

Islesboro Housing Committee  
Regular Meeting  
Thursday, September 11, 2025  
In-Person Meeting at 5:30 PM, Town Office

 **APPROVED**  
10/2/25

MINUTES

1. Call to Order

Chair Mike Nelson called the meeting to order at 5:31 PM.

2. Establishment of a Quorum

Quorum was established with over 3 members present

Members Present: Chair Mike Nelson, Susan West, Tom Tutor

Members Present via Zoom: Ginnie Hess, Peter Rothschild, Ex Officio, and Cate Blackford (5:35)

Members Absent:

Others Present: Lindsey Govoni

Others Present via Zoom: Elizabeth Hayden

3. Approval of minutes of June 5, 2025

**Motion: To approve Minutes of June 5, 2025, as written, T. Tutor, seconded by S. West. No discussion.**

**Motion passed, 4 yes, 0 no, Unanimous.**

4. Introduction to Lindsey Govoni

- Mike introduced Lindsey Govoni, who is interested in joining the Housing Committee.
- Lindsey stated that she is the Director at the Islesboro Preschool and that she is mom to two children. Through her job, and being in touch with families in the community, the need for housing has come up frequently. Employees need housing, and a lot of people want to move back here but can't find housing. Lindsey was drawn to the committee, hoping to bring a fresh perspective that reflects the experiences of younger people trying to put down roots here. Housing issues affect the school in many direct ways.
- Mike gave a brief history of the Housing Committee and its purpose. The Committee was formed about five years ago. We've been cognizant of not stepping on the toes of what Islesboro Affordable Properties (IAP) does. We have no funding, so we are looking to what we can do to promote housing initiatives. Our biggest accomplishment so far was adding to the existing Town Centers by creating a third Town Center, which was approved last year. This provides the opportunity to create more housing, but we haven't seen anything happen as a result of it yet. One of the things we want to discuss is what we can recommend to the Select Board from a policy point of view.
- Tom added that we all appreciate the fact that there's a lack of workforce housing on Islesboro. IAP has done well to address the affordable housing issue, which puts them under some constraints that they can only offer housing at a certain level of income. People making above the median income are still having difficulty finding affordable homes on Islesboro. We've been trying to brainstorm solutions. Peter has suggested an idea to have a municipal real estate transfer tax to help finance housing. We've established ourselves as a clearinghouse for information to try to get a conversation going between groups, but we'd like to try to focus on trying to get the Town of Islesboro to take some concrete steps to solving this problem.
- Peter added that he is committed to the idea that the future of Islesboro's sustainability is tied very closely to the availability of housing that is affordable for people who are below the poverty line as well

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as everyone else. As a Select Board member, he would support any initiative that would make that process easier and more attractive to future residents. Peter stated he had an idea to ensure low-interest mortgages are available, guaranteed by the town or the state, which has been utilized effectively in other communities. He also would like to institute a program in which wealthy Islesboro residents building new houses would contribute directly to finance less expensive housing via a municipal real estate transfer tax. This has been done in other communities. He would like to see if this is feasible for Islesboro.

**Motion by T. Tutor, seconded by M. Nelson, to accept Lindsey Govoni and recommend to the Select Board that she be appointed to the Housing Committee. Roll Call. Motion passed, 5 yes, 0 no, Unanimous.**

5. Update on in-process affordable housing projects and potential land sales

- Mike stated that at the last meeting, we were talking about various pieces of land that were for sale and how they might be able to be used. We also talked about how Islesboro Affordable Properties (IAP) has made great strides, and has good news coming shortly.
- Susan is on the IAP Selection Committee. She stated that it's great that IAP can offer six units. There have been many applicants, more than we can help. In the early days of IAP, there was lower priced land that the town provided, and a lot of sweat equity. Rents are still very low in those houses. To build new housing, we don't have that same situation. IAP was given land by the Schnur family, but it's expensive to build now. IAP has purchased pre-fab houses to place on this land, at about \$500,000 each. IAP is not a charity, and just breaks even. The rents we charge have to cover the costs. They will be affordable for a certain level of income, but not for those below 50% of the area median income for the county. There will be a sliding scale, but some families are eliminated because they can't pay the bare minimum that we need to charge in order to not lose money. The duplexes are being built with donated money, but we still have insurance and maintenance costs. IAP can't afford to subsidize anyone. We need to select renters and put that forward to the Board of Directors, then set the rents.
- Susan added that with the applications coming in, it became clear that there were people who wouldn't be able to afford the duplexes. That was the impetus for doing another survey for small houses that would cost much less to build. Those could conceivably rent for \$600/month. Many people are interested in one-bedroom and studio units.
- Fundraising continues for IAP. There are some monies for the next duplex to be built. There's interest in doing things a bit differently so it doesn't cost so much to build. Currently, the duplexes are costing about \$300,000 each.
- Susan added that there's a real need for tiny houses or studios for single people or couples.
- Mike added that Barbara has put on the table the idea of IAP buying existing houses rather than building.

6. Brainstorming possible policy options to present to the Select Board / Town Manager

- Mike's understanding is that the State of Maine has a real estate transfer tax that would not preclude a municipality from putting their own in. If it's focused on houses that exceed a certain amount, then it would be easier to raise the money.

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- Peter stated he hasn't researched how to implement a municipal real estate transfer tax in Maine, but he has experience as an architectural consultant to a town in New Jersey that did this. He hopes to research whether or not this is a feasible idea.
- Peter stated that he's been very involved in the Ferry Road property, both in negotiations with the owner and with the goal of creating some revenues for the Town with parking fees. 75% of the property is in the flood zone, and the rest is not well located for development, but there may be an opportunity in the future. It's a complicated situation as there's a restrictive covenant on the property, zoning changes, wetlands, etc.
- Cate stated it's her understanding that Maine does not allow Real Estate Transfer Tax at the local level. There was a bill in 2015 to allow that, and it failed. There was a bill passed this last spring that creates a graduated real estate transfer tax so that if your home is worth more than \$1M when it's sold, there's a higher tax rate. It lowered the transfer tax for homes less than \$1M. There are a lot of local options that are denied at the state level, such as a vacancy fee and local transfer tax.
- Cate reported that Stonington has been putting money into a housing fund from their general fund. It may be a certain percentage of the annual town budget. 15 years ago, there was a developer like IAP created to serve all of Deer Isle. They have done a 10-unit and 12-unit development, but they have water and sewer, so they have some resources for density. Stonington also historically has had lots of boarding houses in town for the people who've worked there. They have water and sewer that was put in place 100 years ago. They are looking at a new development soon, maybe within that town center. Town land was not suitable for the mobile home park they were planning. They have a final report with recommendations on how to do it, coming at the end of October. They are using the town housing fund to help create it, and then subsidizing it, with a developer who's going to create a park, by either putting in the water and sewer extension, doing some kind of cash subsidy from the fund, or providing the utility hookup. They might also do it with raw lots. They haven't decided how they're going to go about creating the public mobile home park or where it's going to go. One of their concerns is water. Stonington is importing water. They don't have enough from their local aquifer. They are looking at creative solutions.
- Mike asked Cate if towns within the State of Maine get allocated a piece of the state transfer tax. Cate stated that 10% goes to the county for administering and recording the deeds, and the rest goes to the state. There's a campaign there in terms of trying to pass it at the state level to allow municipalities to pursue that as a strategy. It would be good to talk with state representatives, the Maine Municipal Association, and some of the regional associations we're part of, to look into legislation to allow transfer tax locally.
- Cate added that the biggest opponents of a transfer tax have been the realtors.
- Ginnie stated that realtors don't want it to be more expensive for people to buy houses. It just makes it harder. The way you calculate transfer tax is you divide the purchase price by how many \$500s go into the purchase price, multiply that by \$2.20, and that is divided equally between the buyer and the seller.
- Tom added that as an example, there was a property sold in Maine for \$390,000, the transfer tax was \$1,700, and the buyer and seller split that.
- Peter clarified that the tax he's familiar with in other communities was inspired by a lack of staff for the wealthy households. The town passed legislation that only affected people who were building or buying

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houses for over \$1M. It was not designed to tax working-class people. On Islesboro, if you're spending \$10M - \$20M on a house and kicked in \$20,000 to this fund, it wouldn't be a hardship.

- Tom stated that if the state were to allow municipalities to do this, our municipality could write a statute that had exemptions. We could structure it however we want to.
- Cate stated that the law that changed at the state level exempted people who participate in the first-time homebuyer program. It increased the rate to \$4 per \$500 of home value for the properties with a value in excess of \$1M. The projection is that by 2028, it will raise \$6.5M of General Revenue, and \$6.5M of Special Revenue. That's statewide.
- Tom suggested we talk to those regional organizations and state representatives and start making some noise, that Islesboro would like to see the state allow municipalities to have a local transfer tax.
- Cate added that in 2015, the Maine Municipal Association supported legislation, the Maine Farm Bureau opposed it, and the Maine Association of Realtors opposed it, but there was very little testimony. The County Commissioners opposed it because it would be considered an unfunded mandate to have to oversee the administration of parts of it.
- Peter feels that, for a certain proportion of people building on Islesboro, this wouldn't be an issue.
- Mike stated that Melissa Burns was the Select Board representative at the Midcoast Council of Governments. It might be worth asking if she still is. Mike sits with a couple other residents on the Maine Islands Coalition group. They have a meeting next week. Mike is happy to bring up this topic. Other islands have all identified affordable housing as a high-priority issue.
- Cate suggested asking if any other municipalities have funds like Stonington's. Stonington doesn't have a designated or dedicated revenue source, but Cate is curious if any other towns have something they use to fund a housing fund.
- Mike stated that this topic was requested and it will be on the agenda for the coming meeting. There are a lot of new people at the Island Institute, which underwrites the Maine Islands Coalition. Not much has been done in the last six months. Hopefully we'll see some action from this revamped group.
- Mike stated he heard that Page Clason's building on Meadow Pond Road will have some housing for people who work here. Carrie believes it will have one dwelling unit and some space for his business.
- Tom stated that Earl MacKenzie has built a new house on the Northeast Point property for less than \$350,000. It would be interesting to have him talk with us about how one could do it.
- Susan suggested coordinating a meeting with this group and IAP for a session with Earl.
- Mike stated we should invite him to the next meeting to talk about that.
- Mike added that when IAP had their open house, there were a number of potential donors who mentioned a desire to see the Housing Committee, IAP, the Town, and IESC talk together more about housing specifically. One of the things we haven't done is to really bring the Town into it.
- Mike suggested bringing the Town into the discussion to develop a policy relative to supporting affordable housing and workforce housing. IAP is doing a lot for affordable, but we need more for workforce housing. It would be good if the Town took a stance somehow.
- Tom stated that one of the ways the proceeds of a transfer tax has been used has been to pay for bond expenses. If there were a pool of money, that could pay the interest on a bond. The Town could structure a bond initiative to build houses, and it would be more attractive because it would be essentially interest free if there was this other revenue stream to pay the interest. It's interesting, but still determined by the state allowing municipalities to impose a real estate transfer tax.

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- Mike asked Cate about tax increment financing. Did we conclude that it wouldn't work in our community? Cate replied that the challenge is the scale that's needed to make it a sizeable enough fund. From what she could find, there were no towns as small as ours that had a tax increment financing district.
- Tom added that the only way we could do it is in the Town Centers. The increase in valuation within the Town Centers over a 10-year span would not be significant enough.
- Mike asked Peter to take to Select Board the Committee's discussion relative to the town coming up with a statement of support on both affordable and workforce housing. Peter agreed.
- Mike explained that a potential IAP donor said to him that he and his family had yet to make a donation to the IAP program, because what he wanted to see was the Housing Committee, IESC, IAP, and the Town work together on a housing policy strategy. Mike feels that step one is to get everyone on board with a statement of support, and then work from there. This group could possibly go after a municipal transfer tax, if that's what we want.
- Susan asked how we define "affordable" vs. "workforce" housing. Mike replied that "affordable" can be in alignment with Maine Housing guidelines for income level, rent level, etc. "Workforce" housing is for people who are above the low-income bracket, such as schoolteachers, electricians, plumbers—the people who keep our town going. That group may not be able to meet the Maine Housing guidelines, because they might make too much money, but they still aren't going to be able to pay the median price of a house on the island.
- Susan presented a draft of her survey for islanders. It asks about preferred square footage, studio or one-bedroom houses, how many members of the family would there be, kinds of work, etc. This dovetails with IAP. Perhaps the Town could distribute the survey. We could do another survey for folks off the island after this one. Susan asked for suggestions and amendments.
- We could put drop boxes at the Town Office and the ferry ticket office.

7. Comments from Visitors

- None.

8. Next meeting date

- Next meeting Thurs, October 2<sup>nd</sup>, 5:00 PM.

9. Adjourn

Motion by T. Tutor, seconded by S. West, to adjourn at 6:33 PM. Roll Call. Motion passed, 5 yes, 0 no, Unanimous.

Respectfully Submitted,



Carrie Reed, Secretary

