

Year Round Housing Committee  
Long Island, Maine 04050

**Summary Report to the Town of YRHC Progress - 2023-2025**

The YRHC has come to a point where some review and reflection are needed before additional energy and time goes into our lofty goal of “*seeking housing solutions to sustain the year round community*” Our current efforts are not producing tangible results.

Town Meeting 2023 approved seed money from the sale of a parcel of Town Land to assist the newly created YRHC (separate from the existing 501c3 –YRHCorp) to begin a fresh look at the growing housing issues facing our town.

A previous effort nearly 20 years ago fell short for lack of funds to supplement a Maine State Housing (MSH) grant to build two homes on town land. Short summary: the allowable rents to meet the MSH program could not cover the cost of building the houses even with significant grant assistance. We had no additional pool of funds to cover the gap.

With a second 2023 MSH Unbridged Islands grant program (\$840,000 for 4 units), the appointment of a part time Housing Director, a Selectboard appointed new housing sub-committee, and \$35,000 seed money, work began to study our options and try again. The goal was to develop a project for “Workforce Housing” that would keep or attract working families for Long Island who are otherwise priced out of the housing market.

A 4 unit subdivision was the primary focus which would gain the maximum amount of subsidy for similar fixed costs and efforts Armed with a new “Cluster Zoning” provision and the seed money, survey work of the site produced about 7 acres of what appeared to be flat, gravel, mostly cleared land with good potential for septic and water and access.

An architecture and master-planning firm was engaged (Dextrous Creative-Tracie Reed) to develop two duplex units on the property with room for future expansion. Fast forward about a year and the short summary of this project is the costs of developing the site and building are significantly in excess of what the rents could cover without additional subsidy from fund raising, philanthropy, and/or the town. The plan was for the rents to cover a town backed loan. While the much higher rental ceiling made paying back a mortgage more realistic than the first grant program, it also made the rents potentially more unaffordable for our target demographic.

With that reality, we began to explore alternate smaller town sites. None would accommodate the 4 units and all needed significant additional survey, septic, setback and other study work and costs.

During this period, the YRHC explored the “Spar Condos” at first as a remote idea and then more realistically as a potentially less expensive per unit alternative. Short summary: after a tour, the quality of the interiors was determined to be very good plus they were fully applianced and furnished and ready to go. The costs and rents could be quantified, and we could be in the “*housing solutions*” business in a matter of months. This in contrast to years of frustrating planning, construction, permitting, escalating costs, and multiple unknowns for our volunteer committee faced with the 4 unit duplex project .

It would be an understatement to say there were many unknowns with the Spar Condos to be flushed out, but extensive work had just been completed on the septic system and domestic water systems, which have been a long standing concern. With that in mind, we made several offers.

Our best offer, which was rejected, was calculated to be cost neutral to the Town with the potential rental incomes. The contingency issues of how long and what hurdles were to be crossed with the town meeting process to make this deal happen would scare off almost any seller. An engineering inspection is needed of the building to see what the real condition is. While the YRHC is willing to wait and see if the price might come down, the \$840,000 MSH grant is due to expire by the end of February after which there are no successful economic plans for any project we can see.

There are numerous additional details to each of the possible projects, but there are some less obvious issues that will hinder success of almost any project on Long Island. The biggest issue is inadequate funding and the delayed timing needed to seek Town Meeting approval for funding and/or borrowing authority to proceed. These required steps do not work in a timely fashion in the real estate world.

There needs to be a significant pool of available funds to move projects forward in a timely and economic way in any real estate project/proposal. One cannot ask for additional new funding except at budget time and approval by the Annual Town meeting. One can ask for borrowing power or transfer of funds mid year if funds are secured in a dedicated account or reserve account. The creation of such a fund would seem vital for any future projects. The sale of town properties would be an obvious starting point. Our plans for both projects noted above involved asking the voters to approve borrowing with payback from rental income. That might work, but fact finding, startup costs and delays mean that additional funds need to be readily available to fill the gap between acquisition and closing and other costs not covered by the loan and the time of full occupancy.

It is always helpful to look at other island towns. Almost all have had some success with affordable/year round/workforce programs. They all have substantial benefactors and/or fundraising efforts and longer and more immediate views of the serious consequences of the lack of housing to the survival of their year round communities than we seem to have.

The cost of everything coupled with the fact that we live in a very desirable place to the second home vacation market is not in our control. This issue helps make housing totally unaffordable for the working folks we need to sustain our town and who want to be here or stay here.

The citizens and leadership of Long Island need to decide if some type of better financial support is in their best interests. Without that, the efforts of any housing committee probably will remain futile. At our most recent and maybe final meeting, the YRHC felt that additional ideas and suggestions from residents are needed. We also agreed that substantial funds need to be available to move in a timely and economic way for any real estate opportunities that may surface. As noted above, the retention of funds from the sale of town properties in a reserve fund could be such a source.

Fundraising sounds easy, but it is not. We certainly welcome donations and would really welcome someone to oversee a capital campaign.

