

THE YEAR-ROUNDER

a newsletter of Island Housing Trust
Volume 15 | Issue 1 | Spring 2019



Jones Marsh in bloom. IHT's new neighborhood will be created on the uplands from this preserved wetland. Maine Coast Heritage Trust photo.

A NEW NEIGHBORHOOD FOR MDI

The change of seasons last fall saw a change in ownership of a beautiful parcel at the head of Mount Desert Island. In late October, Island Housing Trust and Maine Coast Heritage Trust completed their partnership purchases of a 60-acre property at Jones Marsh on Route 3 in Bar Harbor.

In 2013, MCHT began exploring conservation options for the 60-acre Jones Marsh parcel, recognizing the ecological importance of the diverse mix of upland forest, forested wetland, and freshwater peat that lies adjacent to salt marsh. MCHT determined that the conservation values were concentrated on the western half of the property, and that the remaining 30 acres could have greater value as a location for year-round housing. MCHT reached out to IHT to explore the possibilities of a partnership to purchase the property.

“Maine Coast Heritage Trust understands that the lack of affordable

housing is a critical issue for MDI. We were thrilled to join forces with Island Housing Trust on this project! Collaboration is essential to addressing our community’s complex environmental and social challenges,” said Misha Mytar, MCHT project manager.

IHT and MCHT had partnered before, at Northeast Creek, and recognized that this would be another valuable partnership opportunity to protect wetland and upland buffers of vital importance and meet the need of the MDI community for workforce housing.

“Partnering with MCHT has been an important step toward securing a healthy future for our year-round communities on MDI so they can continue to thrive,” said Marla O’Byrne, IHT executive director.

The partnership project was successful due to the generous support of the

Rodney L. White Foundation, U.S. Fish and Wildlife Service (North American Wetlands Conservation Act Grant), Witham Family Hotels Foundation, Friends of Acadia, Downeast Audubon, and individual donors.

IHT is working with engineers, a landscape architect, local realtors, and the Town of Bar Harbor to consider development possibilities for the property. Among the considerations is a mix of single family and semi-detached homes to accommodate more households and provide more diverse price points for home buyers.

Over the coming year, IHT will complete planning and secure permitting to develop a neighborhood of 16-20 efficient, attractive homes affordable to our year-round working neighbors on MDI.



ISLAND HOUSING TRUST

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Island Housing Trust promotes viable, year-round communities by advancing permanent workforce housing on Mount Desert Island, Maine.

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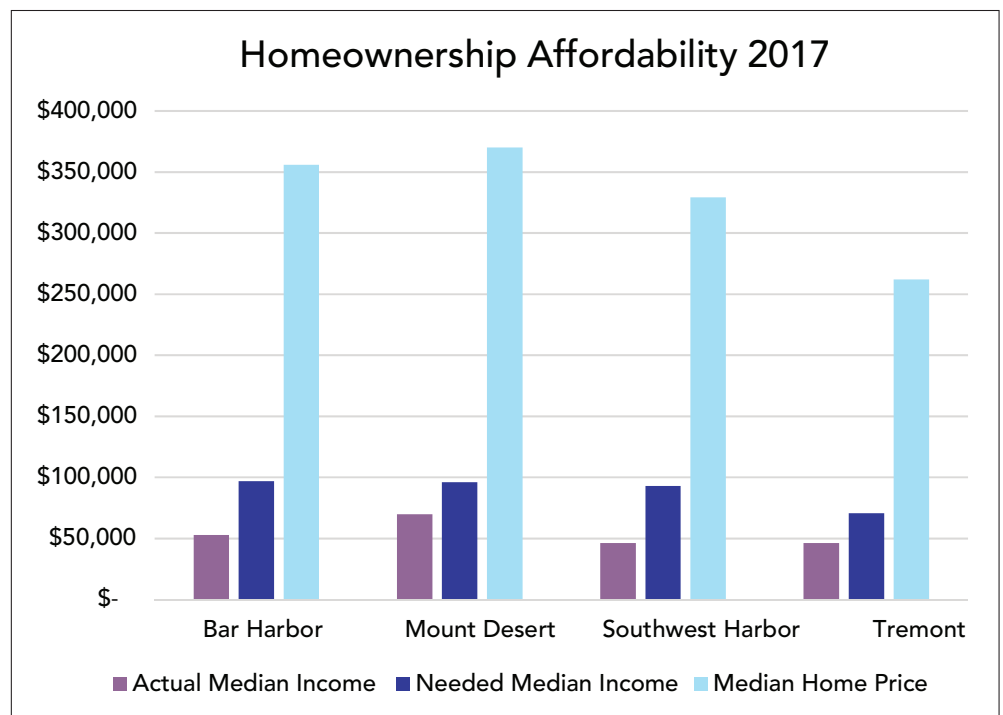
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MDI 2020: BRINGING HOUSING INTO FOCUS

The problem is familiar – too many people cannot find a place to live on MDI year-round. Like the tide, each day thousands surge onto the island to work and flow off the island on their way home. While we know that year-round housing is in short supply, and have our own thoughts about the causes, Island Housing Trust and partners* wanted to bring into more clear focus the scale of the problem and causes, and to gather examples of how other communities are addressing their version of this challenge. So, in 2018 IHT and partners commissioned a study to assess the state of housing affordability on Mount Desert Island – to bring the challenge into focus. Following are a few key takeaways from the comprehensive study. You can find the complete housing study on our website at islandhousingtrust.org, and contact us at info@islandhousingtrust.org or 207-244-8011.

WHAT WE SEE

1. More than half the people who work on MDI live off-island due to housing costs that make worker attraction and retention difficult.
 - 54% of MDI workers commute onto the Island for work.
 - 78% of employer survey respondents agreed that finding affordable housing is a major challenge for their employees, and 60% agreed that the lack of affordable housing options negatively impacts their business.
2. Housing affordability is a challenge for residents and workers.
 - Since 2000 the median house prices on MDI have more than doubled,
3. While the year-round population has increased slightly, the supply of year-round housing (for both owners and renters) has declined.
 - while median incomes rose by less than 50%.
 - Year-round rentals that are affordable for working families are in short supply. A third of MDI households live in rental housing and a third of MDI households earn \$35,000-\$60,000 – generally not enough to purchase a home here. While these two groups are not necessarily the same people, there is a need for more year-round rentals for working families.



- The Island's year-round population increased by about 2% between 2011-2016, while the seasonal population grew by over 14%. About 36% of housing units on MDI are now seasonal units. In the last few years most new housing construction has been for seasonal residents and/or seasonal workers.
- Higher income from short-term rentals over fewer months creates an incentive to rent to vacationers rather than year-round residents. For example, a landlord can make about as much income in 10-12 weeks of summer renting as from renting the same unit year-round.

to be popular with new retirees, which will contribute to the aging of the population and increasing median home prices. The number of working households (under age 65) on MDI is projected to decrease across all income brackets below \$100,000, which is likely to exacerbate decreasing school enrollment. The shrinking lower-to- middle-income population on the Island largely can be attributed to the cost of housing.

WHAT WE'RE DOING

Island Housing Trust has been working for the past dozen years and more to promote the ongoing viability of

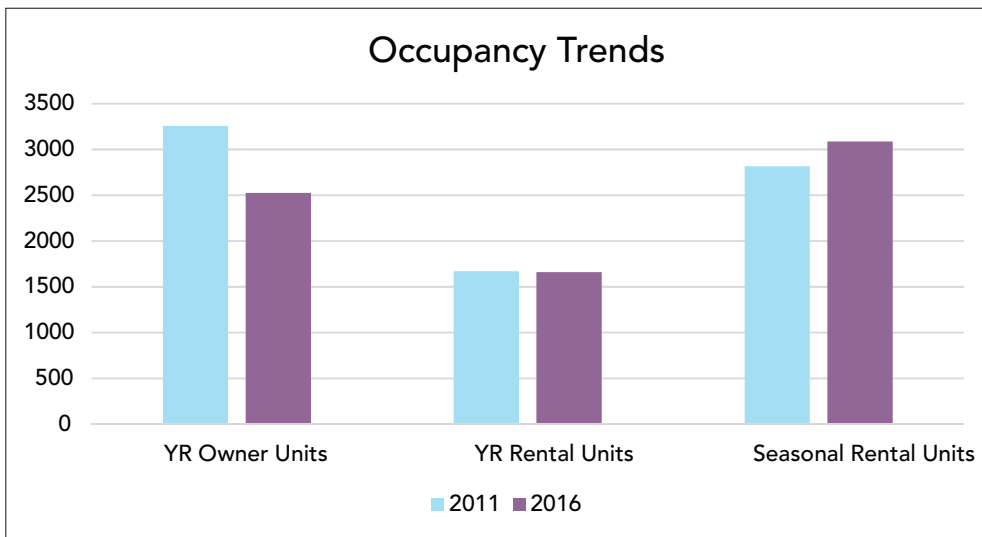
MDI by building, providing funding to assist with down payments, researching and accepting donated land for homes, holding covenants for willing landowners, and purchasing and renovating within an established year-round neighborhood.

- Working with the four island towns to better understand the housing challenges and strategize partnerships and solutions.
- Ensuring that workforce housing on MDI remains affordable into the future.

LOOKING FORWARD

IHT will continue to build broad-based partnerships within the community and across the state and region in order to create more year-round housing opportunities affordable to MDI's middle-income work force. Among the approaches to explore and consider with partners:

- Reduce the cost of development.
 - Create a legacy program to encourage land and house donations.
 - Implement affordable housing tax increment financing (TIF).
 - Change zoning to allow for greater density and invest in infrastructure.
- Encourage year-round rentals.
- Tie strategies to an island-wide inventory and plan.
 - Identify priorities where housing efforts would be most affordable and effective.
- Build local support through a Workforce Housing Partnership.



Another indicator of this change is the rise in Airbnb and similar short-term rentals: between April 2015 and April 2018, the number of Airbnb listings of "entire space" on MDI grew tenfold.

4. The population is aging: there are fewer young families, declining public school enrollments, and more older residents.
- School enrollment in the MDI Regional School System has declined by 2% over the last 5 years. On-Island student numbers have fallen by 7%. The largest year-round-resident age groups are in the 50 to 70 range, with notably fewer young adults of home-buying age. The area continues

MDI's communities year-round by creating housing opportunities that are affordable to the year-round working population on MDI. Among the approaches used, IHT has been:

- Supporting efforts by public and private individuals and organizations to create housing that is affordable to the year-round working population of MDI.
- Promoting and building partnerships to plan and create home ownership opportunities that enable MDI's year-round workers to live in its four communities.
- Directly assisting more than 110 individuals (adults and children) move into year-round homes on

* Our thanks to the partners who supported the housing study: Towns of Bar Harbor and Mount Desert, residents of Southwest Harbor, Acadia National Park, The Jackson Laboratory, Maine Coast Heritage Trust, and Mount Desert 365.

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NEW LEADERSHIP

This past fall, Deedie Bouscaren took the reins as Board President after three years of service on the IHT board. Deedie is a lifelong summer resident of Northeast Harbor, bringing extensive development and board experience to the organization. Deedie strongly believes that healthy communities need a variety of housing options, providing access and affordability to their year-round workers.

Marla O'Byrne became IHT's executive director in September. Marla was a founding board member of Island Housing Trust when it took form in 2002 from MDI Tomorrow efforts. She brings a breadth of non-profit management and leadership to IHT, having served most recently as president and CEO of Friends of Acadia, senior vice president at Maine Farmland Trust, and advisor to local nonprofits.



IHT Board President Deedie Bouscaren and Executive Director Marla O'Byrne.

SETTLED IN AT SYDNEYS WAY

Tara and Robert Murphy and their three children had been living in rentals on MDI for six years, bouncing between winter and summer rentals at times. Ready to settle into a permanent home, they began looking for available houses and, as Tara put it, determined that they had two options: a house that would require renovations they could not afford, or leaving the island.

The problem was, they had fallen in love with the island. Tara had grown up in Surry and met her husband in Boston, where she was studying biology and he was in trade school. Wanting to be closer to family and out of the city, Tara secured a job at Jackson Laboratory and they moved back to the area. Robert found work with Stephen Stanley Electricians and their children soon became ensconced in the schools and community.

"It is a different way of life here. Everyone really cares for each other and we love the school system, teachers, and administrators. MDI is a special place and we didn't want to leave," said Tara.

The Murphys learned about Island Housing Trust from friends and initially approached the organization hoping to build a house. An IHT resale was available on Sydneys Way in the Ripples Hill neighborhood and when they saw the house, they reasoned that, at just two



years old, it was virtually brand new. The house also had a bedroom for each of their three children, and by last August they had purchased and moved in.

"At first, I thought we were settling by not building a house, but now I think living in the Ripples Hill neighborhood is the best thing we could have done for our family," said Tara. "It is a magical community and our children get to grow up with the neighborhood children. My kids are outside all the time, not on electronics. Everyday I can't believe how lucky we are."

Beyond the Ripples neighborhood, the children (ages 12-16) play soccer and run cross country with the schools. They have all enjoyed Camp Beech Cliff in the summers. Tara volunteers at Serendipity, the used clothing store that supports the Bar Harbor Food Pantry.