

## **Minutes of a Public Meeting on Year-Round Affordable Housing on Chebeague sponsored by the CICA Housing Committee, Sunday March 21, 2010 at 1:00 at the Parish House.**

### **Introduction**

Bob Earnest said the meeting is intended to discuss the need for more year-round, affordable housing on Chebeague, and particularly an opportunity that CICA has to apply for State grant money for this purpose. In the first section CICA Housing Committee members will describe the work they have done in this area since 2007, and the nature of the new State program. In the second half of the meeting CICA members will answer questions and residents will discuss their ideas about affordable housing on Chebeague.

### **Demand for Year-Round Affordable Housing**

Is there a need for affordable housing? “People living on the island now managed to build their own houses.” Donna Colbeth gave a case study of why Chebeague needs affordable housing. She bought the land and built her house in 1976 on a teacher’s salary. Today a teacher at the same level she was then could not afford to build that house. Donna Damon said she and Doug built their house themselves for \$67,000 over five years when she was making \$9,000 a year at SAD5. They had no cost for the land. At the end they owned a house with no mortgage.

Beth Howe said that in 2005 CICA did a survey of island residents to find out about interest in and need for affordable housing. She said that older people have a need for housing maintenance. Most own their own houses and wish to stay in them. There is a need for rental units for young people who have few rental choices that don’t require them to move in the summer. The 2005 study found that, given the incomes of families on the island, they cannot afford the housing available. A family with an income of \$50,000 (in 2005) could generally afford to buy a house that cost between \$123,000 and \$167,000. A family with an income in the \$60,000 to \$75 income range could afford a house up to \$211,000. But in 2005 the median selling price for houses on Chebeague, not on the water, was about \$300,000.

Mary Terry, an Island Institute Fellow working in Casco Bay on affordable housing said that she is doing more in-depth research for CICA now on who needs affordable housing and what they need and want. She will be reporting on her research in about a month.

### **Island Experience with Affordable Housing**

Mary also talked about affordable housing projects on Frenchboro, Islesboro, Monhegan, and North Haven. Frenchboro started 20 years ago by building 6 houses that cost \$40,000 apiece. Islesboro began with 6. Both of those islands have built additional units since. Monhegan has built 10 new and rehabbed units. These projects have involved building houses for ownership and rental, condos above the store on Monhegan, and rehab of existing houses. Many of these projects have been done with financial and technical help from the Genesis Fund, created 14 years ago, with offices in Damariscotta, to provide help to Maine communities building affordable housing.

Bob described CICA’s initial project on Chebeague, the purchase of a three-bedroom house that is rented as an affordable house, meaning that the tenant qualifies on the basis of income and

pays 28 percent of their income in rent. CICA saw this as a pilot project to learn about both the processes of buying and renting an affordable house, and, later, of selling it. The purchase was funded with a grant from the Island Institute, a matching grant from Genesis, with the match coming from island donors, and a low-interest loan from Genesis. The low interest rate is for a term of 4 years, so before 2011 CICA will have to decide whether to continue renting the house or to sell it.

### **State Affordable Housing Grants for Islands**

Over the past few years, with the Island Institute, Genesis was involved in the Affordable Coast Coalition to lobby the Legislature for State affordable housing assistance that would meet the needs of small communities like islands. Last year the Coalition joined the Maine Affordable Housing Coalition and legislative leaders Libby Mitchell and Hannah Pingree in developing legislation to authorize a \$30 million bond issue for energy efficiency and affordable housing. One piece of this bond issue money is a \$2 million, flexible program for affordable housing on islands. The income guidelines make this a program not just for the poor but for regular working island residents.

The \$2 million is specifically aimed at unbridged islands which may qualify for \$150,000 per housing unit, up to a total of \$400,000. They can also get a pre-development loan up to \$40,000 from MSHA which then is paid off out of the grant money. The program covers rental or ownership, new construction or rehabilitation of existing housing. The top income eligibility level is 120 percent of the Cumberland County median family income, adjusted for family size. Both new and rehabbed units must meet a high green energy standard.

The application criteria will be published in the next two weeks, and applications will be due later in the spring. Since part of the purpose of the money is to stimulate the economy, MSHA is looking for projects that can be started this summer.

### **Questions and Discussion**

John Ash asked what strings the State attaches to this money. Bob said that the resulting housing has to be energy efficient. Applicants must meet income requirements but these are fairly generous – 120 percent of the Cumberland County Median Income – which means that a family of 4 could have an income of \$75,400 and a couple could make up to \$60,400. Beth said that Chebeague has had eligibility criteria for its affordable house that include income and year-round residence on Chebeague and give additional points for working on Chebeague, ties to the community and children in the school. At the moment Genesis is checking with a housing lawyer about whether all of these criteria are consonant with State fair housing law requirements.

Leila Bisharat asked who can apply for the funds? Could a builder apply? Mary Terry said that only towns or 501(c) 3 organizations can apply. Bob said that in Chebeague's case the applicants would be the Town and CICA. CICA is working to involve the Land Trust as well.

Leon Hamilton asked what the Town's legal obligation is to provide affordable housing. Bob said that there is no legal requirement. Beth said that there is a requirement for communities to plan for affordable housing in their comprehensive plans but this has no legal enforcement.

Leon said he thinks the island needs affordable housing and urged CICA to buy existing houses rather than building new ones. He hates to see the island lose valuable land like the upland part of the Curit property. He hunts there in the fall. He said that if CICA and the Town bought Med and Marlene's house the land could be used as a gravel pit and the house could be an affordable house. We should use what we have.

Penny Asherman, President of the Chebeague and Cumberland Land Trust said she wanted to be involved in the planning process of a project on the Curit land to be sure that the aesthetic and natural values of the lower/shore part of the Curit land, which is in conservation easement, are protected.

Herb Maine asked about the process for developing the application requirements for the State grants. Genesis is working with MSHA on these. When will they be set? Mary said that they should be completed within the next two weeks. They will be posted on the Genesis website.

Diane Lukac asked where it is written in law that money goes to towns or 501(c)3s. Could CICA be a clearing house to provide money for people to create granny flats in their houses? Mary said that MSHA will require that applications come from Towns or 501(c)3s. Diane said CICA should pursue the greatest panoply of needs on Chebeague. She owns the Curit Farm. Everyone has biases, hers is that she is an abutter to the possible affordable housing. She urged recognition that the Curit Farm is a Chebeague gem. Her family are only stewards for the land. The reason for zoning is the interest of everyone. The estuary that runs through her land recharges the clam flats. When trees are taken down, that is forever. The springs recharge the aquifer and play an important part in the area's ecology. She wants to have a respectful discussion and extend a hand as an abutter. This will benefit everyone.

John Ash asked whether the State money can be used to buy houses. Bob said it has to be used for new construction or 70 percent rehabilitation. At this point CICA has no good information on the condition or quality of foreclosed houses like the Campbell house, or Med and Marlene's or Barry and Melanie's. Development on the Curit parcel could be a pilot for development that might occur in the "growth areas" that must be defined in the comprehensive plan, with smaller lots. Beth said that CICA is also exploring whether we could get money through the Federal Neighborhood Stabilization Program that buys and renovates foreclosed houses. The State money for islands only allows \$150,000 per housing unit and this is not a great deal of money when a house requires major rehabilitation. Donna added that with a rehab project, CICA would also have to buy the land as well as the house which would add to the cost. Bob said that there are also significant cost advantages to new modular houses.

Deb Hall asked Carol White if there is a finite limit in the number of wells and septic systems that can be added to Chebeague. Is this an argument for renovating existing houses? Carol said that the amount of drinking water is not a limiting factor but there is a limit to the number of septic systems the land can handle. In the 2000 water resources study they looked at this and she does not remember the result. But it would depend on the soils and the density of development in any particular area. There are some areas of the island which have already reached their septic system capacity. Islesboro has done a detailed analysis of this, and Chebeague could.

Leila Bisharat said that she appreciated CICA's effort to bring this issue forward. Maybe by Friday of this week the State application guidelines will be set. As a member of the Island Institute Board she has talked to Rob Snyder about this. We need all the facts and Rob could have a professional working on this program come to the island to explain it.

Carol White asked what CICA sees the process for this project as being like. CICA was working on creating housing but now seems to be stepping back to look more at demand – how many units and for what income range. She was unhappy that the initial public meeting on this possible grant conflicted with a land trust meeting. CICA must be concerned about the process it creates. Bob said it was unfortunate that the meeting conflicted with the land trust's but the land trust meetings are not listed in the Calendar or posted. Carol said that CICA should also post its agendas and minutes on its website. Bob said that the creator of the website is no longer on the CICA Board. CICA could use more help.

Mark Bowman asked how specific the application will have to be, and how closely would the State hold us to the 70% rehab criterion?

Bob said that the application will have to be quite specific. CICA had been working on a proposal for the Curit land this winter. MSHA asked for examples of possible island projects to think about the program requirements. Beth wrote a short proposal. But it was not a final or definitive one. Bob said there are two views of how this process can work from here out. One is that it is worth hurrying the process to have an opportunity to get this money. The other is that we should not do a rushed project, regardless of the money.

John Ash asked whether getting a pre-development loan would give us a foot in the door for a grant? Bob said not specifically, but it would allow CICA to prepare a better grant proposal.

Diane Lukac said that since CICA has currency with the people who are designing the guidelines, they should try to keep the requirements as broad as possible. There may be unanticipated costs for things like legal expenses.

Carol White said she thought that renovating existing structures would be politically more acceptable and more likely to be accepted quickly. It would be possible to do new construction on undeveloped land later. Bob said that he thought that, on the other hand, there was a case to be made for creating the most units possible with the money, which could be done with new construction.

Donna Damon said she wanted to make a personal statement. She was the original impetus for the purchase of the Curit land. People like Ross Martindale gave donations to the purchase because they wanted to see affordable housing built on the non-conservation portion. Donna said she would welcome having affordable housing next to her house. We should apply for this State money because Chebeague is maxed out for making donations for projects. The Town could build the road. We need to look deeper than the discussion we've been having. This community is dying – Maine has the oldest population in the country and Chebeague has nearly the oldest population of any of the unbridged islands. We need to perpetuate the island's

working community. We need to get the most units for the money and there should be 15 people working on developing this application.

Mabel Doughty asked members of the group to raise their hands if they want affordable housing – at least one house. Most, maybe all hands went up.

Bob asked people to raise their hands if they thought CICA should apply for the State money. Again most hands went up.

Carol suggested that maybe the Town could help with the project.

Joan Robinson said this has always been a working community and should stay that way.

Tom Damon said there are lots of properties that could be bought and rehabbed. The Campbell house might be one, but it is likely to be very expensive to renovate. The Curit property would be donated by the Town so the costs of that project would be lower. It might be possible to build 2-3 units for the cost of renovating the Campbell house. A lot of working people are having to leave the island – Greg Riddle, Barry and Melanie Riddle, Med and Marlene Bowen.

Mark said that young people on the island need rentals – and more rather than fewer.

Leila said that Tom's grasp of the facts of Chebeague housing available is enormous, and there are people looking for affordable housing. The situation is not the same as it was in 2005. Land is selling for half of what was asked in 2004. CICA should collect this information about housing and land that is available and make it available to everyone.

Tom said he just had to sign up temporarily for a service to find out about foreclosures. CICA should do this. At auction the bank could not sell the Campbell house, this gives us leverage for making an offer. Diane said she would be glad to work on finding out the status of the Campbell house.

Bob said in relation to the idea of being a housing information broker that CICA is not looking for new tasks. CICA would be glad to have volunteers for this or for other work.

Ruth Slagle and Beth Howe  
CICA Housing Committee