortgage with the current interest rate for a 30-year, fixed-rate mortgage of 5.0%. The underwriting also assumes a 5% down payment and a housing debt-to-income ratio of 36%, which is the maximum allowed under a standard Fannie Mae mortgage. For purposes of this analysis, the tax rate of \$6.2942 per \$1,000 of home value as published by the Town of Shelter Island was utilized.

Utilizing the criteria listed above, a homebuyer would need an annual income of approximately \$222,629 to purchase a \$1,187,500 home as shown in **Table 11**. A household earning the median income of \$114,082 in the Town would have a gap of \$108,547 in annual income. Note that this calculation does not consider closing costs or private mortgage insurance.

Finally, the calculations assume 36% debt-to-income ratio, which is on the high side, where a 28% debt-to-income ratio is generally recommended. By using a lower debt-to-income ratio, the minimum income needed to afford the purchase of the median sales price home would increase. Regardless, based on the

median income on Shelter Island, most residents would not be able to purchase a home selling at the current median housing value.

**Table 11**  
**Homeownership Affordability Gap**

Parameter	Input Value	Dollars
Shelter Island Median Home Price		\$1,187,500
Mortgage Rate - 30 year Fixed	5.0%	-
Down payment 5 percent	5.0%	\$59,375
Per \$1,000 tax rate	6.2942	\$7,474
Amount Mortgaged		\$1,128,125
Monthly Mortgage payments		\$6,056
Monthly Tax payments		\$623
Monthly housing payments (mortgage and taxes combined)		\$6,679
Housing Debt to income (DTI ratio)	0.36	\$18,552
<b>Yearly Income Required</b>		<b>\$222,629</b>
<b>SI Median Household Income (2020)</b>		<b>\$114,082</b>
<b>Yearly Income Deficit</b>		<b>\$108,547</b>

### Needs Assessment Conclusion

In conclusion, the overall population on Shelter Island is increasing. The age distribution of the Island is changing as well, resulting in a growing senior population and decreasing young population. School district data and Census data both support the conclusion that the trend is of population decline among young families.

The number of housing units is increasing, but these units are primarily owner-occupied single-family homes or seasonal homes. These types of units are expensive and typically not attainable for many segments of the population, such as single adults or young families. Home prices have been increasing over time and the increases in price have been exacerbated by the Covid-19 pandemic. Based on a housing affordability gap analysis, the median selling price of a home on Shelter Island is not financially attainable for households earning the median income on Shelter Island. In fact, households need to earn nearly double the median income in order to afford a house listed at the median selling price on Shelter Island.

There are very few renter-occupied, year-round housing units available on Shelter Island, and the number of this type of housing is continuing to decline. Competition for year-round rental housing will remain high as there are limited housing units overall, and very limited vacant housing units, which contribute to increased rental rates as demonstrated by the data. Based on a cost burden analysis, which defines “cost burdened” as households spending more than 30% of their income on housing, the percentage of renters that are cost-burdened has been escalating over time. The estimates for 2020 indicate the all renters are currently cost-burdened, while the percentage of homeowners who are cost-burdened has been decreasing over time.

The need for less expensive housing units on Shelter Island has been documented in other planning documents, including the 1994 Comprehensive Plan which reported that only 6% of residents could afford a house costing the median home value in 1994. Goals and objectives in 1994 included creating and maintaining “affordable housing opportunities for the diversity of age and income groups that make up Shelter Island’s year-round population.” The plan identified young working households, first-time homebuyers, and elders as groups that could benefit from less expensive housing. The data compiled and analyzed for this needs assessment provide support that these trends in housing costs and increasing unaffordability have continued through 2020 and there is still a need for more affordable and diverse housing options.

It is challenging to identify exactly how many units of community housing are required to serve the year-round Shelter Island population. This is partially because former residents who had a need for community housing may have already moved off-Island due to unavailability of such housing and therefore are not included in the available statistics. It is noted that the Draft 2020 Comprehensive Plan update estimated that 20-40 affordable rental and purchases units were needed. A valuable tool to understanding the more specific, current needs for community housing would be to update the Shelter Island Community Housing Registry with a robust outreach effort to more accurately quantify the population of interested residents and former residents who recently moved off-Island.

## **APPENDIX B**

### **Summary of Results from the Public Questionnaire**

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Town of Shelter Island  
Community Housing Open House/On-line Questionnaire Summary of Input

<b>I am a(an)...</b>	
Individual Seeking Housing	12.60%
Interested Citizen	83.60%
Business Owner/Employer	3.80%

<b>Who do you know who is most in need of community housing</b>	
Younger Population	64.90%
Families	60.10%
Seniors	28.40%

<b>Do you know anyone who moved off Shelter Island because of lack of housing options?</b>	
Yes	56%
No	45%

<b>Do you know anyone who commutes to Shelter Island while working full-time year-round on the Island?</b>	
Yes	<b>70%</b>
No	30%

<b>What types of housing do you think this community needs?</b>	
For sale	53.60%
For rent	<b>79.70%</b>
Seniors	41.80%

Town of Shelter Island  
Community Housing Open House/On-line Questionnaire Summary of Input

Fund Uses	
<b>Purchase land to be developed for community housing</b>	
Good fit	70%
Less appropriate	7%
Inappropriate	16%
I'm not sure	6%
<b>Soft Costs (planning, engineering, design) associated with the creation of community housing</b>	
Good fit	73%
Less appropriate	6%
Inappropriate	15%
I'm not sure	6%
<b>Construction of housing for sale by the Town</b>	
Good fit	42%
Less appropriate	17%
Inappropriate	33%
I'm not sure	8%
<b>Construction of housing for rent by the Town</b>	
Good fit	66%
Less appropriate	11%
Inappropriate	18%
I'm not sure	5%
<b>Construction of housing for sale through a private/public partnership</b>	
Good fit	42%
Less appropriate	21%
Inappropriate	28%
I'm not sure	9%
<b>Construction of housing for rent through a private/public partnership</b>	
Good fit	59%
Less appropriate	19%
Inappropriate	15%
I'm not sure	6%
<b>Rehabilitation of existing buildings to be used for community housing</b>	
Good fit	78%
Less appropriate	7%
Inappropriate	8%
I'm not sure	6%
<b>Maintenance of housing for rent by the Town</b>	
Good fit	47%
Less appropriate	23%
Inappropriate	22%
I'm not sure	8%
<b>Maintenance of housing for rent by a public/private partnership</b>	
Good fit	47%
Less appropriate	21%
Inappropriate	21%
I'm not sure	11%
<b>First-time homebuyer assistance programs</b>	
Good fit	56%
Less appropriate	17%
Inappropriate	20%
I'm not sure	7%
<b>Direct homeowner assistance programs</b>	
Good fit	43%
Less appropriate	24%
Inappropriate	21%
I'm not sure	13%
<b>Housing counseling services provided by a not-for-profit</b>	
Good fit	61%
Less appropriate	17%
Inappropriate	11%
I'm not sure	10%

Town of Shelter Island  
Community Housing Open House/On-line Questionnaire Summary of Input

I think community housing on shelter island should include...	
<b>Single Family Homes</b>	
strongly disagree	21%
disagree	9%
neutral	9%
agree	27%
strongly agree	34%
<b>Accessory Dwelling Units</b>	
strongly disagree	15%
disagree	5%
neutral	17%
agree	21%
strongly agree	41%
<b>Cottage Communities/Pocket Neighborhoods</b>	
strongly disagree	16%
disagree	7%
neutral	13%
agree	25%
strongly agree	38%
<b>Two Family Homes</b>	
strongly disagree	18%
disagree	10%
neutral	10%
agree	24%
strongly agree	37%
<b>Manor House Apartments</b>	
strongly disagree	19%
disagree	7%
neutral	20%
agree	20%
strongly agree	35%
<b>Apartments Above Stores/Offices</b>	
strongly disagree	12%
disagree	3%
neutral	10%
agree	30%
strongly agree	46%
<b>Senior Communities</b>	
strongly disagree	11%
disagree	9%
neutral	21%
agree	26%
strongly agree	33%



Town of Shelter Island  
Community Housing Open House/On-line Questionnaire Summary of Input

<b>Where on Shelter Island should the following housing types be located?</b>	
<b>single family homes</b>	
center of town	8%
114 corridor	11%
scattered throughout town	81%
<b>accessory dwelling units</b>	
center of town	8%
114 corridor	10%
scattered throughout town	83%
<b>cottage communities/pocket neighborhoods</b>	
center of town	19%
114 corridor	19%
scattered throughout town	62%
<b>two family homes</b>	
center of town	14%
114 corridor	19%
scattered throughout town	66%
<b>manor house apartments</b>	
center of town	23%
114 corridor	21%
scattered throughout town	56%
<b>apartments above stores/offices</b>	
center of town	30%
114 corridor	29%
scattered throughout town	41%
<b>senior communities</b>	
center of town	24%
114 corridor	18%
scattered throughout town	58%

<b>How do you live?</b>	
Alone	14.90%
With a partner	31.80%
Family	45.90%
Roommates	4.10%

<b>What would be your preferred housing situation?</b>	
Ownership	71.70%
Rental	24.60%
Accessory Dwelling Unit	10.90%
Senior community	13.80%
Employer provided housing	2.90%

<b>If you were to seek community housing, how many bedrooms would address this need for you</b>	
Studio	3.30%
One-bedroom	21.70%
Two-bedroom	<b>38.30%</b>
Three-bedroom	18.30%
4+ Bedroom	5.80%

<b>What services would it be important for you to be within walking distance?</b>	
School	40.20%
Library	40.20%
The IGA	72.00%
None	2.80%