

Chebeague Island Community Association, Housing Committee:
2007 STRATEGIC PLAN
(updated and adopted July 2008)

Plan Purpose

The purpose of this plan is to develop short, medium and long-term strategies for the Chebeague Island Community Association to increase the supply of housing available on the island to residents of modest means. “Short term” here means this year; “medium”, is five (+) years and “long term” is further out than five years.

Island Philosophy

Over the past ten to fifteen years it has become increasingly clear to residents of Chebeague that if they want the island to remain a diverse year-round community they will have to work hard to keep it that way. There is broad commitment to the idea of a diverse community, meaning that the island

- has an economy that can provide attractive jobs and business opportunities on the island itself, in traditional occupations such as construction, fishing and services as well as in newer kinds of jobs done, for example, by telecommuting;
- has good enough transportation to make physical commuting to mainland jobs practical;
- is affordable and welcoming for young people, especially families with children
 - By maintaining a good island elementary school
 - By insuring a supply of housing that families can afford, and
 - By providing other child and family-friendly services and amenities.
- provides opportunities for older, life-long and ex-summer residents to “age in place” in their own homes and in assisted living on Chebeague;
- welcomes summer visitors;
- reflects the diverse incomes that result from a diverse economy and age structure.
- has a small enough population to maintain a close sense of community.

Problems

For more than a decade the present year-round community has been under pressures that have been felt in all coastal areas – ocean or lake – across the United States. These pressures are accentuated on Maine’s unbridged islands including Chebeague because of their relative isolation, physical beauty and strong sense of community. These factors make an island’s limited land increasingly attractive to people from off the island, especially now that the post-war baby boom is beginning to look for retirement homes. On Chebeague these are not necessarily people “from away”. Most have visited the island, and many have come here all their lives. However the result was

- rapidly rising property values that make buying a house difficult for lower and middle income households;
- rapidly rising property taxes, while Chebeague was still part of Cumberland
- a small and expensive elementary school that constantly faced threats of cuts or

- closure by SAD 51;
- an increasingly elaborate island-to-mainland transportation system that faces steadily increasing costs;
 - a larger proportion of elderly residents (38 percent in 2000) than all but two of the 15 unbridged islands in Maine.

The threats to the school and the steadily rising property taxes are now within the control of the new Town of Chebeague Island, and increases in property values may moderate somewhat during an economic down-turn. But high demand for island housing will probably not disappear, given the coming retirement of the baby boom generation, and the other problems are not easily dealt with.

Development of a Mission

In 1999 these threats led to the development of a *Chebeague Long-Range Plan* that explored these problems, set a series of goals for maintaining the island community, and suggested ways of trying to achieve them. It includes a section with recommendations on affordable housing. Once the Plan was adopted, the Cumberland Town Council created an Islands Committee, part of whose job was to work on implementing the plan.

Such a plan proved to be useful but not sufficient. In 2005 a threat to the island school led to the creation of the Chebeague Island Community Association and the successful movement to secede from SAD 51 and the Town of Cumberland in 2007. The mission of CICA is

“to ensure the survival and long-term viability of Great Chebeague Island as a year-round community.”

From the beginning CICA intended to address the whole range of issues that are central to the health of the year-round community – education, particularly at the Island School, recreation, medical care and emergency medical service, public safety, provision of ferry transportation and economic development.

From its own beginning in 2002, the Town-appointed Islands Committee worked on the issue of affordable housing on Chebeague. A community development class at USM’s Muskie School produced an initial study on ways of providing affordable housing in 2004. This was used as the basis for a grant proposal to the State of Maine for a CDBG planning grant for a market study of affordable housing on Chebeague. Bruce Mayberry and Helen Hemminger were hired in 2005 to do this study. They completed the *Chebeague Island Housing Study* in December 2005. In spring of 2006, when the Maine Legislature passed the bill creating the new Town of Chebeague Island, the Islands Committee turned its affordable housing work over to CICA.

In June 2006 at its annual meeting CICA’s membership amended its articles of incorporation to explicitly include affordable housing in its list of purposes. That summer John Wilson, CICA’s president, appointed a 5-person Housing Committee. In October CICA’s Housing Committee held a strategic planning session conducted by Cyndy Carney, Technical Assistance Coordinator at Coastal Enterprises Inc. At that meeting, the Committee agreed on its mission:

“to promote economic diversity and a sustainable year-round community by expanding attainable, year-round, housing alternatives.”

As the Housing Committee has worked on developing this *Strategic Plan*, this general mission statement has developed into a more specific vision of what the Committee is trying to accomplish:

- Creation of a submarket of affordable houses on Chebeague. Ideally, every time an ordinary, year round house that is not on the shore comes on the market, CICA would be able to buy it, subsidize it so that it could be sold to a year-round household at Chebeague’s median income, now about \$50,000 for non-elderly households. The sale would involve placing conditions on the resale of the house so that it would remain in the affordable submarket and be available to another moderate income, year-round household. CICA would see that these covenants are maintained through each sale of each affordable house.
- Provision of year-round rental housing that is available to year-round residents who cannot afford or do not wish to buy an affordable house.
- Provision of new affordable houses either by building the houses or making affordable lots available (with or without water and septic) to eligible, year-round households who wish to build their own houses.
- Provision of affordable housing that is the same as ordinary year-round housing in design and construction quality, located all over the island. If CICA has the opportunity to build a group of houses or houses and duplexes, for example on the Curit Property, the development would probably include a mix of market rate and affordable housing. Market rate housing would help to pay the costs of affordable development, and would create a heterogeneous neighborhood.

The Strategic Plan for Housing: The Specific Need

During the housing boom up to 2007, housing values rose rapidly. There is also a dearth of year-round rental housing on Chebeague. These two circumstances mean that the goal of living in adequate, year-round housing is not attainable for Chebeague residents of all incomes and ages. Assuring that it is will be a long-term task.

The mismatch between island incomes and housing prices is detailed in the *Chebeague Housing Study* and will be discussed here only in summary. The *Study* focused primarily on the next five years and on Chebeague households with incomes between \$22,550 (for a single person with income at 50 percent of the Portland median family income) to \$77,250 (for a four-person household with income at 120 percent of the Portland median family income. This income range includes 62 percent of the non-elderly Chebeague

households who responded to the *Study's* 2005 survey, and fully 87 percent of the elderly (over 65) households¹.

As the median price of a non-waterfront house on Chebeague rose from \$147,750 in 2001 to \$279,000 in 2005, these low-to-moderate income households were increasingly unable to afford to buy or rent year-round housing on the island. Supporting a mortgage for a \$275,000 house -- paying no more than 30 percent of household income for mortgage, taxes, utilities and insurance -- would require a minimum income of \$91,000, considerably higher than either the \$77,250 of a "median" income family in the Portland area or the \$50,000 median for non-elderly households on Chebeague who filled out the *Study's* survey.

Of course many of these households, especially among the elderly, already own houses. Others have accommodated themselves to the existing, very limited supply of year-round rental houses or apartments. Even so, the *Housing Study* found that in 2005 14 households would be interested in other housing that they could afford over the next five years, while 29 more thought they might well be interested after 2010. An "attainable" house for Chebeague non-elderly households would generally have to sell between \$123,000 and \$169,000, though some families might be able to pay \$200,000.

The Strategic Plan for Housing: Goals

Since there does appear to be a demand for housing that costs less than what the market supplies, the Committee has used the *Chebeague Housing Study* and the results of the strategic planning session to develop both short and longer term goals and action plans. These are designed to implement a staged approach to answering unresolved questions and ultimately providing attainable housing that is practical and sustainable.

CICA intends, at least initially, to work to meet the housing needs of non-elderly Chebeaguers. The housing needs of elderly residents are somewhat different from those of younger people. They are more likely to need maintenance/repair and rehabilitation of houses they own already, or, when they find it difficult to manage in their own homes they may need assisted living options. The Island Commons provides such assisted living and the Island Commons Resource Center is already involved in planning for meeting other housing needs among the elderly. CICA intends to cooperate and coordinate with ICRC whenever possible.

The *Chebeague Housing Study* recommended specific five-year goals and more tentative goals for the period beyond the first five years.

¹ The response rate for the survey was 37 percent among year-round households, 38 percent among summer and other property-owning households and 22 percent for the 63 people contacted who lived off-island but had some connection to and interest in living on Chebeague. So this is not a random sample of all Chebeague residents. Instead it provides data on the people with a real interest in "affordable" housing on the island. This means that the proportion of people in this "low-to-moderate" income range is very probably higher among survey respondents than among the general Chebeague population.

To provide	Five-year goals	Beyond five years
Homeownership opportunities	8 households	12 households
Year-round rental housing	4 households	7 households
Assisted living opportunities	2 individuals	10 individuals

Between 2008 and 2018 Chebeague is projected to add between 30 and 45 houses to its regular, market housing stock. The state encourages towns to make sure that 10 percent of its new stock is affordable. If these goals can be met, The Town of Chebeague Island will have substantially exceeded this goal.

The Strategic Plan for Housing: Getting Organized --Short-term Steps

The Housing Committee's strategic planning meeting in the fall of 2006 identified a variety of very near-term actions that are essential for CICA to be effective in addressing Chebeague's housing issues. Most were accomplished or ongoing by July 2007:

1. See that CICA receives its 501(c) 3, tax exempt status. CICA got 501(c)3 status in June Of 2007.
2. Resolve the status of the Curit property as a site for affordable housing. The parcel belongs to the Town of Chebeague Island.
3. Build and maintain relationships with other island groups such as the Island Commons Resource Center, the Chebeague and Cumberland Land Trust, and the Indian Island Corporation. Ongoing.
4. Explore changes in Town of Chebeague ordinances and policies that would make provision of affordable housing easier. This is being done s part of the development of the new TOCI Comprehensive Plan which will be completed in 2010, and revision of Zoning and Subdivision Ordinances in 2010..
5. Learn from the experience of other islands by being active in the Island Institute's Affordable Housing Coalition, its Casco Bay Affordable Housing group, and other state-wide affordable housing networks. Ongoing.
6. Explore relationships with off-island affordable housing providers such as Habitat for Humanity. Still to do.

Medium-term Steps: Projects in the First Five Years

This Strategic Plan proposes that CICA provide five units of attainable housing over a five-year period, divided into three Phases (see attached flow chart).

The first project, now in operation, was to buy an existing single family house and make it available as an attainable house. In July 2007 CICA purchased 226 South Road for \$244,000. Money for the purchase and initial rent subsidy was raised through a \$197,000 loan from the Genesis Community Loan Fund, a grant for \$20,000 from the Island Institute's Affordable Coast Fund, and a matching grant of \$25,000 from Genesis for which CICA raised \$25,000. It will initially be rented, but in the future may be sold as an affordable house. If and when it is sold, the house will be subsidized to bring the asking price down to the \$180,000 range.

If the Town of Chebeague Island is willing, the proposed second project will be the provision of an affordable house lot. This is an idea borrowed from Long Island which has made several lots taken for non-payment of taxes available to young residents who want to build houses. The lots remain the property of the affordable housing group, and the builders pay annual “rent” to the Town to cover the cost of the property taxes.

The third project will be to provide at least two affordable rental units in a new building. This project is now in the planning stage and there are several options for achieving it. CICA could build the units itself, or it could provide assistance to some individual who is interested in building the units. To be financially feasible, the housing would need to be on lots close to a road and power lines. Costs could be kept down by using pre-built units or by having a long-time island builder take on the project with community assistance. Either way, the idea is to build cost effective, energy efficient and environmentally friendly units designed to be compatible with housing styles already on Chebeague.

This five-year goal is less ambitious than the one set in the *Chebeague Housing Study*. However CICA is run entirely by volunteers who need to gain experience through these early projects. In addition, the experience with the first project suggests that we need to have more specific information on what kind of housing the program’s constituency is interested in – house lots, apartments, family housing or other kinds of arrangements. The best way to get this information will be to interview people who have expressed interest in the housing program as well as others they may suggest to us.

Finally, during this initial five-year period, as the Town of Chebeague Island updates its Comprehensive Plan and revises its Zoning Ordinance, CICA should contribute actively to setting Town goals for providing housing that is attainable for working families and individuals, and developing mechanisms for implementing those goals. A revised Zoning Ordinance can include provisions that encourage the creation of affordable housing in a variety of ways.

Long –Term Steps: Institutionalization

If these initial projects can be completed, CICA will be in a position to work toward a larger project involving multiple rental and sale properties, both lots and houses.

Elements at this stage could include:

- Creation of an organization with paid staff to support long-term ownership and management of land and rental properties.
- Exploring additional assistance from the Town such as the creation of an Affordable Housing Tax Increment Financing District² or the creation of a housing authority.

² An Affordable Housing TIF District is a public program. A town designates a particular area where affordable housing, and typically market rate housing as well, will be developed. During the life of the district (say 20 years) the town and school district continue to get the same amount of property tax from the area that they got at the beginning. The increase in tax revenues that result from the development generated by the program is paid into an affordable housing fund during the life of the project. This can be

- Securing long-term funding for attainable housing. This might come through public payments from a property transfer tax and/or grant money and private fundraising for an endowment fund.

- On-going request to island homeowners for right of first refusal when a year-round house comes on the market.

Going Forward

This plan has been seriously and repeatedly discussed and then adopted by the Housing Committee. As this update indicates, some of its steps have been accomplished or are in process.

used to pay for public investment in the project and for future affordable housing efforts. When the project is complete, the additional tax revenues revert to the town and the school district.