

Section V.C.

Housing

I. Housing Data

| Islesboro Housing Units, 1990-2000 | | | | | | | |
|------------------------------------|---------------------|----------------|------------|--------------|------------|--|------------|
| Year | Total housing units | Occupied units | % of total | Vacant units | % of total | Of Vacant, # of seasonal, recreational or occasional | % of total |
| 2010 | 877 | 270 | 31.8 | 580 | 68.2 | 551 | 64.8 |
| 2000 | 741 | 280 | 37.8 | 461 | 62.2 | 431 | 58.2 |
| 1990 | 632 | 271 | 42.9 | 361 | 57.1 | 340 | 53.8 |
| Source: US Census, 2010 | | | | | | | |

The 2010 US Census indicated that Islesboro had 877 total housing units, with 270, or 31.8%, occupied year round. Of the total, 580 were identified as vacant; 551 of these, or 64.8% of the total, were “seasonal, recreational or occasional use”. Between 1990 and 2010, the percent of occupied units dropped and the percent of seasonal, recreational or occasional use increased.

| Islesboro Housing and Comparison Communities, 2010 | | | | | | | |
|--|---------------------|----------------|------------|--------------|------------|---|------------|
| | Total housing units | Occupied units | % of total | Vacant units | % of total | Of Vacant, # for seasonal, recreational or occasional use | % of total |
| Islesboro | 877 | 270 | 31.8 | 580 | 68.2 | 551 | 64.8 |
| Vinalhaven | 1295 | 545 | 42.1 | 750 | 57.9 | 685 | 52.9 |
| North Haven | 515 | 165 | 32.0 | 350 | 68.0 | 333 | 64.7 |
| Lincolntonville | 1465 | 959 | 65.5 | 506 | 34.5 | 423 | 28.9 |
| Source: US Census, 2000 | | | | | | | |

In 2010, Islesboro had a lower percent of occupied units than the other communities. The opposite was the case with seasonal units – Islesboro had a higher percent of seasonal units than the other communities.

Islesboro's average household size in 2010 was 2.07 persons, slightly higher than the 2.15 persons reported in 2000. (Source: 2000 and 2010 US Census)

| Islesboro Housing Tenure, 2010 | | |
|--|-----|-------|
| | # | % |
| Year round housing units* | 270 | 100% |
| Owner occupied | 217 | 80.4% |
| Renter occupied | 53 | 19.6% |
| The US Census defines "year round housing units" the same as "occupied housing units". | | |
| Source: US Census, 2010 | | |

Of the 270 occupied year round housing units, the vast majority was owner-occupied; only 53 units were renter-occupied.

According to interviews with realtors doing business in Islesboro, most recent home buyers of property priced higher than \$240,000 are from out of state and, on occasion, from out of the country. For properties priced under \$240,000, buyers tend to be from the Island or from other parts of Maine. (Source: Friends of Midcoast Maine interviews with realtors, August 2008)

II. Ownership Patterns

Nonresident ownership is widely distributed across Islesboro, including most of its shoreline. Blocks of resident ownership (yellow on the map) are evident UplIsland near Kedears Hill and within the loop created by Meadow Pond and Main roads, along the northeastern shore, Parker and part of Coombs coves, the Bluffs and parts of Ryder Cove inland to Main Road and extending to the west shore to Sprague Cove and in places down to Seal Harbor. Resident ownership is also clustered in a small area in the Narrows and DownIsland in interior lots bracketed by West Bay, Main, Mill Creek, and Pendleton Point roads. A small section of Dark Harbor is also owned by residents.

III. Housing Affordability

Unfortunately, very little data specific to Islesboro is available, so it is necessary to review data from Waldo County and nearby labor market areas (LMA) and communities.

| Islesboro Affordability Index, 2016 | | | | | |
|-------------------------------------|-------|-------------------|---------------|---|--|
| Location | Index | Median home price | Median income | Income needed to afford median home price | Home price affordable to median income |
| Islesboro | 1.44 | \$152,500 | \$59,073 | \$40,996 | \$219,746 |
| Camden LMA Housing Market | 0.89 | \$232,000 | \$57,996 | \$65,395 | \$205,751 |
| Lincolntonville | 0.82 | \$202,000 | \$47,614 | \$91,289 | \$161,985 |
| Belfast | 0.67 | \$184,600 | \$37,770 | \$56,481 | \$123,445 |
| Northport | 1.00 | \$211,000 | \$61,167 | \$60,867 | \$212,040 |
| Maine | 0.97 | \$184,000 | \$50,990 | \$52,545 | \$178,552 |
| Belfast LMA Housing Market | 0.97 | \$150,000 | \$42,814 | \$43,998 | \$145,963 |
| Waldo County | 1.04 | \$151,000 | \$45,559 | \$43,808 | \$157,037 |

Source: Maine State Housing Authority 2016

Waldo County housing is becoming less and less affordable for an average family and Islesboro is no exception. In 2016, the median price of a home in Waldo County was

\$151,000. The median income that was needed to afford this priced home was \$43,808. An affordably priced home would cost \$157,037 for a family with a median income. Sixty percent of Waldo County households were unable to afford a median priced home. In 2016 the median home price on the island was 152,500. On April 1, 2016, the median assessed value for properties with a building value greater than \$10,000 was \$235,600 (Vern Ziegler, Town Assessor).

Islesboro Affordable Property (IAP) manages 13 units. Eight units are in the Ruthie James Subdivision where IAP owns the land, seven of the homes are owned by the family residing within, the eighth home is owned by IAP and rented. IAP owns five other homes on the island, all are rented. (Source: Email Correspondence with IAP, 8/2017)

IV. Housing Projections

| Islesboro Projected Year Round Housing, 2010-2025 | | | |
|---|------|------|------|
| | 2010 | 2015 | 2025 |
| Owner Units | 266 | 278 | |
| Rental Units | 64 | 71 | |
| Total Units | 330 | 349 | 389 |
| "Occupied or For Sale or Rent"; 2025 is Friends of Midcoast Maine, straight line projection. Source: Maine State Planning Office | | | |

SPO projects an increase of 60 year round housing units between 2000 and 2015, or approximately 4 new units per year. Based on this annual projected growth in housing, the Town might anticipate an additional 40 new year round housing units by 2025, bringing the total new year round units since the year 2000 to 100.

However, since year round units are only an estimated 38% of Islesboro's total housing stock, it is also important to estimate the number of new seasonal units the Town might expect.

| Islesboro Residential Building Permits, 2008-2016 | |
|---|-----|
| | # |
| 2008 | 6 |
| 2009 | 5 |
| 2010 | 3 |
| 2011 | 5 |
| 2012 | 2 |
| 2013 | 0 |
| 2014 | 2 |
| 2015 | 2 |
| 2016 | 3 |
| Total 2008-2016 | 28 |
| Annual Average 2008-2016 | 3.1 |
| Source: Islesboro Building Permits | |
| | |
| | |

An examination of Islesboro's building permits suggests that, on average, between 2008 and 2017, the Town saw an increase of 3.1 housing units per year. Assuming a similar annual increase in total housing units between 2017 and 2025, Islesboro might expect an additional 28 new housing units. If 11 of these new units are year round, then approximately 17 would be seasonal.

V. Islesboro Affordable Property

In 1990, Islesboro Affordable Property (IAP) incorporated as a non-profit 501c3 to provide housing options for low and moderate income residents.

IAP is presently managing the Ruthie James Subdivision, an eight home neighborhood on wooded property behind the post office. The homes are owned by the occupants, but IAP owns the land on which the homes are located and leases it to the homeowner.

IAP built a ninth house on land in Dark Harbor, near the former bus barn, purchased from the Town in 2002. This home is rented to the residents.

On 22 acres Upland that was given to IAP by the Town, IAP has completed boundary surveys and identified locations for septic. It also has done water testing and identified satisfactory locations for housing at the back of the property.

In 2003, Mrs. Marjorie Burgund donated a five acre parcel on Moosewood Lane to IAP. In 2006, the first house on the Mazza property was completed and became home for a long time resident and teacher. In 2007, a second house, an extended 3 bedroom, 2 1/2 bath Cape, was completed and became home to a family that includes a teacher at the school, a carpenter, and two children. The third house is expected to be completed in the not too distant future. In 2008, the focus has been on preparation of other properties for future development. One home was sold with deed restrictions including a long term affordability formula to allow the owner to earn some equity in the building after three years.

A September 2007 survey of 30 people who work on the Island found that 17 were interested in living on Islesboro. Eight were single and 9 had families with a total of 23 children.

The waiting list for affordable property contains eleven families and the wait can be up to two years or more to find affordable rental or owned property. IAP's first priority is rental space to meet the dire need. There are very few 12 month rentals available on Islesboro. People must shuffle around in the summer and some end up moving off island. There is a need for studio apartments as well as 1, 2, and 3 bedroom homes. (Friends of Midcoast Maine interview with IAP, 9/9/2008 and IAP Fact Sheet)

VI. Islesboro Regulations

The Town's Land Use and Development Review ordinances include provisions important to affordable housing issues in three places.

First, single family and two family units are reviewed under Islesboro's Land Use Ordinance. Multifamily, subdivisions, and re-subdivisions are reviewed under both the Land Use Ordinance and the Town's Development Review Ordinance. Apartment houses, congregate dwelling facilities, and similar multifamily residential developments, not connected to a public sewer, require a minimum lot size of 1.5 acres per unit and are not allowed in Resource Protection, Limited Development, Meadow Pond, or Maritime Activities districts. However, the Planning Board is authorized to reduce the required minimum lot size for efficiency, one bedroom, or units designed for the handicapped, to 0.5 acres per unit, although the total lot area must be at least 1.5 acres per building, not accessory to the principal use. The Planning Board is directed to consider the "number of apartments designated and the effect on the neighborhood that the higher density would create." Apartment houses, congregate dwelling facilities, and other similar multiple dwelling facilities connected to a public sewer are required to be located on a lot not less than 1.5 acres per building not accessory to the principal use, and to have not less than 0.5 acres per apartment. These standards provide an opportunity for smaller land requirements for single tenant, elderly, and handicapped occupancy, but provide no relief for family rental units unless they are connected to a public sewer.

Second, mobile home parks, including more than four units, require paved interior roads, increasing overall development costs for this form of affordable housing.

Third, in considering calculation of fees to address the impact of proposed development on public facilities and services, the Planning Board is directed to exempt that portion of anticipated impacts appropriated by the "legislative body of the Town" or by county, state, or federal grants.

VII. Issues and Implications

1. Preliminary discussions suggest that the Town wants to stabilize, and perhaps grow, its year round population. Is this the case? If so, is affordability of housing a problem that undermines the goal of a more stable year round community?
2. While it may be important to determine the Town's carrying capacity, efforts to curb residential growth could have the undesirable effect of aggravating housing costs and affordability issues, driving more young adults and families from the community. What steps might the Town take to direct growth in ways that are less land consumptive and better support growth in ways that reduce its impacts on affordable housing for the Town?
3. While most communities regulate subdivisions under the direction of the state subdivision law, thereby mitigating the more undesirable impacts of development, some communities regulate single family homes developed lot-by-lot. Yet lot-by-lot development, which creates only small impacts on an individual basis, creates larger, cumulative impacts when added together. These cumulative impacts are very difficult to manage. How serious is the impact of incremental, cumulative development in Islesboro? How should the Town best manage it?
4. Given the lack of affordable housing on the Island, should the Town encourage development of additional year round rental units to provide more affordable family housing?
5. Islesboro's Land Use and Development Review ordinances include provisions to reduce minimum lot size and fees to support the development of affordable housing. Are these provisions adequate to help meet the Town's affordable housing needs? What more might the Town do to encourage the creation of additional affordable housing, particularly in support of a more stable year round community?