

# MULTI-COMMUNITY HOUSING ASSESSMENT



*Rockland Multi-Family Housing*



*Saint George Traditional Single Family Housing*



*Lincolnton New Manufactured Housing*



*Rockport New Suburban Single Family Housing*



*Thomaston New In-Town Single Family Housing*



*Camden Single Family Housing Rehabilitation*

**Including the Municipalities of Camden,  
Lincolnton, Rockland, Rockport,  
Saint George and Thomaston, Maine**

**July 2005**

# Multi-Community Housing Assessment

July 14, 2005

## Introduction

This Multi-Community Housing Assessment includes the municipalities of Camden, Lincolnton, Rockland, Rockport, Saint George and Thomaston. The Assessment was initiated to respond to the loss of affordable housing and growing concerns about how this may impact local communities. Each municipality has home rule authority on land use planning matters. They choose whether to adopt land use ordinances, subdivision and site plan review ordinances. This makes regional planning for affordable housing a challenge. Responding to this challenge means promoting inter-municipal cooperation, as the housing market is indeed regional. To this end, this Housing Assessment describes municipal and regional housing and economic trends. The prime sources of information are demographic and economic data supplemented by knowledge gathered from community members. Using these sources, a prioritization of community actions and implementation strategies has been formulated to meet housing needs.

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# PART I.

## A. EXECUTIVE SUMMARY

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This Multi-Community Housing Assessment includes the municipalities of Camden, Lincolnville, Rockland, Rockport, Saint George and Thomaston. The lack of affordable housing is of regional concern because it affects most communities in the Midcoast. It is clear as well that addressing this need on a regional basis is more cost effective and more practical than having each individual community work alone on housing. This Assessment describes and analyzes municipal and regional housing and economic trends using data principally from the U.S. Census, the Department of Housing and Urban Development, and the Maine State Housing Authority. Clarification and confirmation of issues raised by this analysis was gathered from community meetings and discussions. From this, a prioritization of community actions and implementation strategies was formulated to meet housing needs. Key demographic, economic and housing trends are summarized in this Executive Summary and are described in detail within this Assessment.

### *Population and Workforce Change*

- From 1990 to 2003, the study area population increased by over 7%.
- Population growth is due principally to the in-migration of new residents, rather than through natural increase (births to residents).
- More people are choosing to build new homes outside service center communities, where land prices and property taxes tend to be more affordable.
- Since major employers have remained in the service centers, commute times have been increasing.
- The number of households in the study area increased by more than 12% during the 1990's, while the average size of households decreased by more than 6%.
- There are more retiree, single-person and single-parent households in the study area today.
- There are fewer 18-24 year old persons due to: high housing costs for young adults and their families, limited employment opportunities in higher paying occupations within the region, the start of college or military service, and more simply those young adults exploring other areas to live and work.
- Among the study area communities, the highest percentage of poverty is found in Rockland, almost 15% of individuals and more than 10% of families. Rockport has the lowest level, more than 7% of individuals and more than 5% of families. Those living in poverty are most likely to be in a single parent household.

### *Household Formation, Characteristics and Stock*

- Occupied housing increased in every community, with construction of year-round housing at a greater rate than seasonal housing, but not at a rate sufficient to keep up with demand.

- The study area has a fairly high proportion of renter occupied housing compared to similar areas at 31.6%. Rockland has nearly 46% of its occupied housing in rentals. Camden has almost 31%, while Thomaston has 32%.
- Each community, except Rockland, had more people in their labor force in 2004 than in 1990. Each community, except Thomaston, had fewer people unemployed in 2004 than in 1990, indicating that overall, more employment opportunities have become available.

#### *Employment, Wages and Household Income*

- Wage earning employment grew 1.8% between 2000 and 2003 in the Rockland Labor Market Area, while the State grew only 0.14% during the same period.
- Job creation has been outpaced by population growth.
- Housing growth is being fueled by more than the local economy, that is, by immigration of generally older and more affluent individuals who often are not dependent on the local economy for their livelihood.

#### *Affordability Analysis Summarized*

Affordable housing means decent, safe and sanitary living accommodations that are affordable to persons in the very low, low and moderate-income groups. The State defines an affordable owner-occupied housing unit as one for which monthly housing costs do not exceed approximately 30% of monthly income, and an affordable rental unit as one that has a rent not exceeding 30% of monthly income (including utilities).

- A 2-person household needs to earn a minimum of \$14,120 to afford the Fair Market Rent in Knox County for a 1-bedroom rental; \$18,160 for a 2-bedroom; \$23,600 for a 3-bedroom; and \$31,520 for a 4-bedroom rental.
- In the study area, 1,065 renters earn less than is necessary to support a one-bedroom rental at the Fair Market Rent. An additional 304 renters could not afford a 2-bedroom rental; an additional 363 renters could not afford a 3-bedroom rental; while an additional 416 renters or 64% of all renters could not afford a 4-bedroom rental.
- Overall, nearly 37% of renters in the study area are paying more for their housing than is considered affordable. In Rockland, that figure is 40.8%, while in Saint George it is 16.8%.
- As a service center, Rockland had the most subsidized housing units in all but one category, total market housing. Camden has the second largest amount of subsidized housing, while Saint George had none.
- The deficit between the supply of subsidized units (including vouchers) and the demand, i.e., those who can afford only a 1-bedroom at Fair Market Rents in the study area, approaches 128 rental households. However, many of these families require two or more bedrooms, so the demand is likely higher.
- Workers are stressed to support the cost of median housing prices in the study area. A household with 1.5 workers employed in the lowest paying industry (leisure & hospitality) could afford a house costing \$62,969. A household with 1.5 workers employed in the highest paying industry (financial activities) could afford a house costing \$193,501.

- Median housing prices vary in the study area – a worker with the median income in Rockland could afford 149% of the median housing price in this situation; only 66% in Camden, 113% in Lincolnville, 73% in Rockport, 93% in Saint George, and 141% in Thomaston.
- Home prices have escalated dramatically, both nationally and within Maine. This trend is magnified by the aging of the baby boomers and the ability and inclination of this group to purchase second/retirement homes in our scenic region.

## B. ACTION PLAN

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The following Goals, Implementation Strategies and Tasks were developed and prioritized by the Multi-Community Housing Assessment Steering Committee, including representatives from the municipalities of Camden, Lincolnville, Rockland, Rockport, Saint George and Thomaston. Timeframes are defined as follows:

Immediate	2005-06
Intermediate	2007-10
Long term	2011-

Abbreviations:

CAHO	- Camden Affordable Housing Organization
CCAP	- Coastal Community Action Program
CDBG	- Community Development Block Grant
DECD	- Department of Economic and Community Development
EMDC	- Eastern Maine Development Corporation
FHLB	- Federal Home Loan Bank
MAP	- Maine Association of Planners
MCEOA	- Midcoast Code Enforcement Officers Association
MCRPC	- Mid-Coast Regional Planning Commission
MHC	- Midcoast Housing Coalition
MSHA	- Maine State Housing Authority
USDA/RD	- United States Department of Agriculture/Rural Development

**Priority Goal #1:** Develop rental housing for the workforce, while retaining existing rental housing.

**Implementation Strategy #1:** Assist developers seeking to create rental housing.

**Task #1:** Provide assistance through the Low Income Housing Tax Credit (LIHTC) Program.

**Time Frame:** Immediate

**Responsible Party(ies):** *Planners, Town/City Managers*

**Funding:** MSHA

**Task #2:** Provide assistance through the USDA RD 515 program.

**Time Frame:** Immediate

**Responsible Party(ies):** *Town/City Planners, Town/City Managers*

**Funding:** USDA/RD

**Implementation Strategy #2:** Partner with participating banks to gain access to the Federal Home Loan Bank of Boston Affordable Housing Program (AHP).

**Task #1:** Provide training to interested parties on FHLB Funding.

**Time Frame:** Immediate

**Responsible Party(ies):** *CCAP, CAHO, MHC, local banks*

**Funding:** MHC, local banks

**Implementation Strategy #3:** Support community/business partnerships that can help develop community wide applications for Community Development Block Grants (CDBG).

**Task #1:** Outreach to municipalities and businesses.

**Time Frame:** Immediate

**Responsible Party(ies):** *EMDC, MHC, municipalities*

**Funding:** Municipalities (See Priority Goal #7.)

**Implementation Strategy #4:** Support local initiatives that can expand the supply of rentals available.

**Task #1:** Encourage zoning changes that permit the addition of accessory apartments in growth areas.

**Time Frame:** Intermediate

**Responsible Party(ies):** *Ordinance Committee, Planning Board, Town Meeting or City Council*

**Funding:** None required

**Task #2:** Provide for conversion of single family to multi-family in growth areas.

**Time Frame:** Intermediate

**Responsible Party(ies):** *Ordinance Committee, Planning Board, Town Meeting or City Council*

**Funding:** None required

**Implementation Strategy #5:** Use density bonuses as an incentive to encourage the production of below market rentals.

**Task #1:** Educate participating towns about density bonuses.

**Time Frame:** Intermediate

**Responsible Party(ies):** *Ordinance Committee, Planning Board, Town Meeting or City Council*

**Funding:** None required

Priority Goal #2: Assist low to moderate income homeowners to remain in their homes.

**Implementation Strategy #1:** Assist homeowners with low and moderate incomes to maintain their homes and retain ownership.

**Task #1:** Locate available maintenance and rehabilitation funding sources.

**Time Frame:** Immediate

**Responsible Party(ies):** *CCAP, MHC, CDBG, participating towns*

**Funding:** CCAP, CDBG

**Task #2:** Support home repair network administered by CCAP and CDBG.

**Time Frame:** Immediate

**Responsible Party(ies):** *Planners, Selectpersons, City Council*

**Funding:** CDBG

**Implementation Strategy #2:** Retain mobile homes as a viable housing option.

**Task #1:** Ensure that mobile homes are permitted residential use.

**Time Frame:** Ongoing

**Responsible Party(ies):** *Municipalities*

**Funding:** None required

Priority Goal #3: Improve access to homeownership opportunities.

**Implementation Strategy #1:** Utilize affordable housing non-profit and for-profit organizations that can leverage land, financing and other resources to reduce the costs of housing.

**Task #1:** Identify potential non-profit and for-profit developers.

**Time Frame:** Intermediate

**Responsible Party(ies):** *CCAP, non-profit/for-profit developers, City of Rockland*

**Funding:** None required

**Implementation Strategy #2:** Improve access to homeownership opportunities by creating tools to build equity.

**Task #1:** Provide access to “equity” through soft second or gap mortgages and other tools.

**Time Frame:** Immediate

**Responsible Party(ies):** *CCAP, RD, CAHO, participating towns*

**Funding:** CDBG, CCAP, local banks



**Task #2:** Develop self-help projects that reduce cost of homeownership.

**Time Frame:** Intermediate

**Responsible Party(ies):** *CCAP, RD, CAHO*

**Funding:** RD, Habitat for Humanity

**Implementation Strategy #3:** Investigate cooperative housing.

**Task #1:** Contact the City of Bath for information and training.

**Time Frame:** Intermediate

**Responsible Party(ies):** *MHC*

**Funding:** None required

**Implementation Strategy #4:** Encourage the development of employer sponsored housing.

**Task #1:** Support efforts of local chambers of commerce and local businesses.

**Time Frame:** Intermediate

**Responsible Party(ies):** *CCAP, MHC, Rockland/Thomaston Chamber of Commerce, Camden/Rockport/Lincolntonville Chamber of Commerce, Penobscot Bay Medical Center*

**Funding:** None required

Priority Goal #4:	Encourage housing development in the service center communities (Camden, Rockport, Rockland and Thomaston) near public water and sewer.
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**Implementation Strategy #1:** Identify suitable undeveloped parcels.

**Task #1:** Utilize municipal geographic information systems.

**Time Frame:** Intermediate

**Responsible Party(ies):** *Planners, MCEOA, MHC*

**Funding:** Municipalities

**Implementation Strategy #2:** Develop affordable cost sharing approaches for the extension of public infrastructure to support new housing development.

**Task #1:** Identify applicable CDBG public infrastructure and housing assistance programs.

**Time Frame:** Immediate

**Responsible Party(ies):** *Municipalities, MHC, EMDC*

**Funding:** CDBG

**Implementation Strategy #3:** Promote the use of Affordable Housing Tax Increment financing.

**Task #1:** Establish training on housing TIFs for towns and developers

**Time Frame:** Intermediate

**Responsible Party(ies):** *MHC, MCRPC, EMDC*

**Funding:** MSHA, municipalities

Priority Goal #5: Encourage affordable workforce housing through land use ordinances and regulations.

**Implementation Strategy #1:** Examine Subdivision Ordinances and amend as necessary to provide flexibility for affordable housing development.

**Task #1:** Consider amending Subdivision Ordinances to provide for major and minor subdivision review to expedite the review process for small, affordable housing subdivisions.

**Time Frame:** Intermediate

**Responsible Party(ies):** *Ordinance Committee/Planning Board, Selectpersons/Town Meeting or City Council Approval*

**Funding:** None required

**Task #2:** Reduce road width and/or right of way requirements through the use of waivers from subdivision design standards along with easements to increase the portion of land available for development, thereby making housing more affordable.

**Time Frame:** Intermediate

**Responsible Party(ies):** *Ordinance Committee/Planning Board, Selectpersons/Town Meeting or City Council Approval*

**Funding:** None required

**Implementation Strategy #2:** Permit accessory apartments in growth areas.

**Task #1:** Amend local ordinances as necessary.

**Time Frame:** Intermediate

**Responsible Party(ies):** *Ordinance Committee/Planning Board, Selectpersons/Town Meeting or City Council Approval*

**Funding:** None required

**Implementation Strategy #3:** Explore the feasibility of density bonuses (often 20% or greater) for a percentage of affordable units and/or establish affordable housing set asides in subdivision proposals when appropriate and within clearly defined ordinance provisions.

**Task #1:** Initiate search of working density bonuses in other communities.

**Time Frame:** Intermediate

**Responsible Party(ies):** *Ordinance Committee, Planning Board, Planners, MAP*

**Funding:** None required

**Task #2:** Share information on density bonuses as found in Task #1 above.

**Time Frame:** Intermediate

**Responsible Party(ies):** *MHC, MCEOA*

**Funding:** None required

Priority Goal #6: Promote opportunities for homebuyer/contractor education.

**Implementation Strategy #1:** Provide home buyer education.

**Task #1:** Support CCAP home buyer education program.

**Time Frame:** Immediate

**Responsible Party(ies):** *CCAP, MHC, local banks*

**Funding:** CCAP

**Implementation Strategy #2:** Provide contractor education.

**Task #1:** Contact Midcoast Builders Alliance on status of contractor education

**Time Frame:** Intermediate

**Responsible Party(ies):** *CCAP, MHC, local banks & builders*

**Funding:** Builders

Priority Goal #7: Promote regional housing initiatives among municipalities.

**Implementation Strategy #1:** Continue inter-local cooperation by sharing services, resources and professional experience to achieve affordable housing solutions.

**Task #1:** Each participating community to contract, hire or share administrative services on an “as needed” basis for multi-community grant opportunities.

**Time Frame:** Immediate

**Responsible Party(ies):** *Select persons/Town Meeting, City Councilors*

**Funding:** CDBG, municipalities

**Task #2:** Maintain communication, sharing of information and training among municipalities for affordable housing initiatives.

**Time Frame:** Immediate

**Responsible Party(ies):** *MHC, MCEOA, municipalities.*

**Funding:** None required.

**Implementation Strategy #2:** Prepare and submit additional housing grant applications on a regional multi-community basis, with support from the MHC.

**Task #1:** Thomaston (lead community) and Rockland should prepare and submit a CDBG Housing Assistance planning grant application (2006).

**Time Frame:** Immediate

**Responsible Party(ies):** *Assigned municipal staff, hired consultant or community development director*

**Funding:** City of Rockland, Town of Thomaston

**Task #2:** Union (lead community) Washington and Waldoboro to prepare and submit a CDBG Housing Assessment grant application (2005).

**Time Frame:** 2005

**Responsible Party(ies):** *Assigned municipal staff, hired consultant or community housing director*

**Funding:** MHC, CDBG

**Task #3:** Camden, Saint George, and Rockport should provide training and conduct a windshield exterior housing condition survey to determine the need for housing rehabilitation.

**Time Frame:** 2006

**Responsible Party(ies):** *Assigned municipal staff, hired consultant, MHC, City of Rockland*

**Funding:** Municipalities

**Task #4:** Camden, Saint George, Rockland and Rockport should consider a Homeownership Initiative Program using CDBG Housing Assistance grant funds in collaboration with state and federal agencies (2006 and 2007).

**Time Frame:** Project planning in 2006 for application in 2007

**Responsible Party(ies):** *Assigned municipal staff, hired consultant, EMDC, MCRPC, CCAP*

**Funding:** CDBG Technical Assistance, municipalities

## C. HOUSING GOALS AND STRATEGIES

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This Multi-Community Housing Assessment is designed to identify housing goals and action steps that can assist the six study area communities of Camden, Lincolnton, Rockland, Rockport, Saint George and Thomaston to meet their housing needs. An extensive review of secondary data (Part II) identified a number of issues. A series of public meetings were held to corroborate these issues and deepen our understanding of the issues facing each of the participating communities. In addition, each community's Comprehensive Plan was reviewed for information on housing goals and strategies. Finally, an Advisory Steering Committee, comprised of appointed representatives from each of the communities was formed to help direct the study and review and comment during its preparation.

Following are the goals that emerged from the above process. These goals will guide the strategies that follow.

### Goals

1. **Develop rental housing for the workforce, while retaining existing rental housing.**
2. **Assist those families with lower incomes to remain in their homes.**
3. **Improve access to homeownership opportunities.**
4. **Encourage housing development in the service center communities nearby to public water and sewer.**
5. **Promote opportunities for homebuyer education.**
6. **Encourage affordable housing through land use ordinances and regulations.**
7. **Promote regional housing initiatives among municipalities.**

#### **Goal 1: Develop rental housing for the workforce, while retaining existing rental housing.**

Rationale: The area currently enjoys a fairly diverse mix of rental housing options. Rental housing provides an important housing option for those not able or willing to pursue homeownership. For the young, rental housing is often the first step toward independence. Rentals provide fluidity in the job market and allow business to grow and workers to experiment with different employers - making for a more dynamic labor market. For the elderly, rentals become a means to live independently without the expense and burden of homeownership. Yet, the number of multi-family units declined between 1990 and 2000 in the study area. This trend continues despite the addition of developments like Meadow View and Stevens Green in Rockland.

The study area provides a diverse mix of rental housing options. Overall, nearly 31% of the study area's occupied housing is comprised of rentals. However, among those with the lowest incomes, there is a gap. In 2004, there were a total of 700 subsidized units available to families and the elderly, nevertheless, four years earlier there were 1,002 households earning less than \$20,000/year and paying greater than 30% of their household income for rent. Thus, there are in excess of 300 households that qualify for rental assistance, but currently do not receive it. These households are often living in substandard units and/or paying an inordinate amount of their income for rental expenses. Preserving the stock of existing rental housing and assisting/promoting minimum housing quality standards is one way to assist renters.

Conversely, there is significant rental stock in the area that is rented to households making more than \$35,000/year. Indeed, there were 1,032 such renter households in 1999, according to the Census. This portion of the rental market likely occupies the better rental units, providing important housing options for a growing economy. It is also the portion of the market that will be impacted first by an economic contraction or the loss of a major employer, such as MBNA. A continued strong rental market; however, may provide some options for density bonuses for market rate rental housing that includes a portion of affordable housing.

**Strategies:**

1. *Assist developers seeking to create rental housing.*
  - a. *Assist developers seeking to utilize the Low Income Housing Tax Credit (LIHTC) Program.*

This federal financing tool is the primary means for developing multi-unit projects for workforce housing. The program is targeted towards assisting renters earning less than 50% of the Annual Median Family Income, although there are various formulas to address different income levels. The program utilizes tax credits granted by the federal government, and is generally limited to six projects per year or about \$2 million per year in Maine. Subsidies beyond the project financing are sometimes available, and at the lowest income levels (less than 40% of AMFI) may be necessary for a tenant to support the rent. A recent project developed by Community Housing of Maine in Rockland provides rents according to the following schedule: one bedroom - \$494 (\$600); two bedroom - \$591 (\$690); and three bedrooms - \$680 (\$990). The prevailing market rents are noted in parentheses for 2004.

Due to limited funding, the program is very competitive. Maine State Housing Authority administers the program by holding a competitive application process each year for the 9% federal low-income tax credits and awards these tax credits to developers based on the established criteria. The developers who are awarded tax credits sell these tax benefits to investors through intermediaries.

In addition to the 9% low income tax credit projects, there are also 4% tax credits. The 4% tax credits are more readily available, but these projects may be less

economically feasible. For this reason, 4% tax credit projects work best in strong rental markets where market rate units mixed with lower income units will more likely be feasible. Realty Resources, a Rockport based company, recently developed Ellsworth's congregate housing project for the elderly using 4% tax credits.

Communities can support these projects through the donation of land, appropriate zoning and the packaging of other financing sources to support the project.

*b. Assist developers seeking to utilize the USDA Rural Development 515 program.*

Rural Development provides loans for up to \$1,000,000 at 1% interest. This deep subsidy is designed to reduce costs and to attain affordable rents. Projects compete on a national level, as there is none set aside for Maine. However, Maine has always competed well for these types of projects. Rental assistance may also be available for very low-income tenants. Due to limited funding, multi-family rental projects need to have at least 25% leveraged funds from other sources. Through a cooperative agreement with the Maine State Housing Authority (MSHA), priority is given to projects that help leverage other MSHA programs, such as the LIHTC.

*2. Partner with participating banks to gain access to the Federal Home Loan Bank of Boston Affordable Housing Program (AHP).*

The Federal Home Loan Bank of Boston offers both grants and loans to member institutions that are working with developers of affordable rental or home-ownership opportunities. Funding is competitive. In general, AHP uses for rental developments are limited to projects having at least 20% occupancy by households at or below 50% of AMFI. In 2004, AHP projects in Maine included: Bath Housing Development Corporation, \$180,000 for a limited equity housing cooperative; \$182,000 for York County Shelter to construct eight units of rental housing for homeless people with substance and/or mental illness; \$300,000 to Avesta Housing to create 43 rental units as part of a Low Income Housing Tax Credit project; \$300,000 grant to Passamaquoddy Housing Authority to create 28 units of detached single family rentals; and a \$1.15 million advance loan to the Westbrook Development Corporation to create 34 rental units. Several of the above projects also included an advance or loan in addition to the grant funds.

The FHLBB also offers the New England Fund, which supports rental opportunities for households up to 140% of AMFI.

*3. Support community/business partnerships that can help develop community wide applications for Community Development Block Grants (CDBG).*

CDBG funds can be used in a variety of targeted ways. To assist rental housing, the program often provides direct grants or low interest loans to assist rental owners to upgrade their apartments to meet Section 8 Housing Quality Standards. The community is the applicant for the funds and is responsible for administration; however, there is

sufficient flexibility to develop a program structure that works for the specific circumstances and situation at hand. Thus, funds can be used to provide loans or grants over varying terms and conditions. A most common approach is to use the program in the form of a ‘deferred loan’. This particular loan is structured to be forgiven over a 5-10 year period, providing the owner continues to own and keep rents at a specified level, referred to as ‘fair market rents’. The flexibility of the program provides important advantages, as a community can work with their landlords and tenants to establish the best program for their situation.

The City of Rockland has used the program extensively. Fifty-one percent of the units in any one building must have tenants with incomes below 80% of the County median income. The program can also be structured to subsidize bank financing, effectively reducing the costs of borrowing the funds, another example of the flexibility of the program to meet different needs.

4. *Support local zoning changes that can expand the supply of rentals available.*

- a. *Support addition of accessory apartments in select areas.* Accessory apartments can help expand the pool of rentals available. These are typically smaller apartments with one bedroom situated adjacent to the main home or above a garage. The owner is responsible for financing. Since the “infrastructure” for development of an accessory apartment is already present and serving the main home, the cost of the accessory apartment is reasonable. The added income can help support the original purchase of the home, and on occasion the presence of someone nearby can allow one to stay in their own home who otherwise might not be able to do so.
- b. *Provide for conversion of single family to multi-family in designated areas.* This conversion can often work the other way in a time of rising house values, particularly among older larger homes. In many cases, these older homes were converted to multi-family years ago but are now returning to single family as they offer a good value for the amount of square footage. However, flexible zoning that allows the reverse conversion in the appropriate neighborhoods could help expand the supply of housing and make housing more affordable to owner occupants who need a second income to support the mortgage.

5. *Support the continuation of low income targeting for expiring projects.*

The Section 515 program of USDA makes subsidized loans at a 1% interest rate, 30-year term, and 50-year amortization to developers to build, acquire, and rehabilitate rural housing. About 75% of these loans are further subsidized by the Rural Housing Service’s (part of USDA) Section 521 Rental Assistance Program and the Department of Housing and Urban Development’s Section 8 program. Both of these programs help ensure that renters will not pay more than 30% of their income toward rent. During the peak program years, 1979-1985, funding was close to \$1 billion annually, but more recently funding has ranged from \$113 to \$119 million/year. According to a report from the National Rural Housing Coalition, ‘recent administrations and Congress have not



provided adequate Section 515 or rental assistance funds to rehabilitate the portfolio, deliver sufficient long-term preservation incentives, or protect tenants from rent overburden'. According to this report two major preservation challenges have resulted from this situation.

The first challenge is the increasing number of owners who wish to prepay their loans. Congress created a loan prepayment regulation process between 1979 and 1992, after USDA made the bulk of 515 loans, which resulted on restrictions on the right to prepay. In Knox County, 7 projects accounting for 92 units predate 1979. These changes also created incentives to assist owners based on the amount of equity in their properties. Unfortunately, USDA has not had sufficient 515 or rental assistance funding to meet the demand for incentives. Numerous lawsuits are the result, as owners are seeking to right to prepay and/or compensation for not being allowed to prepay.

The second challenge results from the aging and deterioration of the properties in the 515 portfolio. Within Knox County, the newest project is now 17 years old, while the oldest is 33 years old. Major infrastructure systems are at or near obsolescence and in need of rehabilitation or replacement. To meet these challenges recapitalization is necessary. However, nationally, less than 3% of all Section 515 are recapitalized each year. According to the National Rural Housing Coalition, USDA's recapitalization tools typically result in new debt, and this debt depends upon rental assistance to protect tenants from rent overburden. For those properties without full rental coverage (said to have 'partial rent assistance') or for projects that can't afford new debt, recapitalization is not an option.

While much of the resources to protect these units going forward will require federal assistance, either directly or through tax or regulatory changes, the study area communities should follow these projects closely and seek to work with private developers and the USDA to preserve the unit's affordability. Knox County properties assisted through the Section 515 Rural Rental Housing program are noted on page 48.

6. *Create "as of right" density bonuses as an incentive to encourage the production of below market rentals.*

This approach allows a developer to create a denser development than otherwise legal in the local ordinance in exchange for providing below market rentals. This could be a negotiated number, but could also be specified "as of right", meaning that the municipality will grant a fixed percentage or number of additional market rate dwelling units in exchange for the provision of a fixed number or percentage of affordable dwelling units and without the use of discretion in determining the number of additional market rate units.

**Goal 2: Assist those families with lower incomes to remain in their homes.**

Rationale: There are 1,324 owner occupied households in the study area making less than \$20,000/year, according to the Census. At their current income levels, these households are under tremendous pressure to support the costs of homeownership. Rising real estate prices and increasing health care and other costs among the elderly add pressure to sell. One way to preserve a mix of income groups in the study area communities is to assist lower income homeowners to maintain their households. The absence of such assistance often results in years of deferred maintenance and the eventual sale of the property.

**Strategies:**

*1. Retain mobile homes as a viable housing option.*

Mobile homes remain one of Maine's best assurances of affordability. Despite the depreciation associated with mobile homeownership, the costs of setting up a mobile home are approximately \$80,000, depending upon land costs. This is about half the cost of building a stick built home. Between 1990 and 2000; however, mobile homes and "other" homes (primarily campers and vans) declined by 14.9% in the study area, or 131 units. This decline, however, was most dramatic in the communities of Camden (-33.8%), Lincolnville (-39.7%) and Rockport (-19.1%). If this trend were to continue, the area will lose a key supplier of affordable housing. Individual mobile homes are found throughout each of the study area communities. Mobile home parks are concentrated in just a few locations and some are being upgraded to address environmental and resident concerns, as with Rohmaha Park in Glen Cove, Rockport. Mobile home parks are also found in Camden and Rockland. Strategies to explore cooperative park ownership structures, provide suitable zoning and work with existing owners should be explored on a case-by-case basis.

*2. Assist homeowners with low and moderate incomes to maintain their homes and retain ownership.*

CDBG and Rural Development 504 funds can be used to fix up the homes of qualifying owners. The funds are generally provided as grants or loans. CDBG funds are available to households with incomes less than 80% of the county median income. The flexibility of the CDBG program provides for each community to devise the specific form of assistance – from outright grants to loans. The most typical program utilized by communities receiving CDBG funds to assist homeowners is a "deferred loan". This loan is forgiven over a period of five years in equal proportions, providing the owner stays in the home. Should the home be transferred prior to the five-year period, a portion of the loan is due back to the community.

The program allows people of modest income to remain in their home by making needed repairs, improving safety and energy efficiency. Further, it supports community goals by removing health and safety hazards and by preserving key housing stock for future generations. In the Midcoast area, such a program might seek a longer term for

collection, or perhaps even 100% collection upon the sale or transfer of the property. This income serves to create a future pool for affordable housing investments by the community.

The 504 Repair program provides grants for very low-income applicants aged 62 and over. The objective is to remove major health and safety hazards and make the home handicapped accessible. Loans are available for very low-income homeowners at 1% over 20 years. This amounts to a payment of \$4.60 per thousand borrowed.

### **Goal 3: Improve access to homeownership opportunities.**

Rationale: The price of housing has outpaced the ability of people working in the local and regional job markets to afford such housing. The major service center communities providing most of the jobs have a limited land base. Further, there is tremendous competition resulting from new residents with higher incomes. Long-time residents are getting priced out of the housing market, even when they obtain newly created jobs because those jobs tend to be relatively low-paying service sector jobs. This situation has a tendency to change the traditional character of the region. Solutions largely focus upon reducing the costs of homeownership through a variety of methods.

#### **Strategies:**

1. *Improve access to home-ownership opportunities by creating tools to build equity.*
  - a. *Provide access to 'equity' through soft second mortgages and other tools.*
  - b. *Develop self-help projects that help reduce cost of homeownership.*

The **Searsport Ownership Initiative** by PenQuis Community Action Program will construct 10 modular homes on half-acre lots in Searsport. The Town of Searsport supported an application for CDBG funds that will be used to provide soft second mortgages. These second mortgages will substantially reduce the payback required for homes expected to be constructed in the \$135,000-\$140,000 range. Current plans call for about half the buyers to have incomes of 60-80% of AMFI, and the balance at or below 60% of AMFI. Affordability covenants will be used to recover subsidy funds at the time of resale by the initial owner, with the proceeds used to reduce the cost to a successor owner of eligible income, or returned to the Town to be applied to other affordable housing initiatives if no buyer is found.

The Rural Development Section 502 Mutual Self-Help Housing Loan program is used primarily to help very low and low income households construct their own homes. Coastal Community Action Program, based in Rockland, may be able to help implement this program. The program is targeted to families who are unable to buy clean, safe housing through conventional methods. Families participating in a mutual self-help project perform approximately 65% of the construction labor on each other's homes under qualified supervision. The savings from the reduction in labor costs allows otherwise ineligible families to own their homes. If families cannot meet their mortgage payments during the construction phase, the funds for these payments can be included in

the loan. Access to an affordable subdivision would certainly help such an approach work.

Applicants must have very low or low incomes. Very low income is defined as below 50% of the area median income (AMI); low income is between 50% and 80% of AMI. Families must be without adequate housing; however, they must be able to afford the mortgage payments including principal, interest, taxes and insurance (PITI). These payments are 22% to 26% of an applicant's income. In addition, applicants must be unable to obtain credit elsewhere, yet have reasonable credit histories. Families with very low incomes living in substandard housing are given first priority.

Loans are for up to 33 years (38 for those with incomes below 60% of the area median and who cannot afford 33-year terms). The promissory note interest rate is set by the Rural Housing Service (RHS); in July 1997 it was 7.25%). However, the interest rate is usually not meaningful since payment assistance can reduce the interest rate to as low as 1%. The amount of subsidy is determined by family income as a percentage of AMI, so that the family pays from 22% to 26% of their income for principal, interest, taxes and insurance (PITI) up to an amount not exceeding the promissory note rate. There is no required down payment. RHS must also determine repayment feasibility using ratios of repayment (gross) income to PITI and to total family debt.

Under the Section 502 Mutual Self-Help Housing program, housing must be modest in size, design and cost. Modest housing is defined as housing costing less than the HUD dollar cap, which as of 1997 was \$81,548 with adjustments for high cost areas. Houses constructed must meet the voluntary national model building code adopted by the state and RHS thermal and site standards.

The Maine Home Repair Network, a collaboration of state and federal agencies, provides CDBG Housing Assistance loans and grants to low income homeowners to help renovate or replace failing home components. The program is a coordinated effort among MSHA, DECD, USDA Rural Development and administered by the Community Action Program organizations. This funding offers a variety of home rehab programs for which eligible homeowners can apply to improve sub-standard homes. Eligible homeowners must have an income that is 80% or less of the area median income. Rehab can include such things as repairing or replacing roofs, flooring, windows, heating systems, siding and septic systems. Loan amounts and terms vary by program and repair needs. Loan terms include an interest rate no higher than 1% over 20 years.

- 2. Utilize affordable housing non-profit organizations that can leverage land, financing, and other resources to reduce the costs of housing.*

An affordable housing trust fund seeks to raise funds from public and private sources to meet specific housing objectives. A key to long-term success is a regular funding stream, whether from taxes, fees and/or an endowment. Housing trusts often rely on a tax or fee that is dedicated to the trust. General tax revenue from a municipality or the state may be budgeted for contributions to a housing trust. Fees or contributions from developers, private employers and banks are also sources of funds. These sources of revenue are important, as there are administrative costs in managing a housing trust.

The **Camden Affordable Housing Organization** (CAHO) is a 501(c)(3) organization that is dedicated to increasing the supply of affordable housing. The organization began small and in 1997, received about 2.5 acres off of Mt. Battie Street in Camden. The land was subdivided and two existing units were sold. Sales of the units helped underwrite the costs of future units built by this organization. The next phase of the organization's work resulted in a land purchase with Coastal Mountain Land Trust. Partnering with the Town of Camden, the organization extended utilities to the property and constructed four additional lots. The next phase of the organization's work grew in scope again, as they built infrastructure to support an additional eight lots.

CAHO partnered with a number of organizations, in addition to those mentioned above. These include: the local Home Builder's Association, Camden National Bank, Maine State Housing and the Federal Home Loan Bank of Boston. Deed restrictions are used to limit the value of the land so that properties supported through this organization will stay affordable in perpetuity. This deed restriction provides a first option to repurchase the property in the event of a sale. As part of the organizations building affordable housing and working with partner agencies, CAHO agreed to make half of the units constructed available to households with less than 50% of the median income. Future projects, according to Joanne Campbell of Camden National Bank, will likely emphasize building design more and provide additional landscaping. Indeed, CAHO is now in the planning stages for their next project, which will likely be in the 25-30 unit range.

Another example of this type of approach is the recent purchase of the Pooler Property by the **Mount Desert Housing Authority**. This purchase, costing in excess of \$2.5 million, was accomplished to secure additional land for affordable housing. A consortium of banks, each of whom contributed by pooling a short-term loan, supported the initial purchase price. The purchase was structured so that two of the three distinct possible land uses of the purchased parcel could be sold as a means to pay off the original purchase price. Thus, land along an important river drainage was sold to Maine Coast Heritage Trust and the Authority plans to sell some of the land at market rates. Collectively, funds from these two uses will pay off the original pooled loan allowing the Authority to initiate an affordable housing project with "free" land. Once land is ready for the development of affordable housing, the Authority's approach will be very similar to that of the Camden Affordable Housing Organization, with the following exceptions: "green" building technologies will be emphasized in the construction, and there is a more rigorous selection process for future homebuyers. This process emphasizes the selection of people who are currently "making a contribution" to the Mount Desert community but who are unable to afford conventional housing.

### 3. *Explore the development of cooperative housing.*

The Bath Housing Development Corporation has received funding for the first limited-equity cooperative in Maine. A total of nine units will be constructed; three at market rate and the remainder will be available to very low to low- income residents. Residents have participated in the design of the building and will provide sweat equity. They will also have the opportunity to participate in the cooperative association and serve on the sponsor's Board of Directors. Chittenden Trust Company is providing construction

financing, and other funding includes conventional permanent financing, Federal Loan Home Bank, Community Development Block Grant funding from the Maine Office of Community Development and an additional grant from the City of Bath.

4. *Explore the development of employer sponsored housing.*

MBNA is a good local example of an employer creating housing. They not only did this directly for their workers in various projects throughout the Midcoast, but also assisted indirectly by donating land to the Camden Affordable Housing Organization. In Damariscotta, Miles Hospital committed hospital funds toward the development of Ledgewood Court. This is a wonderful recruitment tool and may be of interest at Penobscot Bay Medical Center, as they too find it difficult to recruit and retain workers at the lower income levels. Miles Hospital put up \$93,000 and other health care employers contributed \$30,000 toward a \$3.5 million dollar project to build 24 affordable rental housing units near the hospital. The local community action agency, Coastal Economic Development, Inc. developed the units using low income tax credit funding, and HOME funds awarded through MSHA. Technical assistance was provided from the Genesis Fund. Though the units cannot be restricted to health care workers, the rental units were actively marketed to them as the project was developed. Rents are from \$430 to \$495 for a 2-bedroom unit and from \$495 to \$605 for a 3-bedroom unit. Five of the 24 units are reserved for families at or below 50% of the area median income, while the remaining units are for households with incomes of 60% AMFI or below. Health care workers and their families occupy about half of the units.

**Goal 4: Encourage housing development in the service center communities (Camden, Rockport, Rockland and Thomaston) near to public water and sewer.**

Rationale: Much of our future ability to build affordable housing will depend upon access to public water and sewer. It is often impractical to build multi-family units without public water and sewer. This is often true for subdivisions as well, particularly as the price of land goes up. It is generally not feasible to construct on two-plus acre lots when the price of land is so high. To address this, communities with public water and sewer should identify means to utilize existing parcels on or near to utilities and create new parcels where extensions are reasonable and cost-effective.

**Strategies:**

1. *Secure in-town lots for infill projects.*

The community can work to secure in-town lots for affordable housing projects. These may be remnant lots or, perhaps, secured through a lien for nonpayment of taxes. Fires and other changes to buildings may also open lots that could serve for affordable housing. Through a conscious and explicit policy to secure such properties; however, communities can provide for affordable housing opportunities. Land acquired in this way can be “land banked” and offered to non-profits or to developers who will serve specified groups.

2. *Develop cost sharing approaches for the extension of public infrastructure to support new housing development.*

Historically, communities were much more active in terms of supporting the growth of infrastructure to support new housing developments. Current policy places the costs of infrastructure extensions upon the new development. This is often inefficient, as a single developer can be faced with a major cost that in actuality could be shared among a number of developers. Communities could develop a system to assign the costs of new infrastructure that is in support of an overall development plan. Information from the National Association of Home Builders shows that, for a typical new home, about 23% of the end purchase price of a new single family home relates to the cost of raw land plus related site improvements, including water, sewer and roads. Municipal assistance in acquiring land, financing infrastructure improvements or reducing these costs can have a meaningful effect on development cost. Water and sewer extensions may be supported by local or tax funds, special assessments on properties served, impact fees or lower interest loans. USDA Rural Development also has Community Facility loans that may be available for this purpose.

The Maine State Planning Office has offered a sewer extension loan program for developments that support “walkable neighborhoods” as part of its Great American Neighborhood initiative. Municipalities and sewer districts are eligible for the funds. West Rockport, in the Town of Rockport, is often cited by the state as a good place to promote this type of approach, as a local property owner has shown interest and developed a plan that is largely allowed in amended zoning for the area. Communities are often reluctant to extend public utilities like sewer funded by taxpayers or users. Accordingly, Camden could consider pursuing a CDBG Public Infrastructure grant (2006) for the extension of public utilities into the Lupine affordable housing project site.

3. *Promote the use of Affordable Housing Tax Increment Financing.*

A municipality may designate a specific geographic area of the municipality as an affordable housing development district and use some or all of the new property tax revenues resulting from affordable housing development and other development in the district to help pay authorized costs of these development projects. A municipality that designates a district must adopt an affordable housing development program for the district. The development program describes the affordable housing development projects and related improvements and facilities and the plan for financing those project costs with the new property tax revenues from the district and other sources of funding. An affordable housing development district and its development program offer municipalities a great deal of flexibility in developing affordable housing while maintaining local control.

An affordable housing development district allows the municipality to use up to 100% of the incremental tax revenues from the increased taxable value of property located inside the district without any adverse adjustments to its revenue sharing and education subsidies or county taxes. To shelter the increased taxable value of the property in the district from these deleterious effects, the municipality must use the tax increment to pay authorized costs of affordable housing development projects and related improvements

and facilities. According to the Maine State Housing Authority, the tax increment can be used to pay the costs of improvements and facilities within the district that are approved by the MSHA, and for public infrastructure and public safety improvements made outside the boundary of the district that: mitigate any adverse impacts of the district on the municipality and its residents, including educational costs, or to establish a permanent housing development revolving loan or investment fund. Any costs outside the district must be directly related to or made necessary by the creation or operation of the district. This shelter makes the full amount of the new property tax revenues generated by the increased taxable value within the district available to the municipality to pay authorized project costs.

The City of South Portland is the first municipality to create an affordable housing TIF for a large-scale project that involves the conversion of the former Maine Youth Center property where up to 300 units of housing could be created. Communities can be proactive about utilizing this tool; essentially publicizing their intention to make the tool available for certain type projects in certain locations.

### **Goal 5: Promote opportunities for homebuyer/contractor education.**

Rationale: An educated buyer is often the best start towards securing a home at the best price.

#### **Strategies:**

1. *Provide homebuyer education.*

Coastal Community Action Program provides a First Time Homebuyer Class that offers 10 hours of informational training covering: preparing for homeownership, shopping for a home, obtaining a mortgage, closing your loan and life as a homeowner.

Other programs and training are offered through local banks.

2. *Provide contractor education.*

The State of Maine has many fine contractors, but the nature of these businesses is that it is often difficult to acquire the latest technologies and approaches toward creating affordable housing. Contractor education forums could be created to learn about new technologies; understand new planning approaches for cluster development, for example; and share market or other information that may help contractors understand and meet the needs of those seeking affordable housing.



**Goal 6: Encourage affordable workforce housing through land use ordinances and regulations.**

Rationale: Local land use ordinances and regulations are often a barrier to affordable housing. Administrative changes can often have major impacts in terms of reducing the costs of developing affordable housing.

**Strategies:**

1. *Offer density bonuses (often 20% or greater) for a percentage of affordable units in new development and/or establish affordable housing set asides in traditional subdivision proposals and in cluster subdivisions, including the use of waivers, when appropriate, within clearly-defined ordinance provisions.*
2. *Permit accessory apartments in all residential and mixed-use areas.*
3. *Permit non-traditional family group residency consistent with health and safety standards for occupancy of single family residences.*
4. *Provide for and encourage mixed use development (housing over stores and residential components of commercial and office developments).*
5. *Update ordinances and building codes regularly to reflect changing housing needs and opportunities.*
6. *Reduce road width and/or right of way requirements through the use of easements to increase the portion of land available for development, thereby making housing more affordable.*
7. *Develop creative solutions that may be unique for the particular planning situation. For example, a narrower one-way road may be appropriate to service a short cul-de-sac.*

**Goal 7: Promote regional housing initiatives among municipalities.**

Rationale: Most of the study area communities do not have the municipal staffing resources on their own to draft, apply for and administer available housing funding opportunities, including CDBG Housing Assistance.

**Strategies:**

1. *Appropriate funds or in-kind services from each participating community to contract for grant writing and grant administration services on an “as needed” basis for multi-community grant opportunities; and/or for ongoing support hire one community housing director to serve all participating communities by generating steady funding for housing initiatives to meet community and regional needs. Oversight provided by an Advisory Steering committee, with appointed*

*representatives from each participating community and/or the Midcoast Housing Coalition, with similarly-appointed representatives.*

2. *Prepare and submit housing grant applications on a multi-community basis, with support from the Midcoast Housing Coalition, examples include:*
  - a. *Thomaston (lead community) and Rockland should prepare and submit a CDBG Housing Assistance grant application (2006).*
  - b. *Union (lead community), Washington and Waldoboro should prepare and submit a CBDG Housing Assessment grant application (2005).*
  - c. *Camden, Lincolnville, Saint George, Rockland, Rockport should pursue a Homeownership Initiative Program using CDBG Housing Assistance grant funds in collaboration with state and federal agencies (2006 or 2007).*

## PART II.

### A. POPULATION AND WORKFORCE CHANGES

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#### *Population Change*

From 1990 to 2003, the population of the six study area communities increased by over 7%. More people are now choosing to live in the towns surrounding the service center of Rockland rather than in it. The highest concentrations of population are still found in downtown Rockland and to a lesser extent in the village areas of surrounding towns. While the lowest densities are located farther away from US Route 1 and from shoreland areas, much of the recent development has occurred in these rural areas.

**Population Change**

<b>Geography</b>	<b>1990</b>	<b>2000</b>	<b>2003 Est.</b>	<b>Change (Rounded)</b>
Camden	5,060	5,254	5,354	5.8%
Lincolntonville	1,809	2,042	2,170	20.0%
Rockland	7,972	7,609	7,613	-4.5%
Rockport	2,854	3,209	3,384	18.6%
Saint George	2,261	2,580	2,663	17.8%
Thomaston	3,306	3,748	3,726	12.7%
Study Area	23,262	24,442	24,910	7.1%
Remainder Knox	14,857	17,218	17,666	18.9%
Remainder	31,209	34,238	36,078	15.6%
Total Knox Co.	36,310	39,618	40,406	11.3%
Total Waldo Co.	33,018	36,280	38,248	15.8%
State of Maine	1,227,928	1,274,923	1,305,728	6.3%

Source: Census

Population growth in the region as a whole and in most towns is due mainly to the in-migration of new residents, rather than through natural increase (births to residents). Rockport had the largest increase in the numbers of persons, 530, while Rockland had the only decline, a loss of 359 people.

**Migration and Natural Change**

Geography	1990-2000			
	Births	Deaths	Natural Change	Net Migration
Camden	484	940	-456	650
Lincolntonville	227	169	58	175
Rockland	1,121	1,192	-71	-292
Rockport	326	313	13	342
Saint George	226	255	-29	348
Thomaston	324	341	-17	459
Study Area	2,708	3,210	-502	1,682
Remainder Knox	2,031	1,509	522	1,839
Remainder Waldo	4,317	3,283	1,034	1,995
Total Knox Co.	4,512	4,550	-38	3,346
Total Waldo Co.	4,544	3,452	1,092	2,170
State of Maine	161,751	128,399	33,352	13,643

Source: Maine Department of Human Services, Census

More people are working outside of their town of residence than have done so previously. As the major employment center, most Rockland residents who work, do so in Rockland, over 57% in 2000, but down from almost 70% in 1990. Camden had the second largest number of residents who work in their own town, over 47% in 2000, down from more than 56% in 1990. Lincolnville has the smallest number and percentage of residents who work in their own town, almost 22% in 2000, down from over 27% in 1990. In all of the study area communities, most people who work, do so in the county in which they live.

**Journey to work (1 of 3 tables)**

Category	Year	Camden		Lincolnville		Rockland	
Total Commuters	<b>1990</b>	2,216	100.0%	822	100.0%	3,474	100.0%
Work and Reside in Same Town		1,247	56.3%	226	27.5%	2,414	69.5%
Work in Knox County (outside town of residence)		671	30.3%	468	56.9%	794	22.9%
Work in Waldo County (outside town of residence)		125	5.6%	72	8.8%	9	0.3%
Work in Other Maine County		147	6.6%	44	5.4%	249	7.2%
Work in Other State		26	1.2%	9	1.1%	0	0.0%
Total Commuters	<b>2000</b>	2,594	100.0%	1,048	100.0%	3,612	100.0%
Work and Reside in Same Town		1,227	47.3%	227	21.7%	2,081	57.6%
Work in Knox County (outside town of residence)		962	37.1%	529	50.5%	1,223	33.9%
Work in Waldo County (outside town of residence)		168	6.5%	232	22.1%	73	2.0%
Work in Other Maine County		183	7.1%	40	3.8%	204	5.6%
Work in Other State		54	2.1%	20	1.9%	31	0.9%

Source: Census

**Journey to work (Continued: 2 of 3 tables)**

Category	Year	Rockport		Saint George		Thomaston	
Total Commuters	<b>1990</b>	1,242	100.0%	955	100.0%	1,376	100.0%
Work and Reside in Same Town		406	32.7%	339	35.5%	413	30.0%
Work in Knox County (outside town of residence)		746	60.1%	535	56.0%	814	59.2%
Work in Waldo County (outside town of residence)		9	0.7%	13	1.4%	35	2.5%
Work in Other Maine County		56	4.5%	49	5.1%	82	6.0%
Work in Other State		25	2.0%	12	1.3%	24	1.7%
Total Commuters	<b>2000</b>	1,602	100.0%	1,153	100.0%	1,494	100.0%
Work and Reside in Same Town		577	36.0%	329	28.5%	384	25.7%
Work in Knox County (outside town of residence)		834	52.1%	690	59.8%	964	64.5%
Work in Waldo County (outside town of residence)		81	5.1%	23	2.0%	30	2.0%
Work in Other Maine County		75	4.7%	90	7.8%	108	7.2%
Work in Other State		19	1.2%	21	1.8%	8	0.5%

**Journey to work (Continued: 3 of 3 tables)**

Category	Year	Study Area		Knox County		Waldo County	
Total Commuters	<b>1990</b>	<b>10,085</b>	<b>100.0%</b>	15,737	100.0%	13,749	100.0%
Work and Reside in Same Town		<b>5,045</b>	<b>50.0%</b>	-	-	-	-
Work in Knox County (outside town of residence)		<b>4,028</b>	<b>39.9%</b>	13,834	87.9%	1,213	8.8%
Work in Waldo County (outside town of residence)		<b>263</b>	<b>2.6%</b>	339	2.2%	8,134	59.2%
Work in Other Maine County		<b>627</b>	<b>6.2%</b>	1,432	9.1%	4,328	31.5%
Work in Other State		<b>96</b>	<b>1.0%</b>	90	0.6%	69	0.5%
Total Commuters	<b>2000</b>	<b>11,503</b>	<b>100.0%</b>	18,829	100.0%	16,861	100.0%
Work and Reside in Same Town		<b>4,825</b>	<b>41.9%</b>	-	-	-	-
Work in Knox County (outside town of residence)		<b>5,202</b>	<b>45.2%</b>	16,207	86.1%	1,652	9.8%
Work in Waldo County (outside town of residence)		<b>607</b>	<b>5.3%</b>	693	3.7%	10,195	60.5%
Work in Other Maine County		<b>700</b>	<b>6.1%</b>	1,665	8.8%	4,856	28.8%
Work in Other State		<b>153</b>	<b>1.3%</b>	239	1.3%	145	0.9%

Source: Census

Since fewer people work in their town of residence, commute times increased in most communities during the 1990's except Lincolnville and Saint George. On average in 2000, travel times are shorter for Rockland commuters than for commuters living in the surrounding communities. The longest commute times are found in outlying towns.

**Mean Travel Time to Work (Minutes)  
for Midcoast US 1 Corridor Municipalities**

Geography	Time (in minutes)		
	1990	2000	Change
Camden	14.8	15.3	3.4%
Lincolnville	22.1	21.4	-3.2%
Rockland	13.1	14.5	10.7%
Rockport	12.6	16.4	30.2%
Saint George	23.0	23.0	0.0%
Thomaston	15.1	17.8	17.9%
<b>Study Area*</b>	<b>13.9</b>	<b>14.7</b>	<b>5.8%</b>
Knox County	17.0	18.9	11.2%
Waldo County	23.5	26.4	12.3%

Source: Census \*Weighted Avg.

Another measure of the impact on the housing market is the increase in commuter travel to the service centers of Rockland, Camden, and Rockport. Due to the high prices for housing in these communities, particularly Camden and Rockport, workers are increasingly choosing to live in inland communities and commute. Thus, between 1990 and 2000 the increase in the number of commuters from select interior towns into these service center communities was as follows:

**Inland Residents Commuting to  
Coastal Service Centers**

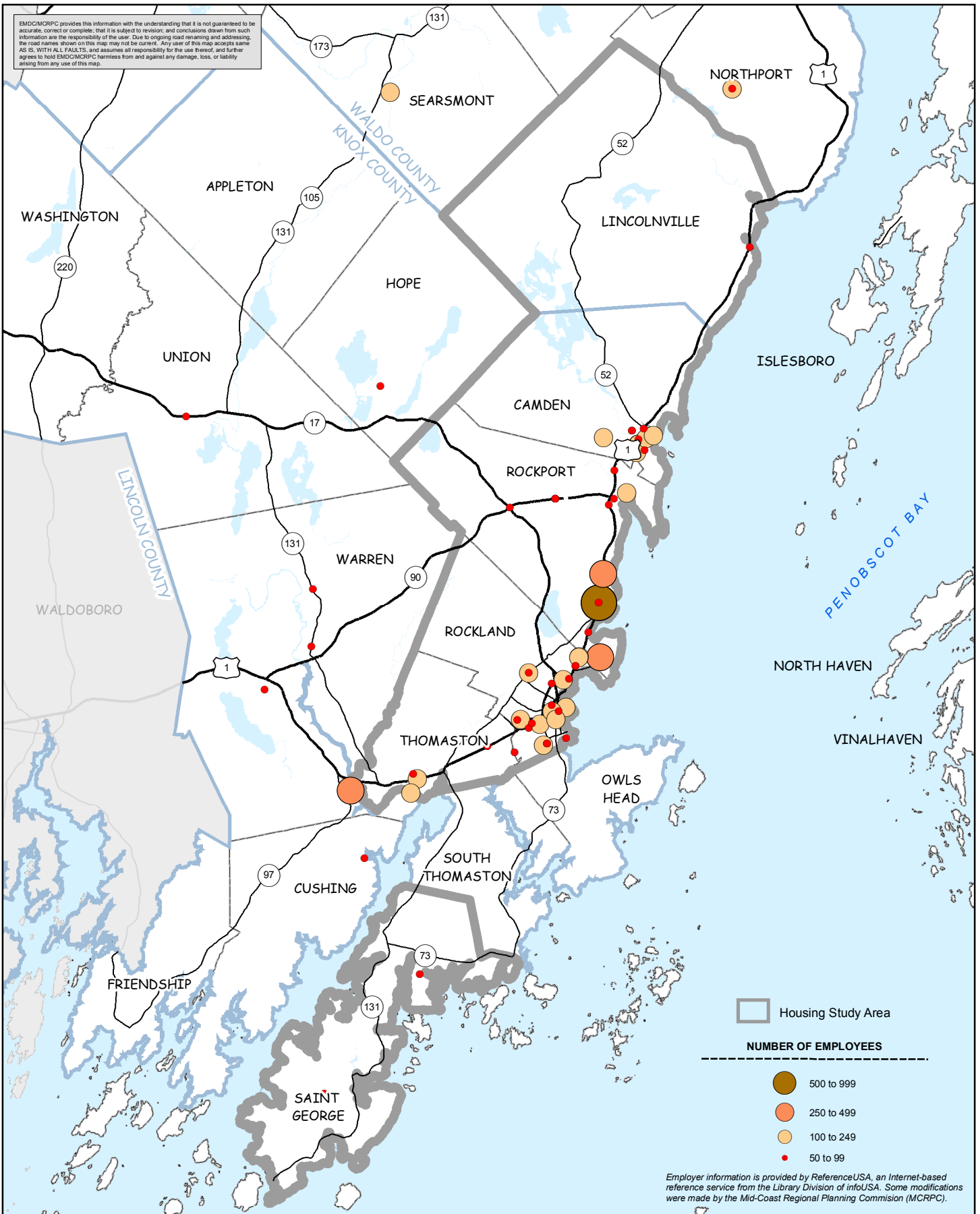
Inland Town	Percent Increase 1990-2000
Appleton	33.7
Belmont	125.8
Hope	62.3
Searsmont	71.4
Union	57.8
Warren	40.2
Washington	111.1

Source: Census

These increases demonstrate the regional nature of the housing market, as more people are living further away from where they work, especially in coastal areas where the major job centers are also among the highest priced housing markets.

On the next page, the map titled *Major Employers* shows the focus of employment in service centers.

EMDC/MCRPC provides this information with the understanding that it is not guaranteed to be accurate, correct or complete; that it is subject to revision, and conclusions drawn from such information are the responsibility of the user. Due to ongoing road renaming and addressing, the road names shown on this map may not be current. Any user of this map accepts same AS IS, WITH ALL FAULTS, and assumes all responsibility for the use thereof, and further agrees to hold EMDC/MCRPC harmless from and against any damage, loss, or liability arising from any use of this map.



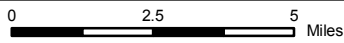
Housing Study Area

**NUMBER OF EMPLOYEES**

- 500 to 999
- 250 to 499
- 100 to 249
- 50 to 99

Employer information is provided by ReferenceUSA, an Internet-based reference service from the Library Division of infoUSA. Some modifications were made by the Mid-Coast Regional Planning Commission (MCRPC).

**MAJOR EMPLOYERS**



Sources: MEDOT, MEGIS and ReferenceUSA  
Map created: December, 2004

Mid-Coast Regional Planning Commission (MCRPC)  
Eastern Maine Development Corporation (EMDC)

[www.midcoastplanning.org](http://www.midcoastplanning.org) - [www.emdc.org](http://www.emdc.org)  
(207) 594-2299 - (207) 942-6389



## B. HOUSEHOLD FORMATION, CHARACTERISTICS AND STOCK

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### Households

The number of households in the study area increased by more than 12% during the 1990's, while the average size of households decreased by more than 6%. Household growth has outpaced total population growth at the municipal, county and state levels. When considered together, these two household trends indicate the presence of more retiree, single-person and single-parent households. The median age of residents increased in all communities in the study area, due in large part to the influx of retirees. In 2000, Saint George had the highest median age (44.5), while Thomaston had the lowest (39.4).

#### Households

Geography	Number			Average Size			Median Age		
	1990	2000	Change	1990	2000	Change	1990	2000	Change
Camden	2,162	2,390	10.5%	2.24	2.11	-5.8%	41.6	47.0	13.0%
Lincolnton	728	846	16.2%	2.48	2.41	-2.8%	36.6	41.7	13.9%
Rockland	3,323	3,434	3.3%	2.34	2.15	-8.1%	34.6	40.9	18.2%
Rockport	1,174	1,373	17.0%	2.41	2.33	-3.3%	38.5	42.9	11.4%
Saint George	949	1,119	17.9%	2.38	2.31	-2.9%	39.8	44.5	11.8%
Thomaston	1,103	1,436	30.2%	2.54	2.31	-9.1%	35.6	39.4	10.7%
<b>Study Area*</b>	<b>9,439</b>	<b>10,598</b>	<b>12.3%</b>	<b>2.46</b>	<b>2.31</b>	<b>-6.1%</b>	<b>37.5</b>	<b>42.8</b>	<b>14.1%</b>
Knox County	14,344	16,608	15.8%	2.45	2.31	-5.7%	37.0	41.4	11.9%
Waldo County	12,415	14,726	18.6%	2.63	2.43	-7.6%	34.7	39.3	13.3%

Source: Census \*Weighted Avg.

The fastest growing age group in the study area and two-county region is 45-64 year old persons, which reflects the influx of more retiree households during the 1990's, especially in Camden and Thomaston. This trend has continued to the present, and includes people born in other regions and states; and to a lesser extent those who were born in the region, moved away and are now returning home. Most communities saw a decrease in the numbers of 18-24 year old persons. This is due to a combination of factors: high housing costs for young adults and their families, limited employment opportunities in higher paying occupations within the region, the start of college or military enlistment or more simply those young adults leaving the nest to explore other areas to live and work. Rockport, followed by Thomaston, were among the few towns that saw an increase in persons aged 0 to 24 during the 1990's, indicating an influx of families with children to these two communities.

**Age Distribution**

<b>Geography</b>	<b>Age</b>	<b>1990 #</b>	<b>1990 %</b>	<b>2000 #</b>	<b>2000 %</b>	<b>Change</b>
<b>Camden</b>	Under 18 years	1,080	21.3%	1,033	19.7	-4.4%
	18 to 24 years	319	6.3%	233	4.4	-27.0%
	25 to 44 years	1,421	28.1%	1,167	22.2	-17.9%
	45 to 64 years	1,038	20.5%	1,590	30.3	53.2%
	65 years and over	1,202	23.8%	1,231	23.4	2.4%
<b>Lincolnton</b>	Under 18 years	440	24.3%	472	23.1	7.3%
	18 to 24 years	131	7.2%	100	4.9	-23.7%
	25 to 44 years	575	31.8%	576	28.2	0.2%
	45 to 64 years	403	22.3%	608	29.8	50.9%
	65 years and over	260	14.4%	286	14	10.0%
<b>Rockland</b>	Under 18 years	1,961	24.6%	1,608	21.1	-18.0%
	18 to 24 years	812	10.2%	624	8.2	-23.2%
	25 to 44 years	2,351	29.5%	2,079	27.3	-11.6%
	45 to 64 years	1,454	18.2%	1,813	23.8	24.7%
	65 years and over	1,394	17.5%	1,485	19.5	6.5%
<b>Rockport</b>	Under 18 years	692	24.2%	754	23.5	9.0%
	18 to 24 years	154	5.4%	160	5	3.9%
	25 to 44 years	913	32.0%	812	25.3	-11.1%
	45 to 64 years	610	21.4%	929	28.9	52.3%
	65 years and over	485	17.0%	554	17.3	14.2%
<b>Saint George</b>	Under 18 years	514	22.7%	569	22.1	10.7%
	18 to 24 years	140	6.2%	112	4.3	-20.0%
	25 to 44 years	682	30.2%	631	24.5	-7.5%
	45 to 64 years	495	21.9%	727	28.2	46.9%
	65 years and over	430	19.0%	541	21	25.8%
<b>Thomaston</b>	Under 18 years	744	22.5%	767	20.5	3.1%
	18 to 24 years	291	8.8%	303	8.1	4.1%
	25 to 44 years	1,177	35.6%	1,150	30.7	-2.3%
	45 to 64 years	587	17.8%	966	25.8	64.6%
	65 years and over	507	15.3%	562	15	10.8%
<b>Study Area</b>	Under 18 years	5,431	23.3%	5,203	21.3%	-4.2%
	18 to 24 years	1,847	7.9%	1,532	6.3%	-17.1%
	25 to 44 years	7,119	30.6%	6,415	26.2%	-9.9%
	45 to 64 years	4,587	19.7%	6,633	27.1%	44.6%
	65 years and over	4,278	18.4%	4,659	19.1%	8.9%

Source: Census

**Age Distribution by County**

<b>Geography</b>	<b>Age</b>	<b>1990 #</b>	<b>1990 %</b>	<b>2000 #</b>	<b>2000 %</b>	<b>Change</b>
<b>Knox County</b>	Under 18 years	8,864	24.4%	8,859	22.4	-0.1%
	18 to 24 years	2,722	7.5%	2,496	6.3	-8.3%
	25 to 44 years	11,349	31.3%	10,865	27.4	-4.3%
	45 to 64 years	7,207	19.8%	10,566	26.7	46.6%
	65 years and over	6,168	17.0%	6,832	17.2	10.8%
<b>Waldo County</b>	Under 18 years	8,931	27.0%	8,776	24.2	-1.7%
	18 to 24 years	2,792	8.5%	2,723	7.5	-2.5%
	25 to 44 years	10,498	31.8%	10,095	27.8	-3.8%
	45 to 64 years	6,486	19.6%	9,739	26.8	50.2%
	65 years and over	4,311	13.1%	4,947	13.6	14.8%

Source: Census

**Poverty**

The highest incidence of poverty was found in the service center of Rockland, almost 15% of individuals and more than 10% of families. Rockport had the lowest incidence of poverty, more than 7% of individuals and more than 5% of families.

**Poverty in 2000**

<b>Geography</b>	<b>Individuals</b>		<b>Families</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Camden	403	8.0%	79	5.5%
Lincolnton	185	9.1%	43	7.0%
Rockland	1,085	14.7%	205	10.4%
Rockport	228	7.1%	50	5.4%
Saint George	221	8.6%	29	3.8%
Thomaston	424	12.8%	72	8.1%
<b>Study Area</b>	<b>2,546</b>	<b>10.1%</b>	<b>478</b>	<b>6.7%</b>
Knox County	3,865	10.1%	695	6.4%
Waldo County	4,973	13.9%	1,100	10.9%

Source: Census

Camden has the highest percentage of elderly residents, while Rockland has the greatest number. Lincolnville has the smallest number and percentage of elderly residents. Rockland has the greatest number and percentage of single mothers and fathers. Camden has the second greatest number of single mothers. Lincolnville has the lowest number and percentage of single mothers. For all of the communities, those living poverty are most likely to be in a single parent household.

**Special Needs Population in 2000: Elderly and Single Parents**

Geography	Elderly (65 and over)		Female Head of Household with children (no husband present)		Male Head of Household with children (no wife present)	
	#	%	#	%*	#	%*
Camden	1,231	23.4%	140	9.9%	23	1.6%
Lincolnville	286	14.0%	40	6.6%	15	2.5%
Rockland	1,485	19.5%	299	15.4%	73	3.8%
Rockport	554	17.3%	79	8.6%	24	2.6%
Saint George	541	21.0%	55	7.3%	22	2.9%
Thomaston	562	15.0%	87	9.8%	35	3.9%
<b>Study Area</b>	<b>4,659</b>	<b>19.1%</b>	<b>700</b>	<b>10.7%</b>	<b>192</b>	<b>2.9%</b>
Knox County	6,832	17.2%	975	9.1%	364	3.4%
Waldo County	4,947	13.6%	912	9.1%	407	4.0%

Source: Census \*Calculated from total number of family households.

The group quarters population includes all people not living in households. Two general categories of people in group quarters are recognized: 1) the institutionalized population which includes people under formally authorized supervised care or custody in institutions (such as correctional institutions, nursing homes and juvenile institutions) and 2) the noninstitutionalized population which includes all people who live in group quarters other than institutions (such as college dormitories, military quarters and group homes). The noninstitutionalized population includes all people who live in group quarters other than institutions. Countywide, most institutionalized persons are in county jail or state prison. In the study area, most institutionalized persons are in nursing homes or similar health care facilities. Group homes are found throughout the study area, with most located in Rockland and Rockport. With protection under state law, these facilities have been able to locate in the region, and on the whole they do meet the observed regional need.

**Special Needs Population in 2000: Group Quarters**

<b>Geography</b>	<b>Institution- alized</b>	<b>Non-institution- alized</b>	<b>Total</b>	<b>%*</b>
Camden	199	9	208	4.0%
Lincolntonville	0	0	0	0.0%
Rockland	175	39	214	2.8%
Rockport	1	4	5	0.2%
Saint George	0	0	0	0.0%
Thomaston	424**	9	433	11.6%
<b>Study Area</b>	<b>799</b>	<b>61</b>	<b>860</b>	<b>3.5%</b>
Knox County	1,115	142	1,257	3.2%
Waldo County	169	353	522	1.4%

Source: Census, \*Percent of total population, \*\*Includes the Maine State Prison, which was subsequently relocated to the Town of Warren.

*Institutionalized: Prison inmates and nursing home residents*

*Non-Institutionalized: College dorms, military and similar group quarters*

**Special Needs Population in 2000: Disabled**

<b>Geography</b>	<b>Disabled Elderly (65 years and over)</b>	<b>Total Disabled (5 years and over )</b>
Camden	650	1,165
Lincolnton	135	419
Rockland	1,092	2,893
Rockport	253	807
Saint George	306	631
Thomaston	334	1,006
<b>Study Area</b>	<b>2,770</b>	<b>6,921</b>
Knox County	4,337	11,181
Waldo County	3,726	12,225

Source: Census

The figures in the above table include physical and mental disabilities as reported to the Census. The data were derived from answers to the 2000 Census long-form questionnaire that asked about the existence of the following long-lasting conditions: (a) blindness, deafness or a severe vision or hearing impairment (sensory disability) and (b) a condition that substantially limits one or more basic physical activities, such as walking, climbing stairs, reaching, lifting or carrying (physical disability). It was also asked if the individual had a physical, mental or emotional condition lasting 6 months or more that made it difficult to perform certain activities, including: (a) learning, remembering or concentrating (mental disability); (b) dressing, bathing or getting around inside the home (self-care disability); (c) going outside the home alone to shop or visit a doctor's office (going outside the home disability); and (d) working at a job or business (employment disability). The 1990 census data products did not include a general disability status indicator. Furthermore, a comparable indicator could not be constructed since the conceptual framework of the 1990 census was more limited.

## Housing Growth

Since 1990, Rockport has seen the largest gain in the number of new housing units of any study community, followed by Thomaston. Rockland had the smallest gain of new housing. More and more people are choosing to build new homes outside service center communities, where land prices and property taxes tend to be more affordable. Accordingly, these outlying areas are growing at a significantly faster rate percentage wise than seen in Rockland. Since major employers have remained in the service center, commute times have been increasing. In most of the study communities, housing growth from 2000 to 2003 has increased at a faster annual rate than seen during the 1990's.

### Housing Units and Building Permits

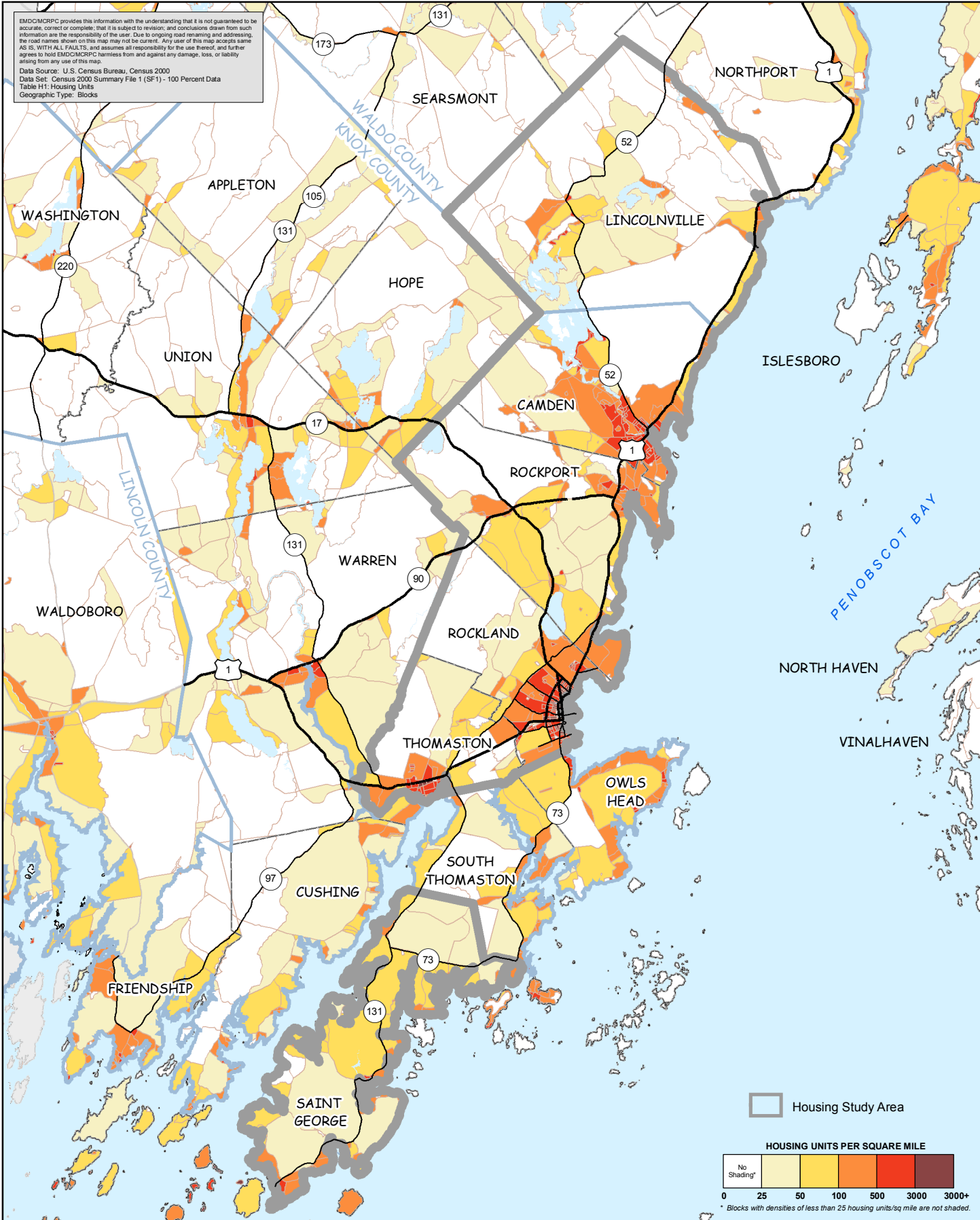
Geography	Total Housing Units			Building Permits 2000-2003		
	1990	2000	Growth	Single Family	Multi-family	Total
Camden	2,654	2,883	8.6%	142	30	172
Lincolnton	1,142	1,272	11.4%	78	0	78
Rockland*	3,719	3,752	0.9%	86	55	141
Rockport	1,409	1,677	19.0%	162	0	162
Saint George	1,567	1,777	13.4%	119	0	119
Thomaston	1,212	1,535	26.7%	33	8	41
<b>Study Area</b>	<b>11,703</b>	<b>12,896</b>	<b>10.2%</b>	<b>620</b>	<b>88</b>	<b>708</b>
Knox County	19,009	21,612	13.7%	1105	95	1,200
Waldo County	16,181	18,904	16.8%	804	108	912

Source: Census, U.S. Department of Housing, \*City of Rockland

On the next page, the map titled *Housing Density* shows the density of housing at the census block level in 2000. Most concentrations of housing are found in Rockland and Camden, along US Route 1, in traditional village areas and in shoreland areas. Newer housing tends to be spread in outlying communities at lower densities.

EMDC/MCRPC provides this information with the understanding that it is not guaranteed to be accurate, correct or complete; that it is subject to revision; and conclusions drawn from such information are the responsibility of the user. Due to ongoing road renaming and addressing, the road names shown on this map may not be current. Any user of this map accepts same AS IS, WITH ALL FAULTS, and assumes all responsibility for the use thereof, and further agrees to hold EMDC/MCRPC harmless from and against any damage, loss, or liability arising from any use of this map.

Data Source: U.S. Census Bureau, Census 2000  
 Data Set: Census 2000 Summary File 1 (SF1) - 100 Percent Data  
 Table H11: Housing Units  
 Geographic Type: Blocks



**HOUSING DENSITY (2000) ~ BLOCK LEVEL**

0 2.5 5 Miles

Sources: MEDOT, MEGIS and US Census  
 Map created: December, 2004



Mid-Coast Regional Planning Commission (MCRPC)  
 Eastern Maine Development Corporation (EMDC)

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Occupied housing as a percent of total housing increased in every community during the 1990s, reflecting the reduction in vacant units, and the construction of year-round housing at a greater rate than new seasonal housing construction, but not at a rate sufficient to keep up with demand. Thomaston had the highest percentage of occupied housing, almost 94% in 2000, while Lincolnville had the lowest, almost 66% in 2000. The supply of existing housing for new residents is very limited, which when coupled with the high housing demand of prospective residents, both year-round and seasonal, helps explain the increase in housing prices and the increase in housing starts seen recently.

**Total Occupied Housing**

Geography	1990		2000		Change
	#	%	#	%	
Camden	2,162	81.5%	2,390	82.9%	10.5%
Lincolnville	728	63.7%	846	66.5%	16.2%
Rockland	3,323	89.4%	3,434	91.5%	3.3%
Rockport	1,174	83.3%	1,373	81.9%	17.0%
Saint George	949	60.6%	1,119	63.0%	17.9%
Thomaston	1,103	91.0%	1,436	93.6%	30.2%
<b>Study Area</b>	<b>9,439</b>	<b>80.4%</b>	<b>10,598</b>	<b>82.2%</b>	<b>12.3%</b>
Knox County	14,344	75.5%	16,608	76.8%	15.8%
Waldo County	12,415	76.7%	14,726	77.9%	18.6%

Source: Census

The study area has a fairly high proportion of renter occupied housing. Rockland has nearly 46% of its occupied housing in rentals. Camden has nearly 31%, while Thomaston has a similar percentage, 32%. Overall, 31.6% of the study area's occupied housing is in rental stock.

**Owner and Renter Occupied Housing**

Geography	Housing Units		
	Owner-occupied	Renter-occupied	Total occupied
Camden	1,652	738	2,390
Rockland	1,861	1,573	3,434
Rockport	1,093	280	1,373
Saint George	949	170	1,119
Thomaston	970	466	1,436
Lincolnville	717	129	846
<b>Study Area</b>	<b>7,242</b>	<b>3,356</b>	<b>10,598</b>
Knox County	12,287	4,321	16,608
Waldo County	11,756	2,970	14,726

Source: Census

Saint George had the largest number and proportion of its total housing for seasonal use (second homes), more than one-third, while Thomaston had the smallest number and proportion, less than 2%. The numbers of seasonal housing units grew in every community except Lincolnville, which saw more conversions of seasonal homes to - occupancy. This growth was offset by the construction of year-round homes, and so the percentages of seasonal housing as a proportion of total housing did not increase significantly in any community.

**Seasonal Housing**

Geography	1990		2000		Change
	#	%*	#	%*	
Camden	314	11.8%	363	12.6%	15.6%
Lincolnville	355	31.1%	344	27.0%	-3.1%
Rockland	64	1.7%	80	2.1%	25.0%
Rockport	139	9.9%	234	14.0%	68.3%
Saint George	524	33.4%	604	34.0%	15.3%
Thomaston	5	0.4%	25	1.6%	400.0%
<b>Study Area</b>	<b>1,401</b>	<b>12.0%</b>	<b>1,650</b>	<b>12.8%</b>	<b>17.8%</b>
Knox County	3,541	18.6%	4,054	18.8%	14.5%
Waldo County	2,719	16.8%	3,069	16.2%	12.9%

Source: Census, \*Percent of total housing for seasonal use.

The largest proportion of older housing is found in Rockland and Thomaston, while the largest share of newer housing is found in Lincolnville and Rockport.

**Age of Housing**

Geography / Built	Before 1939	1940-1959	1960-1969	1970-1979	1980-1989	1990-2000	Median Year	Total
Camden	1,109	385	192	363	490	344	1957	2,883
Lincolnville	378	98	122	166	268	240	1972	1,272
Rockland	1,916	458	262	419	409	288	1940	3,752
Rockport	603	102	95	284	254	339	1971	1,677
Saint George	693	233	114	234	227	276	1958	1,777
Thomaston	821	108	62	200	231	113	1940	1,535
<b>Study Area*</b>	<b>5,520</b>	<b>1,384</b>	<b>847</b>	<b>1,666</b>	<b>1,879</b>	<b>1,600</b>	<b>1953</b>	<b>12,896</b>
Knox County	8,623	2,152	1,372	2,931	3,327	3,207	1960	21,612
Waldo County	5,393	1,859	1,517	3,422	3,020	3,693	1972	18,904

Source: Census 2000, \*Weighted Average

The distribution of housing unit types is an important indicator of affordability, density and the character of the community. Housing units in structures are presented in the next table. Rockland has the greatest number and percentage of multi-family housing in the study area, while Saint George has the least.

**Housing Type Change: 1990 to 2000**

Geography	Single Family			Multi-family			Mobile Home & Other		
	1990	2000	%	1990	2000	%	1990	2000	%
Camden	1,886	2,097	11.2	537	633	17.9	231	153	-33.8
Lincolnton	916	1,124	22.7	85	63	-25.9	141	85	-39.7
Rockland	1,945	2,092	7.6	1,591	1,476	-7.2	183	184	0.5
Rockport	1,116	1,460	30.8	152	103	-32.2	141	114	-19.1
Saint George	1,405	1,620	15.3	50	33	-34.0	112	124	10.7
Thomaston	821	1,035	26.1	322	414	28.6	69	86	24.6
<b>Study Area</b>	<b>8,089</b>	<b>9,428</b>	<b>16.6</b>	<b>2,737</b>	<b>2,722</b>	<b>-0.5</b>	<b>877</b>	<b>746</b>	<b>-14.9</b>
Knox County	14,385	16,799	16.8	2,990	3,058	2.3	1,634	1,755	7.4
Waldo	11,938	13,940	16.8	1,449	1,607	10.9	2,794	3,357	20.2

Source: Census

**Total Housing Change 1990 to 2000**

Geography	1990	2000
Camden	2,654	2,883
Lincolnton	1,142	1,272
Rockland	3,719	3,752
Rockport	1,409	1,677
Saint George	1,567	1,777
Thomaston	1,212	1,535
<b>Study Area</b>	<b>11,703</b>	<b>12,896</b>
Knox County	19,009	21,612
Waldo County	16,181	18,904

Source: Census

**Summary**

Overall, population growth was moderate during the 1990-2000 period. Housing unit growth; however, was greater (10.2%) and may have accelerated over the past three years based on permit data. In only three years, permits accounted for 59% of the increase in housing units experienced between 1990 and 2000. The growth in owner occupied housing outpaced the growth in rental housing.

Accelerating land prices and a general tightening of the market led to a decline in the number of houses for rent or sale, while seasonal housing grew by 17.8%, partially reflecting the high cost of housing coupled with the attractiveness of the study area communities.

**Study Area Summary Household Growth & Occupancy Status**

Category	1990	2000	% Change
Population	23,262	24,442	5.1
Total Housing	11,703	12,896	10.2
Average	2.46	2.3	-6.5
Occupied Housing	9,439	10,598	12.3
Owner	6,335	7,242	14.3
Renter	3,104	3,356	8.1
Vacant	2,264	2,298	1.5
Housing/For rent	355	235	-5.6
Housing/For sale	172	119	-30.8
Rented/Sold	90	107	18.8
Seasonal	1,401	1,650	17.8
Migrant	0	0	0
Other	246	187	-24

Source: Census

## C. EMPLOYMENT

### Labor market size and composition

Each community, except Rockland, had more people in their labor force in 2000 than in 1990. Likewise, each community, except Thomaston, had fewer people unemployed in 2000 than in 1990, indicating that overall more employment opportunities became available by the end of the 1990s.

**Labor Market Size**

Geography	1990			2000		
	Persons 16+ old	In Labor Force	Un-employed	Persons 16+ old	In Labor Force	Un-employed
Camden	4,152	2,501	190	4,374	2,665	49
Lincolntonville	1,412	906	76	1,635	1,119	28
Rockland	6,221	3,934	351	6,154	3,876	186
Rockport	2,232	1,344	78	2,526	1,725	48
Saint George	1,791	1,038	60	2,066	1,252	39
Thomaston	2,714	1,467	74	3,081	1,612	92
<b>Study Area</b>	<b>18,522</b>	<b>11,190</b>	<b>829</b>	<b>19,836</b>	<b>12,249</b>	<b>442</b>
Knox County	28,405	17,509	1,258	31,782	20,024	676
Waldo County	25,017	15,717	1,504	28,551	18,408	1,040

Source: Census

**Labor Market Size of the Belfast and Rockland LMA's in 2000**

Geography	Persons 16+ old	In Labor Force	Un-employed
Belfast LMA	19,772	12,728	739
Rockland LMA	35,622	22,392	763

Source: Census

The Rockland LMA (Labor Market Area) includes Knox County and the Town of Waldoboro in Lincoln County. Both the Rockland LMA and Belfast LMA unemployment rate decreased during the 1990s, but increased somewhat between 2000 and 2003.

**Estimated Labor Market Size of the Belfast and Rockland LMA's in 2003**

Geography	Civilian Force	Un-employed	% Un-employed
Belfast LMA	18,270	820	4.5
Rockland LMA	24,270	970	4.0

Source: Maine Department of Labor

Wage earning employment is concentrated in the trade/transportation/utilities, education and health services, and leisure and hospitality industries. While the average annual wage for all industries is \$27,909, the highest paying industry is financial activities, and the lowest is the leisure and hospitality industry. See page 44 for the study area household income distribution and page 54 for the annual average wage by sector in the Rockland LMA.

Wage earning employment grew only 1.8% between 2000 and 2003 in the Rockland LMA, while the state grew only 0.14% during the same period. Whereas employment growth during this period was relatively flat, population growth continues to outpace job creation. This is yet another indicator that the growth in housing is being fueled by more than the local economy, that is, by in-migration of generally older and more affluent individuals who on the whole are not dependent on the local economy for their livelihood.

## **D. AFFORDABILITY ANALYSIS**

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### **Introduction**

Affordable housing is of critical importance for every municipality. High housing costs are burdensome to individuals, to governments and the local economy. Many factors contribute to the challenge of finding affordable housing, including local and regional employment opportunities; older residents living longer in their homes; more single-parent households; seasonal housing markets; and generally smaller household sizes. Those Mainers most affected by a lack of affordable housing include older citizens facing increasing maintenance and property taxes; young couples unable to afford their own home; single parents trying to provide a decent home; low-income workers seeking an affordable place to live within commuting distance; and young adults seeking housing independent of their parents.

Affordable housing means decent, safe and sanitary living accommodations that are affordable to persons in the very low, low and moderate-income groups, defined later in the section. The state defines an affordable owner-occupied housing unit as one for which monthly housing costs do not exceed approximately 30% of monthly income, and an affordable rental unit as one that has a rent not exceeding 30% of the monthly income (including utilities). Affordable housing often includes manufactured housing, multi-family housing, government-assisted housing for very low, low and moderate-income families, and group and foster care facilities.

Wage and median income information is helpful, but neither measure is necessarily indicative of the ability to afford housing. In order to more completely understand how housing affordability is affecting households, it is helpful to look more in depth at each of the housing options: renting and buying. First, however, it is useful to examine how various rental and housing programs seek to help households of various incomes.

The next table provides a useful measure of eligibility for various housing programs. Eligibility is often framed in terms of a percentage of the Area Median Family Income (AMFI), adjusted for household size. A 2-person household with a single wage earner earning the average wage in Midcoast Maine would earn the equivalent of about 69% of the AMFI for that household size. A 3-person household with an average of 1.5 persons working at Midcoast Maine’s average wage would have a household income of about 103% of AMFI for that household size.

**Area Median Family Income  
Adjusted for Household Size – Renter and Homeowner in 2004**

Income Group	% of Median Family Income (up to)	Knox County Incomes	
		2-Person Household (Typical Renter Household)	3-Person Household (Typical Owner Household)
Extremely Low	30%	\$12,200	\$13,700
Very Low	50%	\$20,333	\$22,833
Low	80%	\$32,533	\$36,533
Median	100%	\$40,667	\$45,667
Moderate	150%	\$61,000	\$68,500

Source: MSHA, HUD

Of course, for those employed in an industry paying less than the area’s average wage, this household would earn an even smaller percentage of the AMFI. Thus, for example, someone employed in the trade/transportation/utilities industry at the average wage for that industry would earn only 55% of the AMFI for a 2-person household, placing them under the 60% threshold – eligible for the tax credit rental housing; and well under the 80% threshold for eligibility for assistance from the Community Development Block Grant (CDBG) Program.



**Household Income by Housing Status – Renter vs. Owner**

The next table provides information on the income distribution of owners and renters in the six community study area and Knox County. Usually, the income of renters will be less than owners, and this is the case in the Midcoast. Among the six communities, the median income of renters ranges from \$19,069 in Rockland to \$34,809 in Rockport. Among homeowners, the median income ranges from \$41,083 in Thomaston to \$53,967 in Rockport for the six community study area. The median owner income for the study area is \$41,499, while the median renter income for this area is \$22,729.

**Income by Tenure in 1999**

<b>Study Area Household Incomes</b>	<b>Owner</b>	<b>Renter</b>	<b>Total</b>
Less than \$5,000	142	196	338
\$5,000 to \$9,999	325	451	776
\$10,000 to \$14,999	436	508	944
\$15,000 to \$19,999	421	340	761
\$20,000 to \$24,999	477	331	808
\$25,000 to \$34,999	892	495	1,387
\$35,000 to \$49,999	1,429	568	1,997
\$50,000 to \$74,999	1,531	362	1,893
\$75,000 to \$99,999	778	35	813
\$100,000 to \$149,999	518	41	559
\$150,000 or more	296	26	322
Total:	7,245	3,353	10,598
Median Income	\$41,499	\$22,729	--
under 30% AMFI	790	871	1,661
under 50% AMFI	1,594	1,517	3,111
under 80% AMFI	2,839	2,199	5,038
under 100% AMFI	3,709	2,536	6,245
under 150% AMFI	5,255	3,048	8,303

Source: Census

The table above also provides an estimate of the number of owners and renters falling below various AMFI income thresholds. For the six-community study area, 39% of the owners and 66% of the renters fall below 80% of AMFI. These owners and renters are eligible for CDBG assistance. Thus, for example, in Rockland an estimated 74% of renters fall below 80% of AMFI, while in Rockport, this percentage is 46%. Among homeowners, the percentage of households falling below 80% AMFI is 44% and 30%, respectively, for these two communities.

## **Rental Housing Costs and Affordability**

HUD determines Fair Market Rents (FMR's) by a survey of the local area. HUD assumes the landlord is paying all utilities for the tenant (inclusive in the rent). The rental costs should be reduced if the tenant pays all or a portion of utility expenses. According to HUD Fair Market Rents the following schedule for apartments applies in Knox County: 1-bedroom: \$544; 2-bedroom: \$621; 3-bedroom: \$841; and 4-bedroom: \$970. These figures were set October 1, 2004. For the Low Income Housing Tax Credit program, income eligibility is limited to those with incomes less than 60% of the Median Area Income, while maximum affordable rents are established at 30% of this figure.

A 2-person household would need to earn a minimum of \$21,760 to afford the Fair Market Rent in Knox County for a 1-bedroom rental; \$24,840 for a 2-bedroom; \$33,640 for a 3-bedroom; and \$38,800 for a 4-bedroom rental. Affordability, in this case, is determined by assuming that renters can't afford to pay more than 30% of their income for rent.

Based on the previous table for the study area, 1,611 renters earn less than that necessary to support a one-bedroom rental. An additional 204 renters could not afford a 2-bedroom rental. Collectively, this accounts for 54% of all renters whom couldn't afford a 2-bedroom rent at Fair Market Rent levels.

It becomes difficult to determine to what extent incomes are able to support the necessary size rental (i.e., number of bedrooms) to safely house a particular family. However, at the least expensive option – a one-bedroom rental, this becomes more straightforward. If renters can't afford this level of rent, there are few options. Available options include: living at home with friends or family, crowding into rentals to share the costs, finding cheaper and often substandard units, or simply stretching household finances such that housing represents more than 30% of the household's income. Subsidized housing provides a fourth option.

Local, state, and federal governments have a number of different methods of subsidizing housing costs for eligible citizens. In most cases, the efforts of different levels of government are integrated, with funding and operation and jurisdictional fields overlapping.

The United States Department of Housing and Urban Development (HUD) is the primary federal agency concerned with affordable housing. Rural Development (RD), formerly Farmers Home Administration (FmHA), part of the United States Department of Agriculture (USDA), also deals with affordable housing. The Maine State Housing Authority (MSHA) and Maine DECD are the State's agencies for such issues and they administer the following: Rental Loan Program, Section 8, SHARP, supportive housing, vouchers, and single/multi-family rehabilitation, home purchase, and home down payment.

Subsidized units are built with state or federal monies for the express purpose of providing housing to lower income individuals and families. A housing project or

development may be entirely formed by subsidized units, or the project may be of mixed uses. Subsidized units are typically available to individuals below certain income guidelines, and residents are expected to pay a fixed percentage of their income as rent.

As a service center, Rockland has the most subsidized housing units in all but one category, total market housing. Camden has the second largest amount of subsidized housing, while Saint George had none.

The next table shows the distribution of rent assisted housing in the study area and Knox County. Camden, Rockland and Thomaston account for nearly 86% of all subsidized housing units in Knox County. Of the study area communities, only 59 units among the 776 that are rent assisted are at market rates. Units for the elderly account for 400 or 52% of the total subsidized rental units within the study area communities. Rent assisted family units account for 289 units, while subsidized housing for the disabled (45) and special needs population (42) comprise the balance of the subsidized housing units. Thus, approximately 37% of project-based subsidy units are available to the workforce.

**Subsidized Housing Units Project Based 2004**

Area	Total	Total Rent Assisted	Total Market	Family	Family Rent Assisted	Family Market	Elderly	Elderly Rent Assisted	Elderly Market	Disabled	Disabled Rent Assisted	Special Needs	Special Needs Rent Assisted
Camden	200	179	21	92	83	9	108	96	12	0	0	0	0
Lincolnton	8	8	0	8	8	0	0	0	0	0	0	0	0
Rockland	426	406	20	149	138	11	216	207	9	45	45	16	16
Rockport	26	26	0	0	0	0	0	0	0	0	0	26	26
Saint George	0	0	0	0	0	0	0	0	0	0	0	0	0
Thomaston	116	98	18	40	28	12	76	70	6	0	0	0	0
<b>Study Area</b>	<b>776</b>	<b>717</b>	<b>59</b>	<b>289</b>	<b>257</b>	<b>32</b>	<b>400</b>	<b>373</b>	<b>27</b>	<b>45</b>	<b>45</b>	<b>42</b>	<b>42</b>
Knox County	859	800	59	289	257	32	443	416	27	67	67	60	60
Waldo County	512	499	13	239	228	11	257	255	2	0	0	16	16

Source: MSHA, 2004

Rockland had by far the most housing vouchers issued in 2004, followed by Thomaston. Both of these communities have the largest number and percentage of rental units in the study area. No housing vouchers were issued for Lincolnville.

**Subsidized Housing Units Vouchers 2004**

Area	Total	Total Rent Assisted	Total Market	Family	Family Rent Assisted	Family Market	Elderly	Elderly Rent Assisted	Elderly Market	Disabled	Disabled Rent Assisted	Special Needs	Special Needs Rent Assisted
Camden	2	2	0	2	2	0	0	0	0	0	0	0	0
Lincolnville	0	0	0	0	0	0	0	0	0	0	0	0	0
Rockland	87	87	0	40	40	0	11	11	0	36	36	0	0
Rockport	2	2	0	1	1	0	1	1	0	0	0	0	0
Saint George	2	2	0	1	1	0	1	1	0	0	0	0	0
Thomaston	17	17	0	11	11	0	2	2	0	4	4	0	0
<b>Study Area</b>	<b>110</b>	<b>110</b>	<b>0</b>	<b>55</b>	<b>55</b>	<b>0</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>40</b>	<b>40</b>	<b>0</b>	<b>0</b>
Knox County	131	131	0	68	68	0	16	16	0	47	47	0	0
Waldo County	117	117	0	52	52	0	18	18	0	47	47	0	0

Source: MSHA, 2004

Subsidized housing unit vouchers, primarily Section 8, are not tied to a particular project and often help support families. The previous table shows the allocation of subsidized housing vouchers among the study area communities and the counties. Overall, there are very few of these vouchers, with nearly 66% of the entire County's allocation based in Rockland, with Thomaston accounting for another 13%. Exactly half of the study area's allocation of subsidized vouchers is available to families, with the balance allocated among the elderly (15) and the disabled (40).

Gaps in the local housing market for rentals begin to emerge. The deficit between the supply of subsidized units (including vouchers) and the demand, i.e., those who can afford only one bedroom at Fair Market Rents in the Study Area, approaches 784 rental households. This number expands; however, due to the presence of families requiring two or more bedrooms.

Another form of housing subsidy is the Section 515 program of USDA, which makes loans at a 1% interest rate, 30-year term, and 50-year amortization to developers to build, acquire, and rehabilitate rural housing. About 75% of these loans are further subsidized by the Rural Housing Service's (part of USDA) Section 521 Rental Assistance Program and the Department of Housing and Urban Development's Section 8 program. Both of these programs help ensure that renters will not pay more than 30% of their income toward rent. During the peak program years, 1979-1985, funding was close to \$1 billion annually, but more recently funding has ranged from \$113 to \$119 million/year. The table below shows housing units in this program for Knox County.

**Section 515 Rural Rental Housing Properties  
Knox County**

Project Name	# of Units	Year Built/Closed
Applewood	30	1985
Megunticook House	34	1985
Camden Village Apts.	24	1981
Knoll Crest Apts.	10	1974
Fieldcrest Apts.	30	1986
Harborside Apts.	10	1977
John C. Carver Apts.	15	1982
Highland Park Apts.	44	1980
Beechwood Apts.	15	1988
Broadway Meadows	14	1984
Broadway North	16	1974
Pine Street Apts.	16	1976
Water Street. Apts.	12	1979
Park Place Apts.	8	1982
Park Place Apts. II	12	1982
Greenfield Apts.	12	1986
Townhouse Apts.	8	1972
Townhouse Estates I	18	1975
Townhouse Estates II	12	1977

Source:USDA

The number and extent of rentals that are considered a cost burden (greater than 30% of income) can be seen in the two following tables. Overall, nearly 37% of renters in the study area are cost burdened. The percentage in Rockland is 40.8%, while the percentage in Saint George is 16.8%.

**Gross Rent as Percent of Income by Community– Cost Burden in 1999**

	Camden		Lincolnvillle		Rockland		Rockport		Saint George		Thomaston	
	#	%	#	%	#	%	#	%	#	%	#	%
Total Renter Units	737	100	107	100	1,573	100	266	100	149	100	461	100
< 10%	39	5.3	8	7.5	51	3.2	14	5.3	9	6	20	4.3
10 - 14%	76	10.3	14	13.1	100	6.4	21	7.9	24	16.1	51	11.1
15 - 19%	132	17.9	8	7.5	205	13	75	28.2	11	7.4	71	15.4
20 - 24%	109	14.8	20	18.7	242	15.4	14	5.3	27	18.1	56	12.1
25 - 29%	43	5.8	13	12.1	202	12.8	28	10.5	19	12.8	60	13
30 -34%	43	5.8	12	11.2	72	4.6	14	5.3	0	0	45	9.8
35 - 39%	62	8.4	4	3.7	123	7.8	22	8.3	11	7.4	26	5.6
40 - 49%	38	5.2	3	2.8	151	9.6	7	2.6	0	0	17	3.7
50% or more	143	19.4	9	8.4	296	18.8	29	10.9	14	9.4	77	16.7
Not computed	52	7.1	16	15	131	8.3	42	15.8	34	22.8	38	8.2

Source: Census

**Gross Rent as Percent of Income – Cost Burden in 1999**

	Study Area		Knox County		Waldo County	
	#	%	#	%	#	%
Total Renter Units	3,293	100	4,205	100	2,705	100
< 10%	141	4.3	205	4.9	205	7.6
10 - 14%	286	8.7	382	9.1	287	10.6
15 - 19%	502	15.2	682	16.2	268	9.9
20 - 24%	468	14.2	597	14.2	369	13.6
25 - 29%	365	11.1	427	10.2	236	8.7
30 -34%	186	5.6	242	5.8	118	4.4
35 - 39%	248	7.5	284	6.8	144	5.3
40 - 49%	216	6.6	258	6.1	145	5.4
50% or more	568	17.2	666	15.8	459	17
Not computed	313	9.5	462	11	474	17.5

Source: Census

The table below illustrates that the majority of rent-burdened households occupy the lower income ranges. Thus, among the 1218 households paying more than 30% of their income for rent, 1002, or 82% of these make less than \$20,000 a year.

**Gross Rent by Household Income in 1999**

Study Area	Total Renters	Gross Rent as Percent of Income					Not Computed
		Under 20%	20 to 24%	25 to 29%	30 to 34%	35%+	
Less than \$10,000	647	21	23	70	20	425	88
\$10,000 to \$19,999	837	27	92	90	63	494	71
\$20,000 to \$34,999	807	238	159	166	92	100	52
\$35,000 to \$49,999	1,002	643	194	39	11	13	102
Total	3,293	929	468	365	186	1,032	313

Source: Census

**Rental Burden and Age of Householder**

The next table provides a breakdown by income and housing costs by age cohort. As shown in this table, 32% of the 1,218 renters in the study area with high rental costs burdens (30% or more of income) were under age 34, while nearly 26% were over the age of 65. Another age cohort with a high percentage of rent burdened households was ages 45-54, where 40% of the households paid greater than 30% of their income for rent. This latter group may comprise displaced workers, single parent households, and others who have difficulty finding a good job, and are not yet eligible for some of the services and income supplements available to the elderly.

**Income and Housing Costs by Head of Householder's Age in 1999**

Study Area	Total Renters	Gross Percent as Percent of Income					Not Computed
		Under 20%	20 to 24%	25 to 29%	30 to 34%	35% +	
15 to 24 years	274	75	52	6	18	111	12
25 to 34 years	922	323	166	123	38	222	50
35 to 44 years	611	157	94	74	56	172	58
45 to 54 years	487	178	58	22	16	178	35
55 to 64 years	287	65	33	51	16	76	46
65 to 74 years	256	56	8	44	8	77	63
75 years +	456	75	57	45	34	196	49
Total	3,293	929	468	365	186	1032	313
Under 65	2,581	798	403	276	144	759	201
Age 65+	712	131	65	89	42	273	112
Percent under 65	78%	86%	86%	76%	77%	74%	64%

Source: Census

### Homeownership Costs and Affordability

The next table provides an index to show the portion of the median priced home that could be afforded by the median income in each community. Thus, for example, a household in Camden earning the median wage of \$44,422 could afford a house that costs only 44% (or \$129,721) of the median priced home. In order to afford the median priced home in Camden, a household would need to have an income of \$100,165. The ‘gap’ between what the current median income household could afford for a house and the current median home price is \$162,779.

#### 2003 Housing Affordability

Geography	Index	Est. Median Income*	Median Home Price	Median Home Price Can Afford	Annual Income Needed to Afford	Gap
Camden	0.44	\$44,422	\$292,500	\$129,721	\$100,165	\$162,779
Lincolntonville	0.81	\$47,386	\$172,000	\$139,914	\$58,253	\$32,086
Rockland	0.68	\$32,254	\$130,000	\$88,173	\$47,555	\$41,827
Rockport	0.58	\$52,007	\$266,250	\$153,477	\$90,221	\$112,773
Saint George	0.67	\$45,357	\$208,750	\$139,514	\$67,866	\$69,236
Thomaston	0.73	\$36,932	\$137,000	\$100,614	\$50,288	\$36,386
Knox County	0.71	\$42,040	\$175,000	\$124,415	\$59,133	28.9%
Rockland House. Market	0.70	\$41,647	\$174,000	\$122,612	\$59,102	29.5%
Maine	0.73	\$41,929	\$167,900	\$122,310	\$57,558	27.2%

Source: MSHA

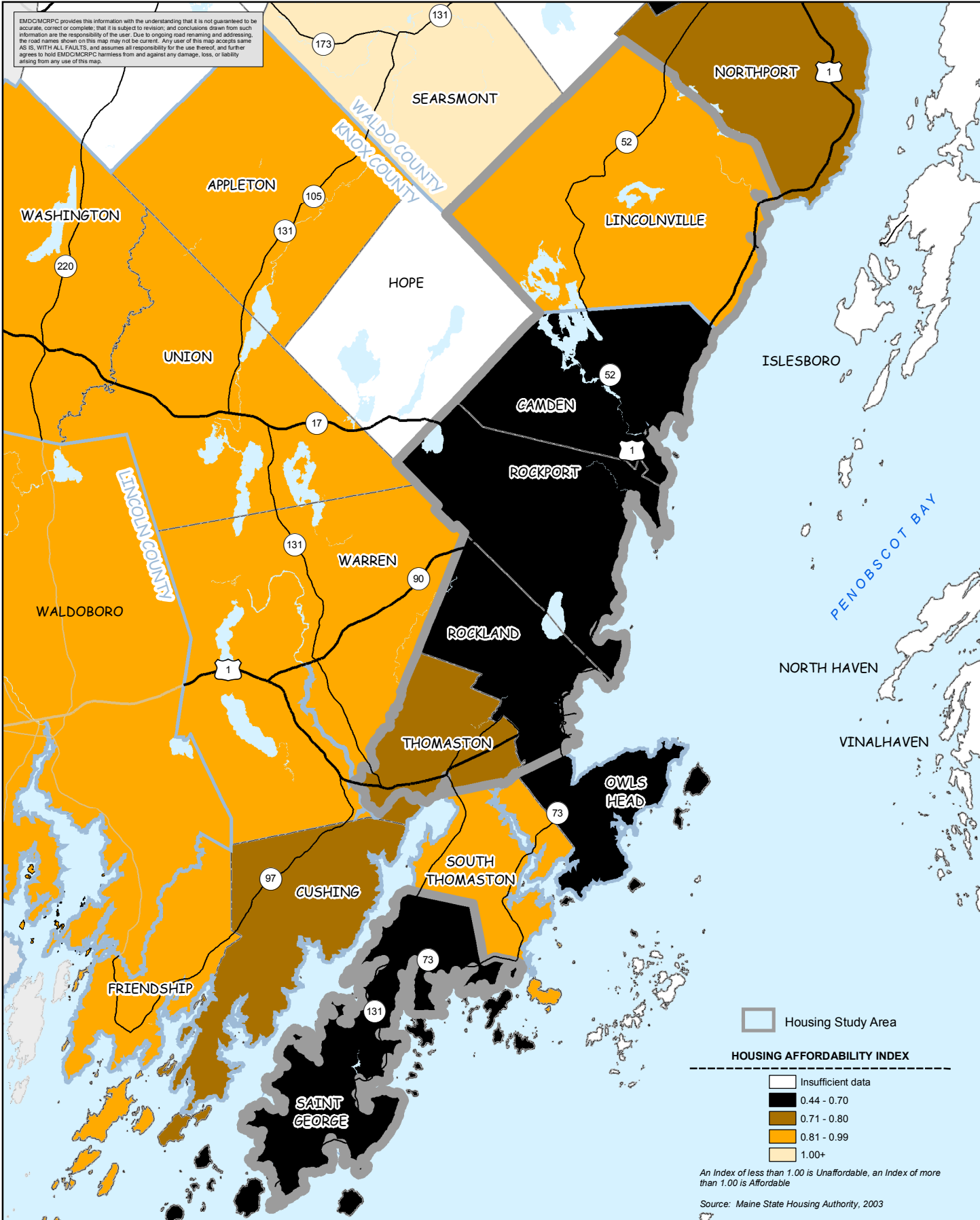
Note: An Index of less than 1 is Unaffordable; an Index of more than 1 is Affordable.

\*Estimated Median Income of those who earn an income, not the Median Household Income.

On the next page, the map titled Housing Affordability shows the relative affordability by municipality using the index from MSHA for the study area and for surrounding communities.



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**HOUSING AFFORDABILITY (2003)**

0 2.5 5 Miles  
 Sources: MEDOT, MEGIS and MSHA  
 Map created: December, 2004



Mid-Coast Regional Planning Commission (MCRPC)  
 Eastern Maine Development Corporation (EMDC)  
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To better examine affordability for single family housing we look at affordability relative to the average industry wage. This analysis has the advantage of showing how well local wages support home buying in the study area. Unfortunately, we can only guess at the number of workers in the “average” household and the wages they earn. Also, the use of an average can distort figures. Nevertheless, this approach allows us to see affordability in direct comparison to wages. This provides a good benchmark for “workforce housing”, i.e., housing that is affordable to working people at various industry wages.

The next table: Industry Employment, Wages, and Housing Affordability, demonstrates housing affordability for the major wage earning industry averages. Overall, workers are stressed to support the cost of median housing prices in the study area. According to the analysis, a household with 1.5 workers employed in the highest paying industry (financial activities) could afford a house costing \$193,501. Median housing prices in the area vary such that in the study area - a worker in Rockland could afford 149% of the median housing price in this situation; only 66% in Camden, 113% in Lincolnton, 73% in Rockport, 93% in Saint George and 141% times in Thomaston.

**Industry Employment, Wages, and Housing Affordability**

<b>Rockland LMA</b>	<b>Covered Employment (2003)</b>	<b>Percent of Covered Employment (2003)</b>	<b>Average Annual Wage (2003)</b>	<b>Maximum Monthly Housing Cost 1 Wage Earner @ 30% of income</b>	<b>Maximum Monthly Housing Cost 1.5 Wage Earner @ 30% of income</b>	<b>2.7 times annual wage with 1 worker/ household - maximum affordable house price</b>	<b>2.7 times annual wage with 1.5 worker/ household - maximum affordable house price</b>
<b>Goods-Producing Domain</b>							
Natural Resources & Mining	277	1.5%	\$44,737	\$1,118	\$1,678	\$120,790	\$181,185
Construction	1,102	5.8%	\$29,921	\$748	\$1,122	\$80,787	\$121,180
Manufacturing	1,861	9.8%	\$34,338	\$858	\$1,288	\$92,713	\$139,069
<b>Service-Providing Domain</b>							
Trade, Transportation & Utilities	3,766	19.8%	\$22,192	\$555	\$832	\$59,918	\$89,878
Information	437	2.3%	\$30,242	\$756	\$1,134	\$81,653	\$122,480
Financial Activities	1,386	7.3%	\$47,778	\$1,194	\$1,792	\$129,001	\$193,501
Professional & Business Services	1,245	6.6%	\$29,993	\$750	\$1,125	\$80,981	\$121,472
Education & Health Services	2,858	15.1%	\$28,248	\$706	\$1,059	\$76,270	\$114,404
Leisure & Hospitality	2,372	12.5%	\$15,548	\$389	\$583	\$41,980	\$62,969
Other Services & Unclassified	735	3.9%	\$20,751	\$519	\$778	\$56,028	\$84,042
<b>Government</b>							
State Government	810	4.3%	\$37,667	\$942	\$1,413	\$101,701	\$152,551
Local Government	2,131	11.2%	\$26,611	\$665	\$998	\$71,850	\$107,775
<b>Total</b>	<b>18,980</b>	<b>100.0%</b>	<b>\$27,909</b>	<b>\$698</b>	<b>\$1,047</b>	<b>\$75,354</b>	<b>\$113,031</b>

Source: Maine Statistical Handbook (2003)

Data Set: Table 3C - Average Annual Covered Employment by Labor Market Area, by Industry, 2003

Data Set: Table 3D - Average Annual Wages Paid in Covered Employment by County, by Industry, 2003

Conversely, the 1.5-person household wage earners in the education and health services industry could only afford 88% of the median price house in Rockland, 39% in Camden, 67% in Lincolnville, 43% in Rockport, 55% in Saint George and 84% in Thomaston. It is clear from this table that certain industries, and to a large extent wage earning employment in general, is increasingly unable to afford the median priced home in the study area. Movement inland is often the solution. Further analysis could also help identify the extent to which the availability of housing below the median prices cited in this table is helping to meet the needs of “working” families.

The median income for the study area communities is generally higher than most industry wages. By using this figure; however, we avoid the pitfalls of an “average” figure for **one** worker, which may not reflect true household income. In general, the large increase in median home prices has served to exclude a large number of households from purchasing the median priced home.

### Escalating Home Prices

Home prices have escalated dramatically, both nationally and within Maine (particularly in coastal Maine) since 2000. Some attribute this to the beginning of the bear market in stocks, but the attraction of coastal property is also a big reason. This trend is magnified by the aging of the baby boomers and the ability and inclination of this age cohort to purchase second/retirement homes, particularly in Midcoast Maine, where this trend was precipitated by the area’s attractiveness for retirees. The following table shows median priced homes between 2000 and 2003 among the study area communities:

**Median Priced Homes**

<b>Geography</b>	<b>2000</b>	<b>2003</b>	<b>% Change</b>
Camden	\$205,000	\$292,500	42.7
Lincolnville	\$136,250	\$172,000	26.2
Rockland	\$79,500	\$130,000	63.5
Rockport	\$182,250	\$262,250	43.9
Saint George	\$216,000	\$208,750	-3.4
Thomaston	\$95,000	\$137,000	44.2

Source: MSHA

## **E. FOCUS: ELDERLY HOUSING**

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Older individuals increasingly comprise a greater proportion of the total population in the study area and region, as noted in the demographic trends analyzed. Accordingly, information on housing options and opportunities for the elderly is noted in greater detail here.

Homeownership is the most popular and preferred housing option among seniors because of the independence and financial security (equity) it can provide, the connection to family life even after children leave home, neighborhood familiarity and maintaining important local social and community networks. Homes, especially large ones, are often difficult and expensive to maintain for older persons with limited physical ability and fixed incomes. Most seniors own either single family homes or mobile homes. Condominiums and cooperatives are also prevalent homeownership options for seniors. Many seniors live independently in their home, receiving only small amounts of assistance from family or volunteer care givers. A growing number; however, are now receiving in home support services such as meal programs, transportation services, and companionship.

Rental housing is available in all housing types, including single family homes, single rooms in houses or hotels, apartments, retirement villages and complexes designed specifically for older persons. Similar to homeowners, many elder renters live independently or receive only limited assistance from family members or service organizations. In addition, some rental complexes exclusively designed for seniors offer or coordinate varying degrees of service for elderly tenants. Some rental complexes are sponsored by federal programs and often help subsidize rents, making them affordable for many elders. Rental housing is much less burdensome than homeownership for seniors. It frees them from the many physical and financial responsibilities of owning a home. Also, many rented houses or units are smaller and structurally conducive to older persons' lifestyles. While renting is typically not the most preferred housing option among seniors, it is generally viewed as preferable to a nursing home.

Assisted living is a relatively new housing option for elderly households. It combines the advantages of independent housing with support services and social activity. These facilities usually offer individual apartments or rooms for lease and a full range of services such as meals, house cleaning, laundry services, transportation and assistance with basic activities. This housing option is expensive, with average monthly costs ranging from \$1,500 to \$3,000. These costs often exclude many low- and moderate-income seniors.

Long-term care facilities, also known as nursing or convalescent homes, are used by those who are entirely dependent on medical and nursing care. Long-term care is typically the final stage or option in the elderly housing continuum. These institutions often provide "hospital like" living arrangements where residents share space and are allowed limited personal possessions. Long-term care facilities are generally viewed as the least desirable housing options among many seniors.

## **F. FOCUS: MANUFACTURED HOUSING**

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Manufactured housing comprises the bulk of affordable units in the Midcoast, especially in the form of mobile homes built in more rural areas. Increasingly, modular units are providing more housing opportunities less expensively than traditional stick-built homes. Modular homes range from modest affordable units to expensive large-scale homes. Given the importance of manufactured housing in its varied forms, more information on the benefits and challenges of this type of housing is presented here.

Manufactured homes are those units built in factories and transported intact, as opposed to “site-built” homes, which are mostly constructed onsite. Manufactured homes still require labor to prepare the site, develop infrastructure, prepare foundations, and install garages, porches, and landscaping. These activities all depend on local labor.

Since 1976, all manufactured homes have been built to a single national quality and safety standard, based on the National Manufactured Housing Construction and Safety Standards Act, also called the HUD Code. The HUD Code preempts all state and local building codes, and is based on the performance of the structure and its components, rather than mandating a prescription for specific materials. Units built to HUD Code may use engineered lumber or alternative materials not commonly permitted under local building codes. HUD Code homes must have a supporting steel frame (chassis), which is used to transport the home from the factory to its site. Other forms of factory-built manufactured housing, such as modular and panelized construction, must be built to local codes, although in some cases they may be constructed to meet both local and HUD Code standards.

The quality, safety and size of manufactured housing units have dramatically improved over the past decade. Some manufactured units, especially higher-end modular units, look like conventionally constructed single family units.

Manufactured housing’s affordability stems largely from five production factors: (1) economies of scale in the purchase of materials, (2) efficiencies due to better coordination of the building process using an assembly line, (3) a controlled environment devoid of weather or other delays, (4) reduced waste due to standardization in design and materials, and (5) reduced delays due to inspections and approvals. The average cost per square foot of a manufactured home nationally is about \$31 when it leaves the factory, less than half the cost for an average site-built home. Even including costs of delivery, installation and site work, the total development costs of manufactured units are typically 20% to 30% lower than those of site-built houses, depending on local costs. According to Census construction reports, the average multi-section manufactured home nationally cost \$55,000 in 2001, and a single-section home \$36,000. In the Knox County area, queries to local dealers indicated that the average multi-section home cost about \$70,000 in 2005, and a single-section home cost \$42,000.

Manufactured homes with a chassis are financed as personal property loans through sub-prime lenders and companies specializing in manufactured housing credit. This form of

financing is generally less beneficial for the consumer than more conventional lending. The appreciation of stick built homes (and modular homes without chassis) versus depreciation of value for much manufactured housing has been long-debated. It has generally been assumed that manufactured homes depreciate in value. Recent research from Consumers Union (publisher of Consumer Reports) found that on average, manufactured homes depreciate at a rate of -1.5% compared to an appreciation rate of 4.5% for conventionally constructed single family homes.

The financing system for manufactured housing includes two categories of homebuyers: (1) those whose home and the land on which it is sited are titled as real estate, and (2) those who buy their home separately from the land on which it is sited, titling the home as personal property and placing it on rented or owned land. The conventional mortgage industry generally serves the real estate titled market, with some added restrictions on loan terms and requirements.

Most states define a manufactured home as “personal property,” like a car, unless the consumer specifically cancels the title to the home. As personal property loans (or chattel mortgages), manufactured home loans are exempt from the Federal Real Estate Settlement and Procedures Act, which require that consumers get an estimate of costs prior to closing. Without this estimate in advance, consumers report many unexpected expenses at closing. Borrowers with personal property loans also frequently lack the benefit of independent third party appraisals. Rather than underwrite the value of the home in its final location; finance companies underwrite the loan based on the purchase price and the credit of the borrower. This removes an important check for the consumer that the transaction is occurring at a fair price.

Although manufactured homes are built in a factory, they are not complete until they have been installed, connected to utilities and repaired for any damage in transit. While calculations vary by market, the National Association of Home Builders estimates the typical builder spends about 20% to 30% of the total development cost offsite-built homes for on-site labor. Nevertheless, finance companies usually pay dealers before warranty repairs are complete, rather than holding their money in escrow until the work is done. With their money already in the bank, retailers have less incentive to properly complete repairs on these homes. Combine the lack of these safeguards (estimates, appraisals and escrows) with high pressure commission driven sales and you have a recipe for disaster. Consumers can be locked into deals within hours or days of walking onto retail lots, which is not conducive to comparison shopping for the best deal. Inflated sales prices and loans packed with points, fees, extras and insurance, combined with home problems not corrected under warranty, drive up the principal balance of loans while reducing the resale value of the homes.

Chattel loans entail increased risks, including potential over-valuation of the land the potential mobility of the unit. These loans also carry much higher interest rates and terms that can be burdensome for borrowers to maintain. During the 1990's, much of the boom in the sales of manufactured homes was fueled by chattel lending. But by 2002, sales declined by more than two-thirds, down to from 319,000 units in 1995, according to Census reports. Several large chattel lenders extended loans to thousands of marginally qualified buyers who defaulted, resulting in the repossession of homes.

The installation of a manufactured home can create problems if the site is poorly prepared or the unit is incorrectly placed. In response to installation problems, the Manufactured Housing Improvement Act, passed in 2000, requires all states to adopt installation standards and dispute resolution processes. Installation of manufactured homes, including proper tie downs, continues to be one of the most significant shortcomings of manufactured units. Many of the problems consumers report, as well as safety problems, are due to installation of low-quality foundation materials or anchoring methods.

Tenants of manufactured home communities (also called parks) face the risks of rent increases, eviction, and inadequate infrastructure, including water systems. Yet moving a manufactured home to a different home site can cost \$5,000 or more, limiting the options of families unsatisfied with their conditions.



## G. PUBLIC PARTICIPATION

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Community meetings were held in the study area communities in order to inform municipal officials, residents and businesspeople of the development and demographic trends observed, and the quantified need for affordable housing as documented in this Housing Assessment. As important, the meetings solicited public comments, suggestions and guidance on how municipal officials and residents thought it best to address affordable housing needs. To supplement these meetings, surveys were distributed. The survey form is placed at the end of this section. A summary of the community meetings and surveys is presented in this section, with the exception of Rockland as their recent housing assessment provides this information.

**Community: Camden**

**Venue: Town Office Meeting Room**

**Date: February 24, 2005**

Attendees agreed that housing prices have escalated dramatically in Camden. A recent review of the Multiple Listing Service showed the lowest price home to be \$165,000. The biggest problem is an increasing imbalance between the cost of housing and people's incomes, particularly the incomes of working people. The good, developable lots have for the most part already been developed, and much of the rural land is protected from intensive housing development through the zoning in the Rural District. In these rural areas, the minimum lot is 60,000 square feet. Subdivisions in the Rural District are even more restrictive, as the minimum lot size varies from 4-7 acres.

It was noted that Camden has experienced success through a local non-profit that has developed affordable housing offered in the \$85,000 - \$130,000 range. These units have generally been built on donated land. Attendees expressed the opinion that there is little opportunity for housing rehabilitation in Camden that would meet the needs of those with lower incomes. A survey could determine if this perception is accurate. Speculators move quickly, and housing needing repairs is often bought quickly and then fixed for personal use or resale in the hot real estate market. Overall, there is definitely a need for affordable housing in Camden. Local workers can not find affordable housing, and among those with the lowest incomes the need can be seen in places like the Food Pantry, where lines seem to be longer of late.

**Community: Lincolnville (Selectmen's Meeting)**

**Venue: Lincolnville School in Northport (recorded and televised)**

**Date: February 28, 2005**

Selectmen recognized, as indicated in the Housing Assessment, that housing costs were outpacing incomes and that much of the new housing was high-end, being built for seasonal use as second homes. There was uncertainty as to what town government could or should do to address the increasing need. Some argued for reducing the regulation requirements for subdivisions including road standards. Others suggested smaller lot sizes throughout rural areas.

Most survey respondents indicated that they did not spend more than 30% of their income on housing, but that there was a lack of affordable housing in their community and in the region. All respondents favored affordable housing projects for the elderly and most opposed mobile home parks. About half favored multi-family homes and subsidized housing to meet affordable housing demand. Overall, responses were similar for the community and region as a whole.

**Community: Rockport (Selectmen's Meeting)**  
**Venue: Rockport Opera House (recorded and televised)**  
**Date: March 28, 2005**

Selectmen agreed with the affordable housing need documented in the Housing Assessment and discussed their concerns over limited eligibility for CDBG funds, given the higher median income found in town, in comparison with the region as a whole. It was noted that somewhat higher income individuals are moving to town and living there year-round, as opposed to other, smaller coastal communities, where second home construction was more significant as a total portion of new development. Nevertheless, there was a clear sentiment expressed that the town ought to take advantage of programs that could help alleviate the housing need in part, although meeting that need completely was seen as very unlikely. Rehabilitation programs and sweat equity were suggested as worth pursuing. It was noted that current village zones allow for small lots and infill development, but that this option is limited by the location of existing sewer or community wastewater facilities, and by the considerable expense of extending sewers, especially toward West Rockport where such development might be well-suited.

Most survey respondents indicated that they did not spend more than 30% of their income on housing, but that there was a lack of affordable housing in their community and in the region. Some respondents favored affordable housing projects for the elderly; others felt enough of these units were already provided in town. Most opposed mobile home parks. A majority favored multi-family homes if total such units were limited. Subsidized housing to meet affordable housing needs was favored by half of respondents. Responses were similar for the community and region as a whole on most issues.

**Community: Saint George**  
**Venue: Town Office Recreation Center**  
**Date: February 8, 2005**

Attendees were in general agreement with the data that indicates median home sale prices exceed the median household income for all employment sectors in the labor market. Housing growth in Saint George has been primarily for those not dependent on the local economy, largely retirees. Longtime residents see the significant appreciation in their property as a nest egg for their retirement. Some suggested considering reducing lot sizes to make new housing more affordable. Others noted that the population in town is getting older and that most young adults can not afford to live in town on their own.

About half of survey respondents spend more than 30% of their income on housing, indicating that their housing is unaffordable. Most respondents believed that there is a

lack of affordable housing in their community and in the region. Nearly all respondents favored affordable housing projects for the elderly and nearly all opposed mobile home parks. About half favored multi-family homes and subsidized housing to meet affordable housing needs. Sentiments were similar for the community and region as a whole.

**Community: Thomaston (Joint Selectmen and Comprehensive Planning Committee Meeting)**

**Venue: Town Office**

**Date: April 12, 2005**

Selectmen and members of the Comprehensive Planning Committee reviewed the housing assessment inventory and analysis and recognized the need for affordable housing for working families. It was noted that Thomaston does provide a significant amount of elderly housing for the region. Accordingly, it was suggested that focusing efforts on housing for young families might be advisable. Much new housing has been built in the village area, on small lots, which is unlike the trend seen in many other communities where such development occurs in rural areas on larger lots. Still the housing prices for these new units are higher than many who work in the area can afford. Given the national and regional trends driving housing demand, it was asked what one community can do on its own. To this, others replied with the need for regional cooperation, as discussed in the housing assessment and comprehensive plan. Some strategies discussed were the new state initiative for affordable housing tax increment financing at the municipal level, and potentially through inter-local agreements with several communities. Housing rehabilitation with CDBG funding was also noted, and is an option the town is currently seeking. Allowing accessory apartments throughout town was mentioned.

About half of survey respondents indicated that they spend more than 30% of their income on housing, with a similar number indicating that there was a lack of affordable housing in their community. Most felt that there was a lack of affordable housing in the region. Almost half supported housing rehabilitation efforts. Nearly all opposed mobile home parks. A majority favored multi-family homes and subsidized housing. The attendees liked the survey format and may distribute the survey to residents in the next town mailing in May or June, in order to help better guide town actions on which affordable housing strategies to pursue.

**Communities: All (MCRPC Affordable Housing Workshop)**

**Venue: Union Town Office**

**Date: April 27, 2005**

The Midcoast Regional Planning Commission held their Annual Meeting on April 27, with a focus on affordable housing resources. Speakers were provided an opportunity to discuss their particular programs, as follows:

- Erin Cooperrider of Community Housing of Maine discussed the Low Income Housing Tax Program
- Joanne Campbell of the Camden Affordable Housing Organization (CAHO) discussed the experience of this group
- Jeff Nims, CEO and Planner in Camden, discussed the role of municipal government in supporting affordable housing
- Glenn Blair, from Maine Rural Development, discussed the resources available through this agency for housing, and
- Mike Bonzagni of Coastal Community CAP discussed the resources available through his organization.

Approximately 40 people from twelve municipalities were in attendance. Those communities included Belfast, Brooks, Camden, Cushing, Lincolnville, North Haven, Rockland, Rockport, Saint George, Searsmont, Thomaston and Washington. A brief summary of key information includes:

**Erin Cooperrider**

- Developed Stevens Green in Rockland. Statewide this group has developed 48 projects in 23 communities.
- Key challenges for low income rental projects is the attitude of people, NIMBY attitudes, and finding a suitable site.
- The project in Rockland had a creative design and provided nine flats, eight 2-bedroom units, and nine 3-bedroom units.
- Financing for the Rockland project was provided through a 4% Investment Tax Credit.
- Scoring criteria for these projects emphasizes: 20% of units must be for lowest income, funds must be leveraged from other sources, 60% of the units or more must be for renters below 50% of the median family income, priority points are awarded for areas with high need, and the developer must demonstrate experience. Finally, projects with strong municipal support are preferred. Rent levels range from \$494 for a one-bedroom to \$680 for a 3-bedroom. These are approximately \$100 to \$300 cheaper than prevailing market rate rents.

**Joanne Campbell**

- Joanne reviewed the history of this effort in Camden. They are formed as a 501(c)(3). They began with small projects. In 1997, they received land off of Mt. Battie and added 2 units to an existing 2 units that already existed. They bought more land with the Coastal Mountain Trust and partnered with the Town to develop 4 lots, and the town support helped extend utilities.

- CAHO then began to build infrastructure to develop 8 lots and received financial help from the Federal Home Loan Bank and the Maine State Housing. They agreed to make half the units available for those with incomes less than 50% of the median income.
- A strong relationship was developed with the local Home Builders Association. Prior to building houses, they secured 3 bids and construction costs were set at \$95/sf. They are now about to begin their third project and expect to emphasize building design and landscaping more. Deed restrictions are placed on the land to ensure that appreciation in land values stays in perpetuity with CAHO.

### **Jeff Nims**

- Jeff gave an informative talk on how communities can assist with developing affordable housing. He noted the town's experience with developing the proper organization and how they were able to separate a town planning function for affordable housing from the actual group that did the affordable housing.
- In Camden, the town offered help with information, zoning, bonding for sewer and developing a supportive comprehensive plan. The town also assisted with the use of infill projects and the granting of waivers in the subdivision ordinance when affordable housing issues were at play.

### **Glenn Blair**

- Various Rural Development programs were discussed, including the 502 direct loan program and the 504 repair loan/grant program. The 502 Direct program is designed to subsidize home loans as low as 1% over 38 years. There is no down payment. To qualify, incomes must be below 80% of median income.
- The 502 Guaranteed program utilized a lenders fixed rate and provides a guarantee. There is no down payment required. Incomes must be below 120% of median income.
- The 504 Repair Loan and Grant program provides grants to very low income applicants aged 62 and over. This program also provides loans for very low income homeowners at 1% over 20 years.
- In Knox County, the average housing cost for the 502 program is \$111,000 and the average loan for the 504 repair program is \$5400.
- For the 502 program there are loan limits and it is important that the price and value of the home is in balance, as well as the price/value of the land. There is a limited inventory of buildings that will qualify for assistance, and only single family units qualify. There is often a lack of awareness of the program. Partnerships with the CAP agencies and others are often the best way to get these programs utilized.
- Funding for these programs is subject to the federal budget cycle, and processing times and regulations can seem burdensome. However, there are many successful examples of good projects utilizing these funds.

### **Mike Bonzagni**

- Mike gave an impassioned talk about the value of affordable housing and its importance in the overall community/economy. He explained the various programs available through CCAP, including: Home Energy Assistance,

Weatherization, Central Heating Improvement Program, Oil Tank Replacement Program, and Lead Hazard Control.

- The First Time Homebuyer class was discussed that helps a homebuyer prepare for ownership. CCAP also offers a soft second funding mechanism, providing up to \$7000 in funding for first time homebuyers. Home rehabilitation loans are provided at 1%, and sometimes with grants to eligible homeowners.
- CCAP also offers a variety of other programs, some of which make good connections to helping people in need with other things besides housing. They are also active with various housing groups, and were instrumental in various aspects of the successes in Camden that helped to develop affordable housing.

### MULTI-TOWN HOUSING ASSESSMENT SURVEY

1. My city or town of residence is \_\_\_\_\_.
2. Circle one: I am a YEAR-ROUND OR SEASONAL RESIDENT
3. I've lived in my current home for \_\_\_\_\_ years.
4. Circle one: I am SELF-EMPLOYED, RETIRED, work for a PRIVATE EMPLOYER, or the PUBLIC SECTOR
5. Circle one: I work PART TIME, FULL TIME, SEASONALLY, RETIRED, SEEKING WORK, NOT APPLICABLE.
6. If working, my place of work is most often in this city or town: \_\_\_\_\_.
7. Circle one: My home is STICK-BUILT, MODULAR, MOBILE HOME, OTHER, OR UNSURE.
8. Circle one: My home is DETACHED (ON ITS OWN LOT), ATTACHED, APARTMENT BUILDING, OR OTHER.
9. Circle one: I OWN OR RENT my home.
10. On average, my household spends more than 30% of its income on monthly housing costs (mortgage, rent, property taxes, utilities, etc.)? Circle one: YES OR NO
11. Over the past several years, my housing costs (mortgage, rent, property taxes, utilities, etc.) increased faster than my household income? Circle one: YES OR NO
12. I believe that there is a lack of affordably-priced housing IN MY TOWN? Circle one: YES OR NO
13. I believe that there is a lack of affordably-priced housing IN THE REGION? Circle one: YES OR NO

I favor, oppose or am unsure of the development of the following IN MY TOWN:

- |     |                               |       |        |        |
|-----|-------------------------------|-------|--------|--------|
| 14. | Housing Projects for Elderly: | FAVOR | OPPOSE | UNSURE |
| 15. | Housing Rehab.:               | FAVOR | OPPOSE | UNSURE |
| 16. | Mobile Home Parks:            | FAVOR | OPPOSE | UNSURE |
| 17. | Multi-Family Homes:           | FAVOR | OPPOSE | UNSURE |
| 18. | Single Family Homes:          | FAVOR | OPPOSE | UNSURE |
| 19. | Subsidized Housing Projects:  | FAVOR | OPPOSE | UNSURE |

COMMENTS: \_\_\_\_\_

I favor, oppose or am unsure of the development of the following IN THE REGION:

- |     |                               |       |        |        |
|-----|-------------------------------|-------|--------|--------|
| 20. | Housing Projects for Elderly: | FAVOR | OPPOSE | UNSURE |
| 21. | Housing Rehab.:               | FAVOR | OPPOSE | UNSURE |
| 22. | Mobile Home Parks:            | FAVOR | OPPOSE | UNSURE |
| 23. | Multi-Family Homes:           | FAVOR | OPPOSE | UNSURE |
| 24. | Single Family Homes:          | FAVOR | OPPOSE | UNSURE |
| 25. | Subsidized Housing Projects:  | FAVOR | OPPOSE | UNSURE |

COMMENTS: \_\_\_\_\_

Use the back of this survey for additional comments.

**Please return this completed survey to MCRPC, 166 Main St., Ste. 201,  
Rockland, ME 04841, or fax to 594-4272.**

## **H. COMPREHENSIVE PLANS: HOUSING RECOMMENDATIONS**

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Housing affordability is addressed in the municipal comprehensive plans of the study area communities. And so a summary of plan recommendations relating to housing are noted in this section. As background, a comprehensive plan describes the community and is an expression of the town's vision for its future as expressed in town wide surveys and meetings with residents and business owners. The plan is an official public document that can be found consistent with state law by the State Planning Office and adopted by the municipality through town meeting vote or city council approval. The plan serves as a guide of recommendations for the future development of the town. It does not enact any regulations or restrictions, but the plan is the legal basis or foundation for all local ordinances.

### **Camden**

The current Camden Comprehensive Plan was found consistent with state law in November 2004. Camden residents approved the plan in June 2005. The previously adopted plan dates from 1992. The current plan describes the need for affordable housing as significant and notes that the effort made to provide for some of the rental needs of low-income households, including use of the Farmers Home Administration's Section 515 multifamily financing program, by which private developers have built a total of 201 assisted rental units in the Town. Of these, 103 units receive deep subsidies (that is, the tenant pays a maximum of 30% of income to rent plus utilities, and the government subsidizes the remainder).

To address the affordable housing need in Camden, the Select Board established the Camden Affordable Housing Committee, which formed the nonprofit Camden Affordable Housing Organization (CAHO) to develop affordable housing in conjunction with the Affordable Housing Committee. The purpose of the corporation is to allow the organization to acquire and dispose of property without the need of having to go to a town election each time property is accepted or sold. CAHO has been and continues to be the primary moving force behind the efforts of the town and the committee to develop affordable housing. However, since its inception, just a small number of affordable housing units have been created. With a donation of land from MBNA and sewer extension (funded by bonding) and \$300,000 grant from the Federal Home Loan Bank Board, CAHO developed an eight-lot affordable housing subdivision, approved by the Planning Board in June 2002.

Given, the real estate market, dire need for and the limited construction of affordable units in Camden, the plan recognizes the importance of local ordinances revisions to encourage affordable housing as well as the need for generous gifts, plus state and federal funding for the creation of such units.



The Camden Comprehensive Plan Implementation Strategies include:

The Planning Board should create and enhance mechanisms to foster construction of well-planned, affordable housing developments, including subdivisions, mobile home parks, apartments, and scattered site/infill projects. Mechanisms that deserve consideration include:

- (a) The use of incentives to developers to dedicate a given number of their proposed lots for affordable housing. Incentives might include increased densities or provision of Town-financed utilities.
- (b) The wider use of cluster housing as a tool for affordable housing;
- (c) Allowing the conversion of single family homes in designated areas of Town into multi-family units at greater densities than now permitted; or the addition of "granny flats" to a single family lot, provided the capacity for such increased density can be demonstrated to exist.

Strategy: Amend zoning ordinance.

Responsibility: Planning Board, Camden Affordable Housing Committee, Select Board

Timeframe: Immediate

The designated affordable housing organization should:

- (a) Explore the possibility of purchasing "appreciation rights," that is, the right to impose restrictive covenants on selected homes, which would limit the resale price of those residences to less than market value;
- (b) Explore ways to assist citizens of Camden in their individual and collective efforts to purchase and renovate existing housing units within the Town, perhaps through financial assistance or sweat equity; and
- (c) Explore ways to encourage, promote, or develop efforts aimed at assisting Camden's elderly residents to find suitable and affordable housing in the Town.

Strategy: Convene joint session of Senior Services Advisory Board and Camden Affordable Housing Committee to explore options.

Responsibility: Camden Affordable Housing Committee, Senior Services Advisory Board

Timeframe: Ongoing

The Town should promote and participate in a regional and comprehensive approach to the provision of affordable housing in the midcoastal area.

Strategy: Continue to participate in Knox County Affordable Housing Coalition.

Responsibility: Select Board

Timeframe: Ongoing

At a minimum, it is the objective of the Town that, over the next ten years, 35 new affordable housing units, as defined by state law, will be created in Camden (representing 10% of projected new housing units by 2013 for a population of 5,884).

Responsibility: Planning Board  
Timeframe: Long term

## **Lincolnvile**

Lincolnvile drafted and adopted a comprehensive plan in 1993. The plan is not consistent with state law and over the past few years, the town has been drafting an updated plan to better account for recent development issues. The new plan is likely to be submitted to the state and town voters in late 2005. The 1993 Plan states that “The Town must examine a variety of mechanisms that will increase the availability of affordable housing. A local housing trust, relaxed land use standards for affordable housing proposals, and creative construction techniques all encourage reasonable priced housing. The Lincolnvile Affordable Housing Committee is investigating a number of areas to assist Lincolnvile residents with their housing needs, including examination of an under-utilized Farmers Home Administration program to help groups of families build their own homes.”

Lincolnvile Comprehensive Plan (1993) Goals and Implementation Strategies include:

Housing Goal #1: To ensure that affordable housing is available to the citizens of Lincolnvile.

Implementation Strategies:

Encourage the Affordable Housing Committee to continue its work on affordably priced housing for Lincolnvile citizens. (Affordable Housing Committee, ongoing)

Encourage the incorporation of a non-profit housing trust to develop affordable housing proposals. (Selectmen, Affordable Housing Committee - May, 1994)

Housing Goal #2: To ensure that land use controls do not discourage the development of affordable housing in Lincolnvile.

Implementation Strategies:

Amend the existing land use ordinance to allow the addition of one attached apartment per dwelling unit, provided state plumbing rules are met. (Land Use Committee - December, 1993)

Look into applicability of incentives for development of affordable housing within new subdivisions. (Land Use Committee - December, 1993)

The 2004/05 Lincolnvile Draft Comprehensive Plan recognizes that the influx of more affluent residents has offset housing needs for many newcomers. However, there is an increasing need for affordable housing options for many longtime residents, especially

families who depend on the local or regional employment market and the elderly on fixed incomes.

Lincolnton Draft Comprehensive Plan (2004/05) Goals and Implementation Strategies include:

Housing Goal #1: To ensure that affordable housing is available to the citizens of Lincolnton.

Implementation Strategies:

- Continue to place no restrictions on where affordable homes can be located.
- Work with regional organizations and resources to develop strategies to ensure that affordable housing is available.

Housing Goal #2: To ensure that land use controls do not discourage the development of affordable housing in Lincolnton.

Implementation Strategies:

- Continue to allow the addition of one attached apartment per dwelling unit, provided state plumbing rules are met.
- Look into applicability of incentives for development of affordable housing within new subdivisions.
- Give the Planning Board power to consider the affordability issue to waive certain restrictions, e.g. buried power, paved roads.
- To allow a lot size (contingent on soil suitability/sewerage) that will encourage/facilitate the building of affordable housing.

Housing Goal #3: The Town must examine a variety of mechanisms that will increase the availability of affordable housing in conjunction with other regional resources.

Implementation Strategies:

- Design ordinances and standards that create an atmosphere of flexibility toward site plans designed around affordable housing.

## **Rockland**

The Rockland Comprehensive Plan, found consistent by the state, was adopted by the City Council in June 2004, effective in July 2004. As the primary service center community for the county, housing and labor markets, Rockland recognizes its important role in providing a variety of housing options. The City has the most multifamily, subsidized and rental housing units in the region. Rockland faces high infrastructure maintenance costs and has relative to the other study area communities, a limited amount of land for new residential development on greenfield (previously undeveloped) sites.

Rockland Comprehensive Plan Goals, Policies and Implementation Strategies include:

Goal: To encourage affordable housing, as defined by the state, evenly distributed within residential growth areas that are served by municipal water, sewer and have easy access to transportation, constituting 10% or more of housing starts in the City to meet the needs of Rockland citizens.

Policies:

1. Encourage participation in programs, grants (CDBG housing assistance and rehabilitation) and projects for the construction of subsidized housing whether within the city or the region, and grants to homeowners for improvements to energy efficiency, habitability, etc.
2. Encourage consideration of participation in affordable housing tax increment financing program, in which the State covers some City property taxes, in order to provide for lower housing costs.
3. Encourage private developments to include a portion of affordable housing by providing municipal infrastructure improvements and/or extensions to such developments in designated growth areas.
4. Encourage the compilation of information on affordable housing programs and grants for the use of residents.

Strategies:

1. Apply for grants (CDBG housing assistance, infrastructure, and rehabilitation) and projects for the construction of subsidized housing whether within the city or the region, and grants to homeowners for improvements to energy efficiency, habitability, etc.
2. Investigate applicability of housing tax increment financing program and if appropriate, apply for this program.
3. Devise a schedule of infrastructure improvements that the City would be willing to consider making for private developments that incorporated affordable housing units, consider a pro rata approach with greater infrastructure investments made for projects with a greater percent of affordable housing units.
4. Continue to collect and provide information on affordable housing programs and grants for the use of residents.

## **Rockport**

The Rockport Comprehensive Plan, found consistent with state law, was approved by town voters in November 2004. The Plan describes the lack of and need for affordable housing. The Plan recommends the following concepts generally:

- Encourage the development of affordable cooperative housing through ordinances and zone revisions.
- Place sales covenants on all affordable housing units to take advantage of the various incentive programs that ensure the property will remain an affordable unit well into the future.

- Exempt affordable housing units from impact fees.
- Analyze and recommend necessary infrastructure to areas where traditional villages are proposed to allow for increased densities.
- Aggressively pursue grant funds and other innovative funding mechanisms to assist in the development of infrastructure and the building of affordable housing.

Rockport Comprehensive Plan Policies and Implementation Strategies include:

Expand regional effort to provide affordable housing opportunities

- Appoint a town representative to participate in the Knox County Affordable Housing Coalition
- Establish an ad hoc committee to explore collaboration with Camden Affordable Housing Organization

Housing Organization

Town Manager and Selectmen

Ongoing

Offset the rising town costs associated with increased residential development

- Explore, define, and draft an impact fee ordinance related to residential development

Newly appointed finance director together with the advisor for grants 18 months from adoption of this plan

Anticipate future development in the targeted residential growth areas and plan for infrastructure

- Complete feasibility study for wastewater infrastructure expansion into outlying village areas of town

Selectmen/Town

Manager select engineering firm 18 months from adoption of this plan

Strive to meet the Growth Management Act's goal that requires that 10 percent of all future development be affordable.

- Continue to allow for mobile homes, as currently outlined in Rockport's Land Use Ordinance.
- Promote mixed use districts and village developments that encourage economically diverse neighborhoods

Ordinance Review Committee

Ongoing

For Rockport Village and Rockport Downtown, the Plan recommends retaining most of the current land use standards regulating density, which include density bonus options for affordable units. For the other village districts, the Plan recommends:

- Minimum lot size: 12,000 square feet (sewered or with community waste disposal system); 40,000 square feet (unsewered) – reducible to

20,000 square feet in unsewered areas with the use of transferred development rights or to 12,000 square feet if lots are built in “clustered” fashion (requiring 50 percent of the total parcel to remain undeveloped).

- Minimum lot sizes can also be reduced to 8,000 square feet (sewered) or 12,000 square feet (unsewered) for the building of “affordable” housing (to be defined) which must be administered by some organization similar to the Camden Affordable Housing Authority to assure permanent affordability where it can be confirmed that the soils will support wastewater disposal on such smaller lots.

## **Saint George**

Saint George residents adopted a comprehensive plan in 1993, which received a consistency finding with state law in 1997. The plan notes that some elderly have had to sell portions of their land in order to pay increasing property taxes. Some townspeople have given family members land so that they can afford to remain in Saint George. Not surprisingly, most affordable units are built away from the shore and include mobile homes. The minimum lot size town wide is recommended to be one acre. Since the town is a peninsula however, the shore is never very far away, and accordingly land prices on interior lots have been increasing almost as fast as those lots on the water or those with water views.

Saint George Comprehensive Plan Implementation Strategies include:

1. Wide Range of Housing/Adequate Affordable Housing:
  - a. Permit all types of residential uses in areas where there are no identified growth constraints.
  - b. Encourage the formation of an affordable housing alliance or membership in a similar regional organization.
  - c. Investigate the grant/loan opportunities available through the State Affordable Housing Alliance (i.e. Municipal Infrastructure Revolving Loan, and Municipal Acquisition Revolving Fund).
  - d. Seek a Community Development Block Grant or grant from another source to rehabilitate existing housing.
2. Minimum Health and Safety Standards:
  - a. Examine the need to assure that new housing and rental housing meets the minimum safety standards.
  - b. Examine the mobile home stock to see if it is adequate. If not, consider the establishment of minimum standards or mobile homes and manufactured housing consistent with Maine’s Mobile Home Park Law.
3. Regulatory Incentives for Affordable Housing:
  - a. Eliminate, where appropriate, any existing ordinance requirements that may be unnecessary. For example, the

following subdivision provisions can help reduce the cost of affordable housing:

- allow various curbing options
  - allow natural drainage systems
  - allow curvilinear storm pipes
  - allow plastic pipe
  - allow road widths to vary with traffic volume (allow roads with less than 24 feet of pavement)
- b Assure that there are reasonable time limits for the review and approval of subdivisions.
  - c Establish a permit system where multiple local reviews are unnecessary.
  - d Offer density bonuses (e.g. 25%) and other incentives to developers who provide affordable housing (e.g. 20%) consistent with the orderly growth and development of the Town.
4. Monitoring Housing Affordability: With each update of this plan, conduct a study to determine the level of affordable housing in Saint George.
  5. Elderly Housing: Allow a density bonus (e.g. 25%) if a certain percentage of units are for the elderly (e.g. 20%).
  6. Allow Accessory Apartments: Continue to permit accessory apartments through the Housing Conversion Ordinance to accommodate the elderly and handicapped.
  7. Creative housing Policy: Review and upgrade, where appropriate, the Multi-family Dwelling and Cluster Housing Ordinance to assure that it permits and provides incentives for the creation of innovative and up-to-date housing developments and preserves open space and community character. Consider permitting zero lot line development (e.g. townhouses), reducing the minimum parcel size to 5 acres for clustered development, requiring that at least 25% if the development is left in open space, and requiring, where possible, that usable open space be maintained along water bodies.

Saint George drafted a comprehensive plan update in 2001, which included some 2000 Census figures. This plan was not submitted for state review and was adopted by town voters. Some of the affordable housing strategies from the 1993 Plan listed above were kept. The 2001 Plan removed 1992 strategies relating to forming an affordable housing alliance, investigating grant/loan opportunities, and seeking CDBG funds for affordable housing or housing rehabilitation. A new strategy was added to adopt the State Building Code. It is stated that the lack of public water and sewer means that density bonuses for affordable or elderly housing cannot be offered. It is noted that the subdivisions regulations now include the provision for multifamily and cluster housing.

## **Thomaston**

Thomaston submitted its Comprehensive Plan Update to the state for consistency review in April 2005. Town residents will vote on the Update Plan at the June 2005 Town Meeting. The need for affordable housing based on how much people spent on housing is noted for the year 2000, in which 192 owner-occupied households spent more than 30% of their income on housing. For renters, 165 renter-occupied households in Thomaston spent more than 30% of their income on housing. In 2001 HUD/MSHA and USDA RD sponsored subsidized or affordable rental units and Section 8 Vouchers for 101 housing units in Thomaston. The significant rise in house sale prices, outpacing estimated median household income, provides evidence that the affordability gap is widening. Mobile homes were noted to constitute the majority of new affordable units. Elderly housing facilities, including assisted living, in Town were mentioned as meeting the local need and to some extent the regional need as well. The Updated Plan states: “The town believes that a regional approach may best meet the need of its low- and moderate-income residents. The town would encourage accessory apartments, so-called ‘mother-in-law’ apartments, and will revise ordinances and building codes if needed. Currently such apartments are allowed in the TR-3 district.”

Thomaston Comprehensive Plan Update (2005) Implementation Strategies include:

1. The town will welcome and encourage participation in programs, grants (CDBG housing assistance and rehabilitation programs) and projects for the construction of subsidized housing whether within the town or the region, grants to homeowners for improvements to energy efficiency, habitability, etc., and will work to ensure sufficient affordable housing options for its residents including elderly citizens. The town will compile information on these programs and grants for the use of residents. [Selectmen. Priority: Important. Time frame: Ongoing]
2. The code enforcement officer (CEO) will address reported violations of local ordinances, and State laws and regulations that affect health, safety or community conditions such as the automobile graveyard provisions, removal of unsafe or deteriorated buildings, replacement of driveway culverts, etc. The CEO will work with the Planning Board to address any need for modification to the existing land use ordinances that may be appropriate. [Selectmen, Planning Board, CEO. Priority: Very Important. Time frame: Ongoing]
3. Through its land use ordinance, the town will continue to encourage affordable housing opportunities by allowing a mixture of appropriate housing types, including accessory apartments. In this effort, the town will encourage senior citizen housing opportunities and the land use ordinance will provide residential areas that allow single and multi-family dwellings, as well as manufactured housing. The town will continue to allow mixed-income housing



within the residential areas of the town. The Town will track new building permits, and rental unit availability and price. [Selectmen. Priority: Very Important. Time frame: portions ongoing; tracking within 3 years]

The Updated Plan notes that the 1991 Thomaston Comprehensive Plan implementation strategy to “Amend the Land Use and Development Ordinance and Subdivision Ordinance to require that 10% of housing be affordable to low and moderate income households” was not mandated but is currently encouraged in ordinance. The 1991 Plan strategy to “Amend the Land Use and Development Ordinance and Subdivision Ordinance to include a reduction in land area required per dwelling unit and frontage and side yard setbacks for designated affordable housing in the Growth Areas” was enacted in the TR-3 Zone.

# I. MCRPC HOUSING RECOMMENDATIONS

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The Mid-Coast Regional Planning Commission (MCRPC) Regional Plan, adopted by the MCRPC Board of Directors April 27, 2005, provides the following summary of housing challenges and opportunities that are worth consideration for the study area communities.

## HOUSING CHALLENGES

1. *Business location:* Businesses seek to locate their operations where reasonably priced housing is available for their employees. A shortage of affordable housing impacts business location decisions. Fewer businesses mean fewer employment opportunities for residents, which further exacerbates the gap between incomes and housing costs.
2. *Community impact:* When employees are unable to find suitable housing in the region, Midcoast communities lose not only new tax paying residents but new consumers as well. Likewise, municipalities are having increasing difficulty recruiting employees and volunteers who provide basic services like fire protection.
3. *Housing demand:* The growth in housing demand, and in turn housing prices, has been fueled by more than the local economy and the jobs that it provides. The explanation is found with the in-migration of generally older and more affluent individuals who, on the whole, are not dependent on the local economy for their livelihood. Their purchase of year-round and seasonal homes has set market prices higher than traditionally seen in Maine, but still lower than the prices found in the places from which in-migrants come.
4. *Land use regulations:* When land use regulations become cumbersome, the ability of developers to provide lower cost housing is compromised. While much of the review process is needed to protect the environmental, some new requirements and outdated, inconsistent standards inhibit or prevent opportunities for affordable housing.
5. *Population shift:* The lack of affordable housing forces some low and moderate income persons to leave or pass over the region to seek employment and housing elsewhere. Others may find suitable housing in surrounding areas and commute long distances to jobs centered in Rockland and Belfast. This increases congestion region wide and adds significant costs for the commuters themselves.

## OPPORTUNITIES

### **1. Adopt policies that support affordable workforce housing**

*Municipalities should:*

- Assess housing needs at municipal level and update regularly.
- Encourage private sector participation, including development of municipal and non-profit partnerships.
- Include affordable housing goals and location criteria in comprehensive plans.
- Use code enforcement to insure maintenance of existing housing stock and to improve housing quality.

*MCRPC should:*

- Encourage measures to provide for permanent housing which will reduce the need for transitional housing.
- Engage in regional CDBG housing grant writing.
- Provide guidance, including recommended allocations, to assist all municipalities in meeting a share of the regional need for affordable housing.

### **2. Use available federal, state, county and local programs, funds and resources**

*The state should:*

- Direct capital spending into established centers that can accommodate affordable housing, including transportation improvements like sidewalks, public transportation and other public infrastructure.
- Expand training programs and information on affordable housing programs to local governments and the private sector, including technical assistance on financing, construction and related housing services to municipalities and not-for-profit housing corporations that provide low cost and special needs housing.

*Municipalities should:*

- Explore creative financing techniques for developing affordable housing including the affordable housing tax increment financing program.
- Explore opportunities for development with not-for-profit organizations, public housing authorities or public/private partnerships as developers of the housing.

- Make public land available for construction of affordable housing thereby reducing the development cost.
- Participate fully in state and federal housing assistance programs, including the federal Section 8 voucher program and CDBG programs.
- Provide funding and other incentives for affordable housing construction and rehabilitation through property tax abatement, where appropriate, and through revolving funds that can receive public and private contributions.
- Pursue programs to preserve and rehabilitate existing housing units.

**3. Encourage affordable workforce housing through land use ordinances and regulations**

*Municipalities should:*

- Offer density bonuses for a percentage of affordable units in new development and/or establish affordable housing set asides in subdivision proposals.
- Permit accessory apartments.
- Permit non-traditional family group residency consistent with health and safety standards for occupancy of single family residences.
- Provide for and encourage mixed use development (housing over stores and residential components of commercial and office developments).
- Update ordinances and building codes regularly to reflect changing housing needs and opportunities.

*MCRPC should:*

- Expand its educational outreach on land use ordinance provisions that encourage affordable workforce housing.

The Mid-Coast Regional Planning Commission's Knox County Housing Supplement provides the following affordable housing recommendations that are also worth consideration for the study area communities.

**Community Land Trusts**

A community land trust (CLT) is a non-profit organization that makes the land it owns available for community use. Land and affordable housing built upon it are removed from the speculative market, and support is typically given to help participants build and retain their housing. This type of housing is known as limited equity cooperatives. For income eligible homebuyers, equity may be earned on home improvements; providing some compensation should they need to sell. The next homebuyer will also need to meet

the income guidelines established by the land trust membership. The ground lease contains the resale formula and the CLT's preemptive right to purchase the lessee's home or rental property.

### **Lot Size and Community Wastewater Facilities**

It is commonsense that smaller housing lots are more affordable than larger ones. Given the rising housing costs in coastal communities, communities should consider minimum lot sizes when amending land use ordinances. Depending upon soil conditions, small lots may not be able to support housing that is dependent upon septic system and/or well standards necessary to ensure the health of a home's occupants, and to meet minimum state standards. In these areas, municipal sewer and water can allow for smaller and therefore more affordable lots for homebuyers. The installation of sewers and water systems is a substantial cost to municipalities. Sewers are rarely installed except in more densely populated areas, and/or pursued when grave environmental and development pressures exist. Even then, significant state and federal funds are often leveraged to develop or expand these systems. Maintenance of sewer and water systems is a large part of the municipal expenditures in service center communities. Therefore, the consideration of community wastewater facilities may prove to be a sensible compromise. Such shared systems allow for development on smaller lots than could be accommodated by individual septic systems. These shared systems are paid for by developers and users rather than by the town as a whole. When multi-unit and clustered housing proposals are before the town, with adequate ordinance standards, the planning board could request proposals from developers for community wastewater facilities. The costs of these systems are often offset by the increase in allowable units and costs savings to developers for these planned developments.

### **Housing Subsidies**

Local, state, and federal governments have a number of different programs for subsidized housing. Many times all phases of government are integrated in these projects with funding and operation and jurisdictional fields overlapping.

The United States Department of Housing and Urban Development (HUD) is the primary federal agency dealing with affordable housing. Part of the United States Department of Agriculture (USDA) also deals with affordable housing. The Maine State Housing Authority (MSHA) is the state's agency for these issues.

Subsidized units are built with state or federal funding for the express purpose of providing housing to lower income individuals and families. A housing project or development may be entirely formed by subsidized units, or the project may be of mixed uses. Subsidized units are typically available to individuals within certain income guidelines, and residents are expected to pay a fixed percentage of their income as rent.

Housing is also subsidized through certificates and vouchers. Especially when subsidized units are not available, MSHA will provide monies for citizens to use as payment for rent for non-public units. The state reimburses the town for general assistance money, which may be given to citizens with short-term immediate needs for housing that meet

predetermined criteria. Finally, low interest loans secured through the federal or state governments are also a form of subsidy.

Even though elderly and family housing units may appear to be the solution to affordable housing problems, rent or mortgage payment is only one of the many housing expenses. Subsidized housing problems can include poor insulation and heating that can inflate total housing expenses.

Rental assistance and vouchers are used to compensate applicants when subsidized housing units are not available. These forms of assistance are often more expensive than providing actual units, and thus it may be in a community's best interest to facilitate the construction of housing units and/or projects.

Often an overlap exists between the need for "affordable and appropriate" housing and the need for "subsidized" housing. Many residents are not eligible for subsidies, but are also not able to maintain a house and live independently or they may not be able to afford the rent.

MSHA offers programs to help Maine families realize the dream of homeownership. The programs provide lower interest rate mortgages, generally one to two points below conventional interest rates, to low and moderate income Maine people for the purchase of their first homes. The program has maximum income limits for borrowers and price limits for eligible homes; and can be used to finance single-family homes, mobile homes, two-to-four unit owner-occupied homes, and condominiums.

In order to reduce the required down payment, MSHA's program requires borrowers to use mortgage insurance. Mortgage insurance reduces the down payment to 5% or less, depending on the type of insurance used. Borrowers have the option of using private mortgage insurance; Federal Housing Administration (FHA) insurance; Veterans Administration (VA) guarantee; or the Rural Development (formerly Farmers Home) insurance. Each type of insurance has slightly different eligibility requirements. Borrowers who complete a home buying course may qualify for a reduced down payment (3% instead of 5%). MSHA also finances some types of mobile homes with self-insurance with a 5% down payment.

Closing Cost Assistance is available for borrowers who do not have the cash to cover these costs. The costs include such fees as title examination, credit check, and several others. Eligible applicants receive 2% of the mortgage amount, which is credited toward the closing costs. The closing cost assistance is repaid by a slightly higher interest rate on the mortgage.

For some lower income borrowers, the Housing Authority offers its "Down Home" loans that permit a family to buy a home with a minimum cash contribution of \$750 or \$1,000 in out-of-pocket expenses. The option is limited to borrowers who qualify for the MSHA purchase program, use FHA insurance, have less than \$4,000 in liquid assets, and have an income that is 90% or less of the median income. The difference between the borrower's payment and the actual up front costs are repaid when the borrower sells the home.

MSHA also offers a Purchase Plus Improvement option that allows applicants to borrow more than the purchase price in order to make immediate repairs or improvements to the home. Details on Closing Cost Assistance, Down Home and Purchase Plus Improvement are available from MSHA or from participating lenders.

MSHA's Homeownership division participates in "hoMEworks", Maine's network of homebuyer education. These programs give potential homebuyers an opportunity to sort through the complex process of buying a home, including building good credit, shopping for a home, qualifying for a loan, and life as a homeowner. Some MSHA programs require completion of a 10-hour homebuyer class.

People who think they may qualify for a MSHA mortgage should apply for the loan at one of the many participating banks and other lending institutions that work with MSHA to bring this program to Maine people. Other information needed for an application includes a purchase and sale agreement on the home, and copies of the borrower's past three years federal income tax returns.

For homeownership, FmHA offers the Section 502 loan program for low- and very low-income households. The interest rate may be subsidized as low as 1 percent over 33 to 38 years, depending on the borrower's repayment ability. A provision of the NAHA legislation also allows FmHA to provide further subsidy in the form of a deferred loan for borrowers who cannot qualify under the regular provisions.

As the administrator of the federal Community Development Block Grant (CDBG) program, the Maine Department of Economic and Community Development (DECD) has helped municipalities fight the loss of affordable housing in their own communities. By giving priority to housing initiatives and neighborhood revitalization in awarding grants, DECD and Maine State Housing Authority (MSHA) have facilitated the rehabilitation of housing units.

### **Housing Groups**

Housing committees have formed in towns like Camden, and at the county level with the Midcoast Housing Coalition to bring attention to and propose solutions to meet the housing needs of our region's workforce. Community Action Programs, like Coastal CAP, work with low income families to provide assistance in homeownership. Camden and Rockland also directly provide workforce housing for low to moderate income persons.

### **Elderly Programs**

Several federal programs directly address the housing needs of elderly persons. These programs are primarily administered by the U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Agriculture's (USDA) Rural Housing Service (RHS).

The federal housing program dedicated exclusively to elderly rental housing is HUD's Section 202 program. It provides capital grants to nonprofit sponsors for construction and rehabilitation of apartments for persons 62 years old and over. Housing financed under this program may include appropriate support services. Approximately 25 percent of Section 202 funding must be set aside for use in rural areas. Other HUD rental programs which support elderly housing needs include the Section 8 new construction and rehabilitation program, which provides a developer with rental assistance attached to the housing unit. Low-income seniors can also receive the Section 8 rental assistance vouchers, which provide rental assistance to tenants for use in private market housing. In addition, HUD's two large block grant programs, HOME and Community Development Block Grants (CDBG), also support production of affordable housing for elderly persons.

The RHS Section 504 home repair program provides loans up to \$20,000 and grants up to \$7,500 to very low-income homeowners to repair their homes and remove health and safety hazards. The grants are available only to persons 62 years or older to make their homes safe, sanitary, and decent. Section 504 loans, although not restricted to elderly homeowners, are made at an affordable 1 percent interest rate for a term of 20 years. The Section 504 program has helped many very poor seniors get amenities such as running water and an indoor bathroom for the first time in their lives.

RHS also administers the Section 533 Housing Preservation Grant program (HPG), which provides grants to nonprofit organizations for the rehabilitation of homes. HPG is regularly used to assist elderly homeowners with rehabilitation work.

Although RHS has no specific rental housing program for elderly persons, special regulations and requirements in the Section 515 rural rental housing program allow its use to develop congregate housing for elderly, disabled, and developmentally disabled persons. Elderly tenants may also reside in Section 515 housing that is not expressly set aside for elderly residents.



## J. RESOURCES

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### 1. Regional Initiatives:

The **Great American Neighborhood Program** provides technical and financial assistance to non-profit and for-profit developers that build compact, mixed use, predominantly residential developments that capture the best attributes of older residential neighborhoods in town centers. A Great American Neighborhood development is one that 1) is walkable from end to end, 2) has a civic core, a mix of neighborhood uses, an interconnected street network, and recognizable boundaries that separate it from other neighborhoods, 3) is built to a human scale, and 4) provides for both chance meetings and personal privacy through their street, sidewalk and lot design.

**Partners:** Maine Municipal Bond Bank, the Maine Departments of Environmental Protection and Economic and Community Development, the State Planning Office, and the U.S. Environmental Protection Agency.

**Funding Source:** U.S. Environmental Protection Agency and the Maine Municipal Bond Bank.

**Services Provided:** Limited Technical Assistance is available from Maine State Planning Office Staff; grants are available to pay for a portion of design costs and low interest loans are available to fund the cost of sewer line extensions.

**Contacts:**

John DelVecchio, Phase I Design Application, State Planning Office, 287-8058  
Karen Asselin, Phase II Loan Application, Maine Municipal Bond Bank, 622-9386  
Bill Brown, Sewer Construction Department, Maine DEP, 287-2111

The **Maine Affordable Housing Network (MAHN)** is a coalition of volunteers, local officials and community development professionals that provides forums for discussion and legislative advocacy, technical assistance, education and resource development. It is the Maine component of and counterpart to the New England Housing Network.

**Partners:** Coastal Enterprises Inc.

**Funding Source:** U.S. Dept of Housing and Urban Development.

**Services Provided:** Professional development opportunities and forum to promote legislative solutions to Maine's housing problems. The MAHN also publishes a monthly newsletter that is the "paper of record" concerning housing initiatives and resources in the state.

**Contact:** Holly Baldwin, [hlb@ceimaine.org](mailto:hlb@ceimaine.org)  
PO Box 268, Wiscasset, ME 04578  
207/882-7552; FAX: 207/882-4457  
<http://www.ceimaine.org/housing/mahn/home.htm>

The **Maine Housing Technical Assistance Consortium** provides technical assistance to local governments, non-profit corporations, and private developers that are developing or managing affordable housing in Maine.

**Partners:** Coastal Enterprises Inc., Maine Dept of Economic and Community Development, Maine Dept of Mental Health and Mental Retardation, and Maine State Housing Authority.

**Funding Source:** U.S. Dept of Housing and Urban Development.

**Services:** Technical Assistance to promote organizational development for non-profit groups (strategic planning, fund-raising, financial management systems, etc.), and project specific technical assistance to assist in the accomplishment of a defined objective (financial packaging, site selection, feasibility analysis, etc). The consortium has also published "A Resource Guide for Nonprofit Housing Developers."

**Contact:** Cyndy Carney, Technical Assistance Coordinator  
CEI  
PO Box 268  
Wiscasset, ME 04578  
(207) 882-7552  
[cwc@ceimaine.org](mailto:cwc@ceimaine.org)  
[www.mainehousing.org/metac](http://www.mainehousing.org/metac)

## 2. **Government Agencies and Non-Governmental Organizations:**

**Eastern Maine Development Corporation (EMDC)** is a non-profit corporation that promotes economic and community development in Hancock, Knox, Penobscot, Piscataquis, Waldo, and Washington Counties.

**Services:** EMDC provides a wide range of services to communities, non-profit organizations, and businesses in its service area. EMDC works with local governments on a contract basis to conduct feasibility studies, market assessments and housing inventories. Through its relationship with the Mid Coast Regional Planning Commission, EMDC provides direct assistance to communities in developing Comprehensive Plans and Land Use Ordinances. EMDC also provides technical assistance at no cost to communities interested in applying to the Maine Community Development Block Grant Program.

**Funding:** EMDC is funded through a combination of direct appropriations from local communities, grants and contracts. Its housing related programs are funded primarily by the Maine Department of Community and Economic Development

and the Maine State Planning Office, although they have worked with Rural Development, Maine State Housing, and others.

**Contact:** Michael Bush, Director of Community Development  
EMDC  
PO Box 2579  
Bangor, ME 04401  
(207) 942-6389  
[mbush@emdc.org](mailto:mbush@emdc.org)  
<http://www.emdc.org/>

**Mid-Coast Regional Planning Commission (MCRPC)** is a non-profit corporation that promotes sound land use planning and community development in Knox and Waldo Counties.

**Services:** MCRPC provides a wide range of services to towns in its coverage area. MCRPC works with local governments on a contract basis to conduct feasibility studies, market assessments, and housing inventories and to develop comprehensive plans and land use ordinances. EMDC provides staff assistance to MCRPC.

**Funding:** MCRPC is funded through a combination of direct appropriations from local communities, grants, and contracts. Its housing related programs are funded primarily by the Maine Department of Community and Economic Development and the Maine State Planning Office.

**Contact:** Mid-Coast Regional Planning Commission  
166 Main Street, Suite 201  
Rockland, ME 04841  
(207) 594-2299  
[egalant@emdc.org](mailto:egalant@emdc.org)  
[www.midcoastplanning.org](http://www.midcoastplanning.org)

**Coastal Enterprises Inc. (CEI)** is a non-profit corporation that promotes economic and community development through a wide range of projects throughout Maine. It has a historic focus on using innovative credit, organizational structures, and other business tools to help underserved populations in the Midcoast region. CEI provides technical assistance to developers and nonprofit organizations; manages its own and other owners' properties; and provides leadership to a variety of education and advocacy efforts. In addition, the program operates a revolving loan fund for interim financing capitalized at \$2.25 million and develops its own projects statewide.

**Funding:** CEI is funded through a combination of direct appropriations from local communities, grants, and contracts. Its housing related programs are funded primarily by the Maine Department of Community and Economic Development, the Maine State Housing Authority, the U.S. Dept of Housing and Urban Development, and the U.S. Environmental Protection Agency

**Contact:** Bobbi Jo Collamore, Program Assistant  
P.O. Box 268  
Wiscasset, Maine 04578  
207/882-7552, ext.134  
FAX: 207/882-4457  
bjc@ceimaine.org

**Maine Department of Economic and Community Development (DECD)** is Maine state government's lead agency on community development matters. Through its **Community Development Block Grant Program (CDBG)**, it provides approximately \$17 million annually to small and mid-size communities to fund projects that improve the quality of life for low and moderate income residents.

**Services:** The CDBG program provides grants and grant/loan combinations on a competitive basis to towns, cities, plantations, and counties to fund improvements to public infrastructure and public facilities, to improve housing for low and moderate-income individuals, and to create jobs for low and moderate-income individuals. CDBG grants funds to local governments on a contract basis to conduct housing stock assessments, to build water lines, roads, and sewer lines in support of new housing, to remedy threats to health and safety in private homes, and to construct housing for targeted groups. EMDC provides general technical assistance at no cost to communities interested in applying to the Maine Community Development Block Grant Program.

**Funding:** The CDBG program is funded through a block grant from the U.S. Department of Housing and Urban Development and state matching funds.

**Contact:** Orman Whitcomb, CDBG Program Director  
Office of Community Development  
111 Sewall Street, 3<sup>rd</sup> Floor  
59 State House Station  
Augusta, ME 04333-0059  
(207) 624-9819  
orman.whitcomb@state.me.us  
[www.meocd.org](http://www.meocd.org)

**Maine State Housing Authority (MSHA)** is a state chartered authority that is Maine's lead agency on housing issues. MSHA is authorized to issue bonds with the full faith and credit of the state of Maine and to use the resulting funds and leveraged grants to package targeted low interest loans in order to provide safe, decent housing to Maine citizens.

**Services:** MSHA provides a wide range of loan products and technical assistance to homeowners, non-profit organizations, and for-profit developers to support the creation and rehabilitation of single family, multi-unit, and congregate housing. MSHA offers state-wide programs to home owners including loans to support rehabilitation, lead removal, and down payment assistance. MSHA also offers loans to businesses and organizations to finance the creation of special needs housing including homeless shelters, assistant living, adult family care, nursing

homes, group homes and other targeted congregate housing. MSHA also provides loans to encourage the construction and rehabilitation of apartment buildings and publishes the state's most comprehensive collection of studies and handbooks regarding Maine housing laws, stock, and markets.

MSHA is currently involved with writing the rules for a new version of Tax Increment Financing called the Affordable Housing TIF.

**Funding:** MSHA is funded through a combination of bond issues, direct appropriations, grants, and contracts.

**Contact:** Mike Martin  
Maine State Housing Authority  
353 Water Street; Augusta, ME 04330-4633  
207-626-4600; 1-800-452-4668  
Fax 207-626-4678; TTY 1-800-452-4603  
[www.mainehousing.org](http://www.mainehousing.org)

**Maine State Planning Office (SPO)** is Maine state government's lead agency on land use planning. SPO works in partnership with organized towns, plantations, counties, and regional planning organizations to develop comprehensive plans, land use ordinances, and innovative programs.

**Services:** SPO provides technical assistance to communities directly and through its contracts with regional planning organizations to support the development of local comprehensive plans and land use ordinances. The office also develops policy recommendations and offers initiatives such as the Great American Neighborhood Program. SPO contracts with the Mid-Coast Regional Planning Commission and works directly with local governments in their efforts to develop land use ordinances that encourage the development of affordable housing. SPO also will work with developers through the Great American Neighborhood Program to fund design and selected infrastructure improvements.

**Funding:** SPO is funded through a combination of direct appropriations and grants.

**Contact:** State Planning Office; 84 State Street  
38 State House Station  
Augusta, ME 04333  
(207) 287-3261; 1-800-662-4545  
[www.state.me.us/spo](http://www.state.me.us/spo)

**United States Department of Agriculture, Rural Development (RD)** is one of the federal agencies that focus on rural housing. RD provides grants and loans to promote the development and rehabilitation of affordable housing in rural areas and small towns (population less than 10,000).

**Services:** RD provides low interest loans to for-profit and non-profit developers to promote the construction of affordable multiunit and congregate housing. RD also provides low interest loans and grants to targeted home owners to repair existing homes.

**Funding:** RD is funded through direct federal appropriations.

**Contact:** USDA Rural Development, Rural Housing Service  
28 Gilman Plaza, Suite 3  
Bangor, ME 04401-3550  
(207) 990-3676; fax (207) 990-5092  
[www.rurdev.usda.gov/me](http://www.rurdev.usda.gov/me)

**United State Department of Housing and Urban Development (HUD)** is one of the federal agencies that focus on housing. HUD offers grants to communities to fund housing projects that serve targeted populations as well as funding many state and regional housing and community development efforts.

**Services:** HUD provides a wide range of grant funds to cities, states, and communities. Although states and major metropolitan areas receive the vast majority of HUD's funds, grants are available to communities to fund specialized housing and community development projects.

**Funding:** HUD is funded through direct federal appropriations.

**Contact:** Loren Cole, Field Office Director  
HUD Bangor Field Office;  
202 Harlow Street  
Chase Building, Suite 101  
Bangor, ME 04402-1384  
(207) 945-0468  
[www.hud.gov](http://www.hud.gov)

**Coastal Community Action Program (CCAP)** is a private, non-profit agency community development and service agency. Created in the 1960's as part of a statewide network of community action program CCAP now provides a broad array of housing services.

**Services:** CCAP offers a broad list of housing services to communities in Knox and Waldo counties. Programs include: Above-Ground Storage Tank Removal, Affordable Homeownership Education, Central Heating Improvement Program, Central Maine Power Credit Screening and Administration, Community Housing Development Technical Assistance, Emergency Crisis Intervention Program (ECIP), Electric Lifeline Program (ELP), Energy Conservation & Weatherization Program, Family Development Accounts, Home Repair Network, Residential Property Services & Technical Assistance, Telephone Lifeline Program, Home Repair Network, and the Tank Wrap Program.

**Funding:** Funding for housing services is derives primarily from state and federal agencies such as HUD, Rural Development, MSHA, and the Maine CDBG program.

**Contact:**     [Coastal Community Action Program](#)  
P.O. Box 808  
4 Union Street  
Rockland, ME 04858  
207/596-0361  
1-800-585-1605 fax: (207) 594-2695