

Havenside Corporation: 2000-2009

PROGRESS REPORT OF A DECADE

INVESTING IN LONG-TERM SUSTAINABILITY

IN SEARCH OF A “LONGER VIEW” OF HAVENSIDE, I recently looked back over the minutes of the Board from the beginning of the Corporation in 1990. (Before that, since Havenside’s construction in 1965, Margaret and Robert Love’s Romarlo Foundation and the Episcopal Diocese of Boston had been the governing entities.) It was a revelation to see that all prior Boards wrestled with the same questions that we do: How can we make sure that we have enough money to maintain Havenside, while keeping the rents as low as possible? And how can we expand the number of affordable apartments like these for the island’s elderly?

A NEW APPROACH

At the beginning of the decade, it became evident to the Board and the new manager, Susan Phelps, that a lot of repairs were needed on the nearly 40-year old buildings and apartments. Although we had some reserves to draw upon, we were running in the red. Income from rents was not covering operations nor needed repairs. We hired a capital-needs

planning engineer, who assessed the needs, projected the costs, and put together a long-range plan that showed how much money we needed to raise in order to carry out the plan and achieve a balanced budget. The Board wanted to avoid a dramatic rent increase in any year, so we crafted a plan that coupled incremental but cumulative revenue increases with gradual capital improvements.

By taking a five-to-ten-year view, we were able to forecast progress toward our goals and maintain a rent structure in the “affordable rent” range, by government standards. Though not a welcome choice to raise the rents annually, there was no alternative in order to fulfill our responsibility as a Board. The first five-year plan began Oct. 1, 2003.

MARGARET LOVE, HAVENSIDE BENEFACTOR

About the same time, in 2002, Havenside received an unexpected bequest from its founder, Margaret Love, who had passed away at the age of 98. With this gift, we started an invested Endow-

ment “to preserve, maintain, and improve the Havenside property in perpetuity and to support the expansion of affordable housing for elders on Martha’s Vineyard.” The gift gave the Board financial backing for a jump-start on major building improvements. Then, each year as rental income increased, more repairs were completed. Setbacks and new challenges came in the form of unexpected maintenance demands as well as escalating operating expenses.

As the five-year plan finished its cycle, we had made substantial progress toward our goals and toward a balanced budget, but a second five-year schedule of modest rent increases was required. The Board affirmed both its policy that the property be supported by rent and heat income and its goal that Havenside be able to operate with an “affordable rent” structure. The second five-year plan began Oct. 1, 2008.

A POLICY FOR FINANCIAL SUSTAINABILITY

The Board also increased Havenside’s income over the decade



Betty Rawlins, President

by phasing out through attrition an earlier practice of rent forgiveness for residents with limited income. Margaret Love had personally subsidized some residents’ rents for many years; later Havenside received less income than the rent structure should have provided. It was clear that the organization could not be sustained without a predictable and adequate rental income.

Noting that Island Elderly Housing (which Margaret Love co-founded) now provides 165 units of low-income elder housing on the Vineyard, the Board instituted a policy of asking assurance from all incoming residents that they will be able to meet the expenses of living at Havenside.

EXPANSION IN 2008

As the decade moved along, and Havenside’s waiting list lengthened, the Board returned to the question, “How can we create more apartments to meet this need?”

An architect surprised us by showing how we could renovate the C Building basement level, add an apartment and new office/meeting space, and be able to convert the existing office back into an apartment, adding two residenc-

es. By borrowing from the bank and using Endowment income, we were able to accomplish this in 2008 without diverting any income from existing apartments to construct these additions.

BEYOND BRICKS AND MORTAR

Of course, for the Board it hasn’t been just about the money and the physical condition of the apartments, buildings, and grounds at Havenside. We were especially pleased to restore a meeting space with the construction of the new office, and we applaud residents’ organizing to use it. We frequently reviewed and revised policies with an eye to everyone’s continued safety and comfort. In an effort to get to know residents better, we’ve started holding a “Summer Soiree” as well as the long-held Christmas Tea.

A HOPEFUL FUTURE

The Board had to make some hard but necessary decisions about Havenside during the first decade of this century, in order to catch up on needed capital improvements, while making sure that we are financially able to keep maintaining the property at affordable rental rates.

We’re pleased that we’ve had success in finding viable solutions to the questions raised in my first paragraph. The Manager’s Report details the scope of the major capital improvements that have been funded by rents, savings, Endowment loan, and Endowment income. We are hopeful that completing the current five-year plan will position Havenside well for the period to follow.

THANKS TO OUR BOARD VOLUNTEERS

Over the decade more than a dozen volunteer Board members worked together with our Manager to put the organization on sound financial footing, catch up with deferred maintenance, and accomplish many necessary repairs and improvements. Many thanks to each of these individuals! We honor also those who inaugurated the Havenside Corporation and served as stewards in its first decade, the 1990’s.

Elizabeth Rawlins,
President

Former Havenside Board members

who served between 2000 & 2009 (earlier, if noted)

Anna Alley (1992-2008)

Genevieve Benedict (1998-2003)

E. Page Doss* (1997-2001)

John J. McCarthy* (1994-2008)

Esther Mills (1994-2003)

Rev. Richard E. Olson (1998-2001)

Ted Box

Leo Convery

Marcia Fenn

Rev. Bob Edmunds

Julie Norman

Other Board members in 1990s

Ella Cullen

David Currier

Meverell Good

William Honey

Mary Ann Hoxie

Tom Lehman*

Maria McKenty

Ed Reade

Bob Rohr*

Managers

Charlie Parker (1986-1996)

Beth Wilson (1996-1998)

*Past Presidents