

AFFORDABLE, YEAR-ROUND HOUSING ON CHEBEAGUE

Chebeague has been presented with an opportunity to apply for up to \$400,000 in State money to create affordable housing on the island. The challenge is that in order to get this money, we must apply for it this spring. This will only be done if people on Chebeague decide that it is a good idea to do it.

This newsletter is intended to provide you with information about affordable housing, whether it is needed on Chebeague, what has been done to provide some already on the island, and what kind of housing this State funding could be used for.

What is Affordable Housing?

“Affordable housing” has a bad rep with many people because it is identified with the bad experience of low-income housing projects, especially in cities. But thinking beyond this negative image, affordable housing makes a lot of sense for a community like Chebeague where over the past 20 years undeveloped land owned by year-round people has become increasingly scarce and expensive, and the year-round housing stock is almost all owner-occupied. This means that young people who grew up here and want to live independently of their parents, often have to go to the mainland. Often they don’t come back. In addition, young families find themselves priced out of the market for even modest homes.

Affordable housing uses or builds ordinary housing – single family houses or duplexes, for example, and, using a subsidy, reduces the rent or the purchase price to a level that an ordinary person or family can afford.

Where do the subsidies to do this come from? In some cases they are the result of local fund-raising. In other cases they come from State or Federal grant and loan programs.

Does Chebeague Need Affordable Housing?

Given recent changes in the housing market and the recession, this is not entirely clear.

We have a variety of data on the need for affordable housing. A 2005 Housing Survey is now being updated with in-depth interviews. The results of this recent work will be available in about a month.

The earlier survey indicates that ordinary year-round families were priced out of the housing market by the housing boom.. In 2000 the median income on Chebeague ranged from \$21,250 in non-family households to \$51,172 for married couple families. A three-person family with a \$50,000 income would be able to afford a house costing between \$123,000 and \$167,000. In 2005 the median price for a house, not on the shore, was \$279,000.

Young people who, because of limited income and/or lifestyle choice, need rental housing have few choices other than renting summer houses in the winter and moving “elsewhere” in the summer when the owners come. Typically they can afford rents between \$550 and \$800 including utilities.

Chebeague has a number of single-parent families, some of whom have quite limited incomes.

Many of Chebeague’s elderly live on small fixed incomes, but do own their houses. Some need help with maintenance and repairs, but they do not usually want to move from a house they have lived in for many years.

The 2005 housing survey found that 12 households were interested in affordable rental or ownership housing within the next five years and another 19 beyond 5 years.

Experience with Affordable Housing on Chebeague

The Chebeague Island Community Association (CICA) was created in 2005 to “ensure the

survival and long-term viability of Great Chebeague Island as a year-round community.” Its first and immediate task was to explore the question of whether Chebeague should become an independent town. When the Legislature voted to allow Chebeague to secede from Cumberland passed in 2006, this project was complete, and CICA turned to other research on issues related to the sustainability of the year-round community. Meeting housing needs was one of these issues.

As an initial “pilot” project, in 2007 CICA bought a pleasant, recently renovated three-bedroom house in The Center, and made it available for year-round rental to anyone on the island with an income up to \$69,400 for a family of four. Preference was also given to families with children and people who work on the island.. In this case, the subsidy that makes it affordable results from grants provided by the Genesis Fund, and the Island Institute, fund-raising on the island, and a low interest mortgage loan from Genesis.

Planning for Future Projects

Since 2008 the CICA Housing Committee has been exploring both the rehabilitation of existing houses and the construction of new housing. Both are expensive for all the reasons that make island building expensive. Sometimes, as the Housing Committee has learned, it is more expensive to renovate an existing house than to build a new one.

A major key to making construction and rehabilitation affordable being able to reduce the cost of the work. There are many elements that go into the cost of creating a house:

- The land (and if rehab, the building as well): The cost of the land is typically xxx percent of the cost of building a house.
- “Infrastructure” such as a road/driveway, a septic system a well and utilities. A long road or a “challenging” septic system will be more expensive.
- Construction: the size and nature of the construction. On an island building

“from scratch” may cost considerably more than purchase of manufactured housing which can now be very attractive.

- Quality: cheap construction may save money in the short run, but it will cost money in more maintenance in the long run.

In the spring of 2009, the State Legislature authorized a bond issue to stimulate the economy by making housing more energy efficient and building affordable housing. Some of this money was specifically designated for small rural communities including islands. A discussion with the Maine State Housing Authority in the fall indicated that they expected to begin the application process in the summer of 2010.

Knowing this, the CICA Housing Committee thought that it might be possible to combine several ways of subsidizing some housing that would really make it affordable. Last fall they asked the Selectmen whether they could look at two parcels of Town land that Cumberland had bought for possible use for affordable housing. The Selectmen agreed.

One parcel turned out to be a peat bog. The other, the Curit land, is suitable for housing. The Committee went back to the Selectmen in November to ask if they could develop an affordable housing proposal for the Curit land. The selectmen agreed that the group would develop a proposal that would be brought to Town Meeting in June. Since the land belongs to the Town, it seemed advantageous to have the Town and CICA work together on the project, so the Selectmen assigned Donna Damon to work with the CICA Housing Committee.

The Curit Land

The Curit land is located down the hill from North Road, behind the Parish House and Parsonage. Originally it was a 14.48 acre parcel on the shore, with a stream running through it. When Cumberland bought the land, they divided the parcel and gave a conservation easement to

the Chebeague and Cumberland Land Trust for the 8.2 acres along the shore, including the stream and a wetland above the stream. The upland 6.28 acres was held by the Town to be used for affordable housing.

In January CICA began to think about what kind of housing might be built on the Curit upland. There was a site walk in the snow with Board members of the Land Trust to look at both the conservation land and the upland and to talk about what the Land Trust wants to do with their part.

Just after this process started, the State Housing Authority, the Island Institute and the Genesis Fund were having a series of meetings to work out the guidelines for the part of the State energy and housing bond money that was to go to islands. Since the money is intended in part as an economic stimulus, the State Housing Authority was interested in seeing what it would take to encourage the islands to come up with projects that would be shovel-ready by summer 2010, meaning an application process in the next few months

The State Program for affordable Housing on Islands

The State has set aside \$2 million from the bond issue for islands. They will accept applications for up to \$400,000, with a 10 percent local match in cash or land. It covers both new construction and rehabilitation of existing buildings. Units may be rental or for home ownership. Completed housing must be energy efficient and green. Income eligibility depends on family size and is up to \$75,400 for a family of four.

Peaks and Islesboro have projects that are further along than ours, but we have a good shot at the money, but CICA does not want to move ahead with an application this spring if there is not support for it on the island.

The Option of Rehabilitating Existing Housing

Because CICA was already beginning to work on a proposal for housing on the Curit land, it

was natural to think of that when the State program was announced. But at a meeting of the CICA Board on March 9, attended by a number of other people as well, the idea was raised of whether the project could involve rehabilitation of some existing house that was either on the market or had been foreclosed upon.

Since CICA has had an interest in this possibility from the beginning, the Housing Committee has begun to explore whether the Campbell house could be acquired for a reasonable amount of money in a reasonable amount of time. Its renovation might be completed with State money. It might also be possible to build a second unit on that sizeable lot.

The Process from Here on Out

This newsletter is the first stage in a community discussion process that will occur over the next month or 6 weeks. It is being sponsored by the Town, CICA and the Land Trust???. **This process is designed only to enable us to make a decision about whether to apply for the State money or not.**

If residents are supportive of applying for this money, a detailed proposal will be developed and that proposal will be reviewed by the Planning Board, the Board of Selectmen and will then be voted on in Town Meeting.

If members of the community are not supportive of applying for the State money, CICA will continue to work on creating affordable housing on Chebeague using other, more limited government funds, and local donations of land and money.