PREPARED FOR:

Town of Carrabassett Valley
1001 Carriage Road
Carrabassett Valley, ME 04947

REPORT

REGIONAL WORKFORCE HOUSING NEEDS ASSESSMENT AND STRATEGY

Covering the Communities of:

- Kingfield
- Carrabassett Valley
- Wyman Township
- Coplin Plantation
- Stratton/Eustis

FEBRUARY 2022

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ABOUT CAMOIN ASSOCIATES

Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin Associates has served EDOs and local and state governments from Maine to California; corporations and organizations that include Amazon, Lowes Home Improvement, FedEx, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of $6 billion. Our reputation for detailed, place-specific, and accurate analysis has led to over 1,000 projects in 40 states and garnered attention from national media outlets including Marketplace (NPR), Crain's New York Business, Forbes magazine, The New York Times, and The Wall Street Journal. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects in order to build public support and leverage additional funding. We are based in Saratoga Springs, NY, with regional offices in Richmond, VA; Portland, ME; Boston, MA; and Providence, RI. To learn more about our experience and projects in all of our service lines, please visit our website at www.camoinassociates.com. You can also find us on Twitter @camoinassociate and on Facebook.

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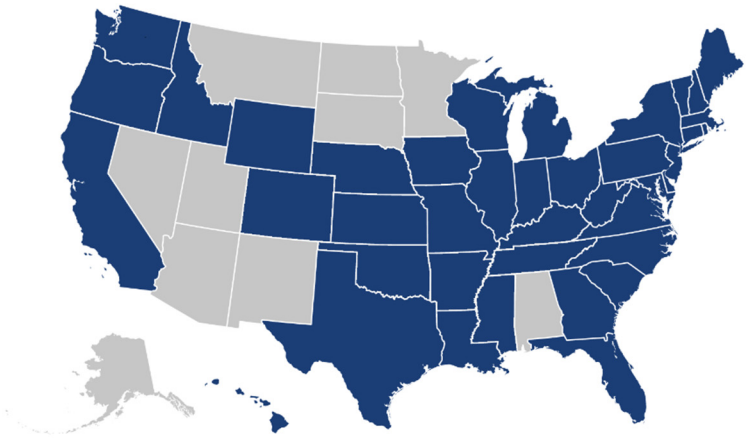

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EXECUTIVE SUMMARY

Camoin Associates was commissioned by the Town of Carrabassett Valley, Maine, to work with the Carrabassett Valley Regional Housing Committee to complete a regional workforce housing needs assessment and strategy for the potential development of "workforce" or "middle income" housing in the town and region. The regional study area is defined to include five municipalities in eastern central Franklin County: Carrabassett Valley, Coplin, Eustis, Kingfield, and Wyman. The assessment focuses on the housing needs associated with the year-round local and regional workforce and consists of several components:

- **Demographic & Economic Trends Profile** – data on demographic and socioeconomic trends in the region as well as key industry sectors and associated occupations that drive the local economy
- **Residential Market Conditions Assessment** – inventory of existing housing in the study area and discussion of trends in the for-sale, rental, and short-term rental markets
- **Employer Survey** – analysis of responses to a survey of area employers on workforce housing needs
- **Stakeholder Interviews** – summary of major themes gleaned from interviews with local business owners, larger employers, realtors, builders, and others
- **Workforce Housing Needs Assessment** – quantification of need for renter and owner-occupied workforce housing in the study area
- **Workforce Housing Strategy** – recommendations on implementable actions to address the region's workforce housing shortage

The results of the workforce housing need assessment confirms that there is a strong unmet need for workforce housing in the Carrabassett Valley study area. Overall, there is an existing need for between 104–312 units at price points affordable to households earning under $75,000 annually. This includes 64–192 units of workforce rental housing and 40–120 units of workforce homeowner units. There is additional demand for 225–338 dormitory-style or house-share rooms for seasonal workers. It is recommended that new workforce housing be developed incrementally to ensure that it is not overbuilt. In other words, we recommend begin by developing the baseline number of units (considered a minimum) and adding more units as initial units are occupied.

Housing unit need by type and price points are summarized as follows:

Workforce Year-Round Rental Unit Need

Income Level	Attainable Rent Level	Demand (Units)
Less than $20,000	Less than $500	25-75
$20,000 to $34,999	$500 to $875	27-81
$35,000 to $49,999	$875 to $1,250	12-36
$50,000 to $74,999	$1,250 to $1,875	0-0
Total Income Qualified Capture Potential		**64-192**

Source: Camoin Associates

Workforce Homeowner Unit Need

Income Level	Attainable Home Price	Demand (Units)
Less than $20,000	Less than $70,000	10-30
$20,000 to $34,999	$70,000 to $125,0000	9-27
$35,000 to $49,999	$125,000 to $180,000	7-21
$50,000 to $74,999	$180,000 to $270,000	14-42
Total Income Qualified Capture Potential		**40-120**

Source: Camoin Associates

Workforce Seasonal Room Need

Income Level	Attainable Rent Level	Demand (Units)
Less than $20,000	**Less than $500**	**225-338**

Source: Camoin Associates

Three primary market segments exist for the development of housing targeted to the region's workforce:

- **Year-round and seasonal workers commuting long distances to the Carrabassett Valley area are a significant portion of the housing demand potential.** There are approximately 1,100 workers that commute to jobs in the local area, and approximately 36% of those workers commute more than 25 miles to work. A proportion of these workers would likely move to the study area if attainable housing was available.
- **A share of cost-overburdened households living in the study area would welcome more workforce housing options.** There are approximately 285 households that spend more than 30% of their income on housing and live within the study area. We estimate that at least 10% of these households would consider relocating to workforce housing units if provided.
- **A portion of underhoused young adults would be interested in workforce housing options.** Over half of young adults (age 18-34) living the study area live with someone other than a partner or spouse, many with their parents. Many of these underhoused young workers would prefer to live on their own if affordable options were available.

1.1 ADDITIONAL FINDINGS

Local workers are largely priced out of the ownership market. Single-family homeownership is out of reach of many workers whose income does not allow them to afford the current sale price of most homes. Home prices have increased upwards of 25%-40% in the last few years, driven by high demand from seasonal visitors and second-home buyers.

The 2021 median sale price in the study area was $380,000, which would require a household income of $100,000 to afford (roughly double the current area median income of $53,000. Only 17% of homes sold in 2021 were affordable to a household earning the study area median income.

Affordability of 2021 Home Sales

Municipality	2021 Median Income	Affordable Home Price for Median Income HH	2021 Median Sale Price	2021 Home Sales	2021 Home Sales Affordable to Median Income HH	Pct. of 2021 Home Sales Affordable to Median Income HH
Carrabassett Valley	$ 63,885	$ 228,161	$ 482,000	116	14	12%
Coplin	$ 59,392	$ 212,114	$ 251,000	8	1	13%
Eustis	$ 26,755	$ 95,554	$ 244,500	28	0	0%
Kingfield	$ 51,241	$ 183,004	$ 240,000	31	12	39%
Wyman	$ 59,375	$ 212,054	$ 239,500	2	1	50%
Study Area	**$ 52,667**	**$ 188,096**	**$ 380,000**	**185**	**31**	**17%**

Source: Esri, MLS, Camoin Associates

Workers also struggle to year-round/long-term rental units at attainable price points. Rental units are also seeing price increases that are pushing them beyond the means of local residents and workers. Rental price increases are driven in part by conversions of units from year-round or part-year rental housing to short-term rentals (STRs). Year-round rental units at any price point are in extremely short supply.

Seasonal workforce housing is needed. The need for workers increases significantly in the winter months, driven by hiring at Sugarloaf. It was suggested that dorm-style seasonal housing would be well utilized in the local area, as well as other types of housing.

The lack of rental housing is constraining hiring at local businesses. Businesses interviewed indicated that there is an urgent need for affordable/attainable rental housing units. Some businesses have been able to provide their own housing to employees, but more is needed. These trends are putting pressure on businesses across a variety of industry sectors to survive and grow.

Zoning is a potential challenge to the development of workforce housing in the region. Local zoning often limits residential development to one unit per acre, precluding multifamily development. Multifamily housing could be delivered to prospective buyers and renters at lower price points, as land costs can be spread over multiple units and other economies of scale can be achieved.

1.2 STRATEGY OVERVIEW

RECOMMENDATIONS

Regional collaboration and partnerships among developers, property owners, municipalities, business owners, and other stakeholders will be essential if the region is to address its current workforce housing crisis. An assortment of new and existing funding tools combined with re-aligned municipal policies and programs are also necessary to drive new investment in workforce housing development. Recognizing these critical elements to generating new workforce housing in the Carrabassett Valley region, the following eight recommendations were developed:

1. **Build a prioritized inventory of potential workforce housing development/redevelopment sites |** A deliberate and strategic approach will identify the best opportunities for implementing workforce housing development projects by prioritizing properties that will best need housing needs and that are best positioned for development/redevelopment. The identification of sites will help guide developer recruitment efforts and public policy and funding decisions.

2. **Engage local and statewide housing developers |** Proactively engaging the development community to showcase opportunities will generate interest and lead to public-private partnerships and real project results. Relationship building with developers is key to long-term success in address workforce housing needs.
3. **Pursue public-private partnerships with developers to build workforce housing |** Leveraging the resources and abilities of local municipalities is key to making happen projects happen, which are typically not economical for the private-sector without public assistance. This assistance can take the form of the provision of town-owned land (or reduced cost), tax increment financing (TIF) agreements and/or districts, provision of infrastructure, or others.
4. **Align local land use regulations with housing needs and goals |** Many local land use regulations are not fully supportive of workforce housing developments with some being in direct conflict with the workforce housing needs and goals of the region. A re-alignment of regulations is needed in each municipality to create a regulatory environment conducive to workforce housing development.
5. **Engage regional employers to assist in developing workforce housing solutions |** Regional employers can be an integral part of addressing workforce housing needs. Creating a framework for regional collaboration and employer-assisted housing programs will help harness and maximize the resources and capacity of employers to help meet urgent needs.
6. **Balance the economic benefits of short-term rentals with the need for year-round housing |** It will be prudent to closely monitor and assess short-term rentals in the region through local registration programs to ensure that the region maintains an appropriate balance of seasonal and short-term rental properties with the need for workforce housing.
7. **Support the creation of seasonal worker housing |** The region has a unique and substantial need for housing dedicated to seasonal workers, particularly for Sugarloaf Resort workers. Efforts should be made to support dedicated seasonal worker housing.
8. **Build capacity to address workforce housing needs |** The Housing Committee should continue to be actively engaged in implementing the recommendations of this strategy and monitoring workforce housing needs throughout the region. Additional capacity should be explored through a dedicated organization that can offer new tools to combat the workforce housing crises, such as a regional housing trust.

FUNDING RESOURCES

Workforce housing requires an assortment of funding and financing tools and strategies. The Workforce Housing Plan includes twelve (12) resources available to developers and municipalities to help implement financially viable projects, including grants, tax-increment financing, loans, incentives, and others.

INTRODUCTION

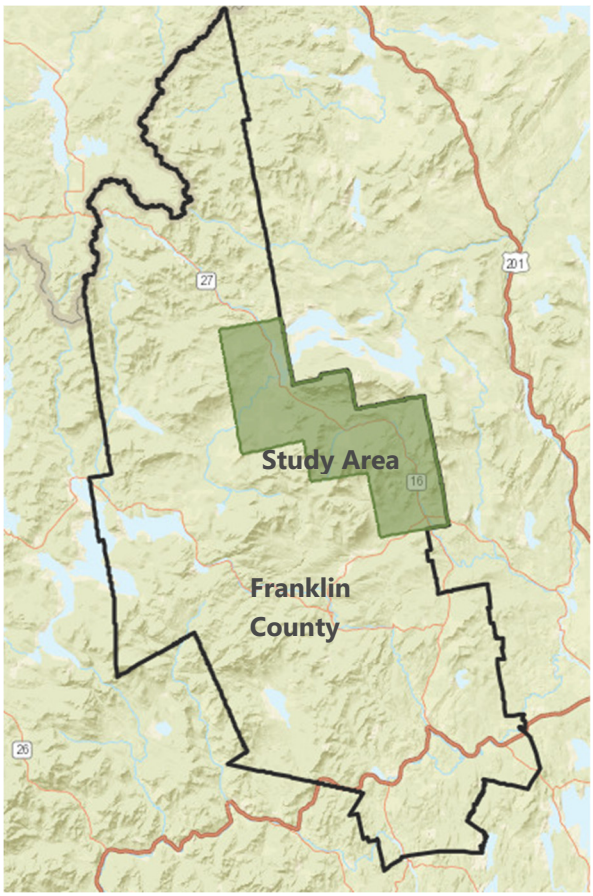
Camoin Associates was commissioned by the Town of Carrabassett Valley to work with the Carrabassett Valley Regional Housing Committee to complete a regional workforce housing needs assessment and strategy for the potential development of "workforce" or "middle income" housing in the town and region. The assessment focuses on the housing needs associated with the year-round local and regional workforce.

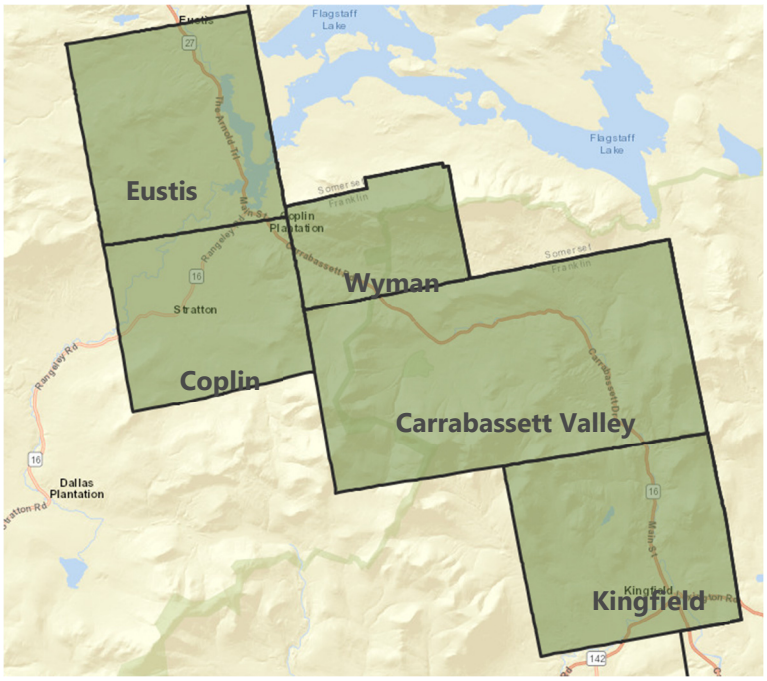
The ultimate goal of the study is to identify a specific course of action for increasing the supply of housing units in the region that are attainable to the local workforce, to ensure the future economic sustainability of the region. If left unaddressed, the affordable housing shortage will continue to impact the ability of local businesses to attract and retain workers and threaten the region's high quality of life.

This study utilizes demographic, economic, and market data combined with stakeholder interviews and an employer survey to characterize the region's housing challenges, both qualitatively and quantitatively. The findings from this investigation were used to develop actionable strategies to help address the workforce housing need.

1.3 STUDY AREA

The region defined as the study area includes five municipalities in eastern central Franklin County, Maine: Carrabassett Valley, Coplin, Eustis, Kingfield, and Wyman. The study area, county and state were used to better understand housing trends and characteristics.





DEMOGRAPHIC & ECONOMIC TRENDS

Demographic and economic data for the study area were examined to provide context for housing market conditions.

1.4 DEMOGRAPHIC & SOCIOECONOMIC PROFILE

Demographic Profile

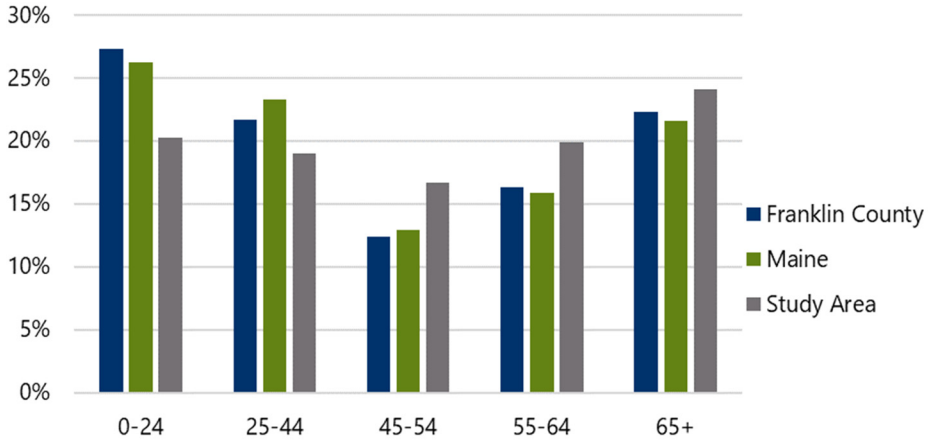
Population	2010	2021	% Change
Study Area	2,650	2,789	5.2%
Franklin County	30,768	30,628	-0.5%
State of Maine	1,328,361	1,377,775	3.7%
Household	**2010**	**2021**	**% Change**
Study Area	1,253	1,357	8.3%
Franklin County	13,000	13,280	2.2%
State of Maine	557,219	587,633	5.5%
Median Age	**2010**	**2021**	**% Change**
Study Area	46.0	51.0	10.9%
Franklin County	43.3	45.9	6.0%
State of Maine	42.7	45.4	6.3%

Source: Esri

From 2010 to 2021 the population and number of households in the study area increased at a greater rate (5.2% and 8.3%) than in Franklin County (-0.5% and 2.2%) and Maine (3.7% and 5.5%). Although the population of Franklin County decreased, the number of households in the county increased. Fewer residents per household is typically indicative of an aging population.

As compared to Franklin County and Maine, the study area has a higher median age (51), increasing at a higher rate (10.9%), than Franklin County (45.9 and 6%) and Maine (45.4 and 6.3%). Both Franklin County and the study area's age distributions are comparable to Maine's, although Franklin County has a higher percentage of its population between 0 to 24 years old and the study area has a higher concentration of those in the 55+ category. The study area's comparatively higher concentrations of those above 45 years old accounts for the area's older median age.

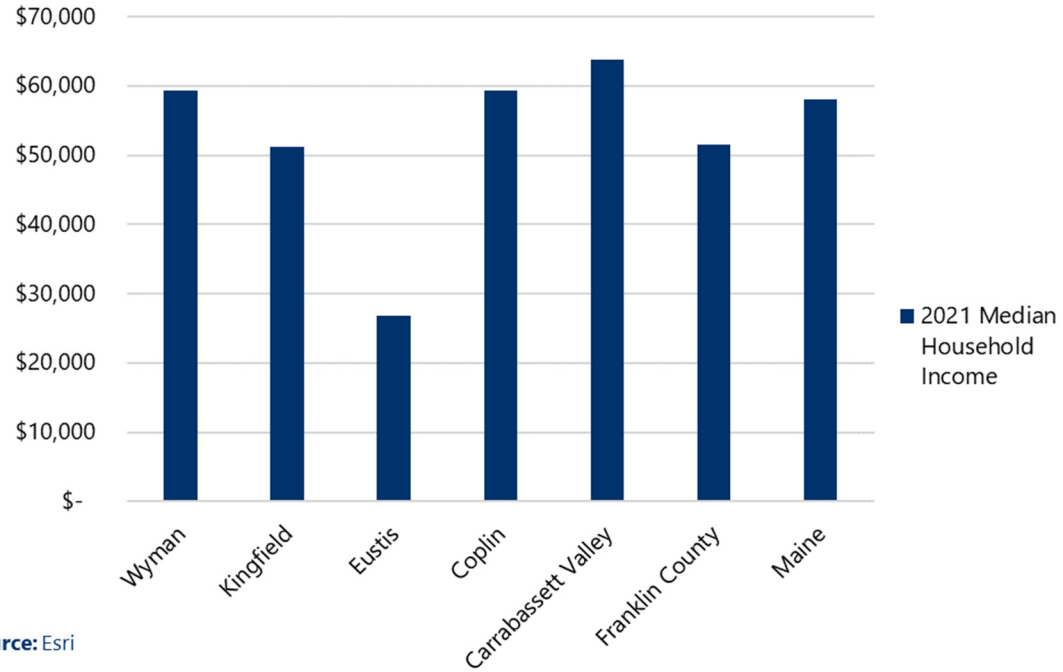
Population Age Profile, Franklin County vs Maine 2021



Source: Esri

The median household income is $58,006 in Maine as of 2021 and $51,535 in Franklin County. The study area has a median household income of $59,375, higher than both the county and the state. Wyman ($59,375), Coplin ($59,392), and Carrabassett Valley ($63,885) have median household incomes greater than that of both Franklin County ($51,353) and Maine ($58,006), while Eustis ($26,755) has a median income lower than both the county and the state. Kingfield's ($51,241) median household income is similar to that of Franklin County.

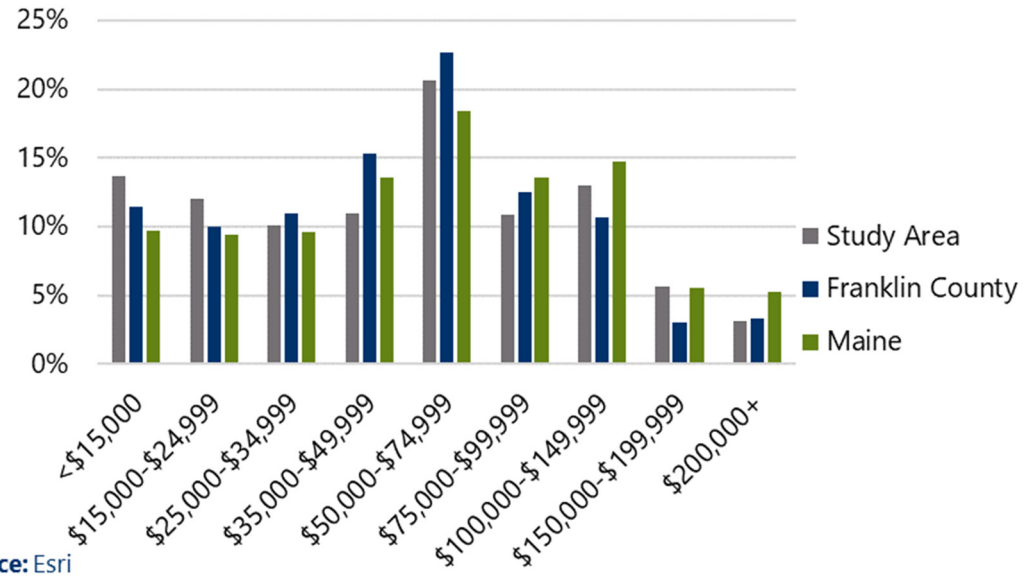
Median Household Income 2021



Source: Esri

The study area has a higher share of households earning less than $35,000 per year (36%), as compared to Franklin County (32%). The study area also has a higher share of households earning over $100,000: 22% versus 17% in the county.

Income Distribution per Household, 2021



Source: Esri

As of 2021 the study area has a larger percent of its population earning less than $35,000 (36%) compared to the county (32%) and the state (29%).

Income Distribution, 2021

	Study Area		Franklin County		State of Maine	
Income Level	Number	Percent	Number	Percent	Number	Percent
<$15,000	186	14%	1,525	11%	57,202	10%
$15,000 - $24,999	163	12%	1,324	10%	55,413	9%
$25,000 - $34,999	137	10%	1,462	11%	56,620	10%
$35,000 - $49,999	149	11%	2,040	15%	79,894	14%
$50,000 - $74,999	280	21%	3,015	23%	108,502	18%
$75,000 - $99,999	147	11%	1,658	12%	80,046	14%
$100,000 - $149,999	177	13%	1,415	11%	86,687	15%
$150,000 - $199,999	77	6%	400	3%	32,543	6%
$200,000+	42	3%	441	3%	30,716	5%
Total	**1,358**	**100%**	**13,280**	**100%**	**587,623**	**100%**

Source: Esri

Study Area 2021 Households by Income and Age of Householder

	<25	25-44	45-64	65+	Total
<$15,000	5	31	76	74	186
$15,000-$24,999	6	27	61	71	165
$25,000-$34,999	5	25	52	56	138
$35,000-$49,999	5	23	65	57	150
$50,000-$74,999	7	67	124	81	279
$75,000-$99,999	0	29	82	38	149
$100,000-$149,999	2	46	86	45	179
$150,000-$199,999	0	18	49	13	80
$200,000+	0	14	21	10	45
Total	**30**	**280**	**616**	**445**	**1,371**

Source: Esri

Across all age groups most householders in 2021 earned between $50,000 and $74,999 annually. At least some of the income in this group falls within the workforce housing requirements, or those earning between $41,228 and $61,842. Most of those householders earning between $50,000 and $75,000 are between 45 and 64 years old (44%), a group not typically targeted by affordable housing efforts.

Although 45- to 64-year-olds represent a large percentage of householders in the study area in 2021, improving housing affordability could provide opportunities for younger and more modest income earners to become homeowners. Those between 25 and 44 years old account for only 20% of householders.

1.5 ECONOMIC PROFILE

INDUSTRIES

Industry Overview Franklin County Pre and Post COVID

NAICS	Description	2014 Job Count	2019 Job Count	2021 Job Count	2014 - 2019 Change	2019 - 2020 Change	2020 - 2021 Change	2021 Location Quotient
11	Agriculture, Forestry, Fishing and Hunting	348	358	371	10	8	4	2.68
21	Mining, Quarrying, and Oil and Gas Extraction	0	0	0	0	0	0	0.00
22	Utilities	62	111	67	49	-41	-3	1.71
23	Construction	783	842	938	59	79	17	1.44
31	Manufacturing	1644	1320	931	-324	-336	-54	1.06
42	Wholesale Trade	142	137	142	-5	0	5	0.35
44	Retail Trade	1779	1756	1666	-23	-66	-24	1.53
48	Transportation and Warehousing	120	177	141	57	-39	3	0.30
51	Information	85	57	45	-28	-10	-2	0.22
52	Finance and Insurance	254	296	305	42	6	2	0.64
53	Real Estate and Rental and Leasing	154	161	160	7	-2	2	0.83
54	Professional, Scientific, and Technical Services	233	222	250	-11	19	9	0.32
55	Management of Companies and Enterprises	25	18	15	-7	0	-3	0.09
56	Administrative and Support and Waste Management and Remediation Services	605	408	298	-196	-113	3	0.44
61	Educational Services	197	199	193	2	-5	-1	0.66
62	Health Care and Social Assistance	1859	1939	1900	80	-58	19	1.27
71	Arts, Entertainment, and Recreation	581	708	461	127	-231	-16	2.87
72	Accommodation and Food Services	1149	1295	1106	146	-209	21	1.37
81	Other Services (except Public Administration)	488	441	401	-47	-36	-5	0.69
90	Government	2066	2105	1870	39	-181	-54	1.10
99	Unclassified Industry	0	0	0	0	0	0	0.00
	Total	**12,575**	**12,551**	**11,260**	**-23**	**-1216**	**-76**	

Source: Emsi

Before the COVID-19 pandemic, the top three industries in Franklin County based on 2014 job counts were Government, Health Care and Retail Trade. These continued to be the top industries in 2019.

As the pandemic began to impact the economy, Health Care and Social Assistance, Government, and Retail Trade remained the top industries as of 2021, although only Health Care and Social Assistance grew from 2020 to 2021.

Before the COVID-19 pandemic, from 2014 to 2019 the Accommodation and Food Services, Arts, Entertainment and Recreation, and the Health Care and Social Assistance industries were the fastest-growing industries. As the pandemic began to impact the United States, from 2019 to 2020, all three lost jobs. During that time only the Construction, Professional, Scientific and Technical Services, Agriculture, Forestry, Fishing and Hunting, and Finance and Insurance industries continued to grow.

As the United States began moving through the pandemic, 2020 to 2021, Health Care and Social Assistance began to grow once again.

Industry Overview Pre and Post COVID-19, Zip Code 04947

NAICS	Description	2014 Job Count	2019 Job Count	2021 Jobs	2014 - 2019 Change	2019 - 2020 Change	2020-2021 Change	2021 Location Quotient
11	Agriculture, Forestry, Fishing and Hunting	<10	0	0	Insf. Data	0	0	0.01
21	Mining, Quarrying, and Oil and Gas Extraction	0	0	0	0	0	0	0.00
22	Utilities	0	0	0	0	0	0	0.00
23	Construction	98	80	97	-18	17	1	1.67
31	Manufacturing	150	165	125	16	-48	8	2.15
42	Wholesale Trade	36	33	34	-3	-1	2	0.54
44	Retail Trade	243	241	237	-2	-3	-1	1.91
48	Transportation and Warehousing	<10	<10	<10	Insf. Data	Insf. Data	Insf. Data	0.02
51	Information	14	14	11	0	-3	-1	0.35
52	Finance and Insurance	17	20	18	3	-1	0	0.25
53	Real Estate and Rental and Leasing	<10	<10	<10	Insf. Data	Insf. Data	Insf. Data	0.30
54	Professional, Scientific, and Technical Services	63	57	66	-5	5	4	0.57
55	Management of Companies and Enterprises	0	0	0	0	0	0	0.00
56	Administrative and Support and Waste Management and Remediation Services	65	53	39	-11	-12	-2	0.38
61	Educational Services	18	18	18	1	0	0	0.46
62	Health Care and Social Assistance	26	32	30	6	-2	0	0.13
71	Arts, Entertainment, and Recreation	436	551	349	115	-187	-15	14.35
72	Accommodation and Food Services	136	153	129	17	-27	3	1.33
81	Other Services (except Public Administration)	51	38	38	-13	1	0	0.43
90	Government	116	122	112	6	-9	-1	0.62
99	Unclassified Industry	0	0	0	0	0	0	0.00
	Total	**1476**	**1586**	**1313**	**110**	**-270**	**-2**	

Source: Emsi

Within the study area, before the COVID-19 pandemic impacted the local economy, Arts, Entertainment, and Recreation, Retail Trade, and Manufacturing were the area's largest industries by job count in 2014. Arts, Entertainment, and Recreation also added the highest number of jobs from 2014 to 2019.

As the pandemic began to impact the area from 2019 through 2020, Arts, Entertainment, and Recreation lost about one-third of its jobs. However, it continued to be the area's top industry by job count through 2021. Retail Trade was the region's second largest industry before the COVID-19 pandemic and continued to be through 2021. The Retail Trade industry was much less impacted by the pandemic, losing only 4 jobs from 2019 through 2021.

Unlike the county, none of the top industries in 2014 were able to grow from 2019 through 2020, although Manufacturing began to grow its job count again from 2020 to 2021.

As the region began to move through the pandemic from 2020 through 2021, the Construction, Manufacturing, Wholesale Trade, Professional, Scientific, and Technical Services, and Accommodation and Food Services industries began to grow again. Arts, Entertainment, and Recreation is still the study area's largest industry by job count in 2021, and accounts for 75% of all Arts, Entertainment, and Recreation jobs in the county.

2021 Top Industries by Location Quotient, Zip Code 04947

NAICS	Description	2021 Location Quotient	Avg. Earnings Per Job	2021 Jobs
71	Arts, Entertainment, and Recreation	14.35	$39,701	349
31	Manufacturing	2.15	$57,468	125
44	Retail Trade	1.91	$36,667	237
23	Construction	1.67	$44,431	97
72	Accommodation and Food Services	1.33	$24,069	129
90	Government	0.62	$59,779	112
54	Professional, Scientific, and Technical Services	0.57	$46,263	66
42	Wholesale Trade	0.54	$57,873	34
61	Educational Services	0.46	$30,922	18
81	Other Services (except Public Administration)	0.43	$23,742	38
56	Administrative and Support and Waste Management and Remediation Services	0.38	$41,977	39
51	Information	0.35	$57,015	11
53	Real Estate and Rental and Leasing	0.30	Insf. Data	<10
52	Finance and Insurance	0.25	$61,594	18
62	Health Care and Social Assistance	0.13	$40,997	30
48	Transportation and Warehousing	0.02	Insf. Data	<10
11	Agriculture, Forestry, Fishing and Hunting	0.01	$0	0
21	Mining, Quarrying, and Oil and Gas Extraction	0.00	$0	0
22	Utilities	0.00	$0	0
55	Management of Companies and Enterprises	0.00	$0	0
99	Unclassified Industry	0.00	$0	0
	Total			**1,313**

Source: Emsi

Within the study area the Arts, Entertainment, and Recreation industry is highly concentrated compared to both Franklin County and the United States. Those 349 employees working in that industry in 2021 earned an average of $39,701.

Other industries that are highly concentrated within the study area include Manufacturing, Retail Trade, Construction, and Accommodation and Food Services.

Top 10 Industries by 2021 Job Count, Zip Code 04947

NAICS	Description	2021 Jobs	2021 Location Quotient	Avg. Earnings Per Job
7139	Other Amusement and Recreation Industries	342	35.04	$39,656
4451	Grocery Stores	99	4.33	$33,875
7225	Restaurants and Other Eating Places	90	1.21	$23,342
9036	Education and Hospitals (Local Government)	83	1.22	$56,396
3121	Beverage Manufacturing	62	27.34	$77,948
3372	Office Furniture (including Fixtures) Manufacturing	43	49.27	$39,282
2383	Building Finishing Contractors	42	4.07	$38,776
4543	Direct Selling Establishments	37	24.16	$55,950
7211	Traveler Accommodation	37	3.40	$23,928
4511	Sporting Goods, Hobby, and Musical Instrument Stores	30	8.26	$32,703

Source: Emsi

The broader industry categories, indicated by two-digit NAICS codes, each consist of several more specific industries, indicated by four-digit NAICS codes. The largest of these in zip code 04947 is Other Amusement and Recreation, with 342 jobs in 2021. This industry is highly concentrated within the zip code and accounts for 98% of the larger Arts, Entertainment, and Recreation industry's jobs.

Other Amusement and Recreation is followed by the Grocery Store industry, which falls within Retail Trade and accounts for 42% of its jobs in 2021. The Grocery Store industry within the 04947 ZIP code represents a fourfold higher concentration of jobs compared to the United States.

The third largest detailed industry in the 04947 ZIP code is Restaurants and Other Eating Places, included in the Accommodation and Food Services industry and accounting for 70% of its jobs in 2021.

The most concentrated industries within the 04947 ZIP code are Office Furniture (including Fixtures) Manufacturing, Other Amusement and Recreation, Beverage Manufacturing, and Direct Selling Establishments.

OCCUPATIONS

Top 20 Occupations in 04947 Zip Code by 2021 Number of Jobs

SOC	Description	2021 Jobs	Median Annual Earnings
53-7060	Laborers and Material Movers	76	$28,409
37-3010	Grounds Maintenance Workers	71	$33,430
35-3030	Waiters and Waitresses	68	$25,893
41-2030	Retail Salespersons	64	$28,085
41-2010	Cashiers	54	$25,560
35-2010	Cooks	43	$27,168
37-2010	Building Cleaning Workers	42	$26,360
51-7040	Woodworking Machine Setters, Operators, and Tenders	38	$32,642
35-2020	Food Preparation Workers	36	$26,162
47-2030	Carpenters	35	$38,997
11-1020	General and Operations Managers	34	$81,586
39-3090	Miscellaneous Entertainment Attendants and Related Workers	33	$28,505
35-3020	Fast Food and Counter Workers	32	$25,094
53-3030	Driver/Sales Workers and Truck Drivers	32	$35,249
41-1010	First-Line Supervisors of Sales Workers	29	$39,260
25-2020	Elementary and Middle School Teachers	27	$49,187
43-9060	Office Clerks, General	26	$32,228
47-2060	Construction Laborers	25	$30,312
35-3010	Bartenders	25	$25,967
43-6010	Secretaries and Administrative Assistants	22	$35,875

Source: Emsi

Within the 04947 ZIP code, Laborers and Material Movers represent the largest number of employees in 2021, followed by Grounds Maintenance Workers and Waiters and Waitresses. Only two of the top 20 occupations have median earnings above $40,000 per year, while nine have median earnings below $30,000.

1.6 COMMUTING PATTERNS

A look at commuting patterns can provide insight into a region's housing affordability challenges. A region with a high share of in-commuters often points to a lack of attainable workforce housing.

Workforce Commuting Into and Out of Study Area 2019

Source: US Census OnTheMap

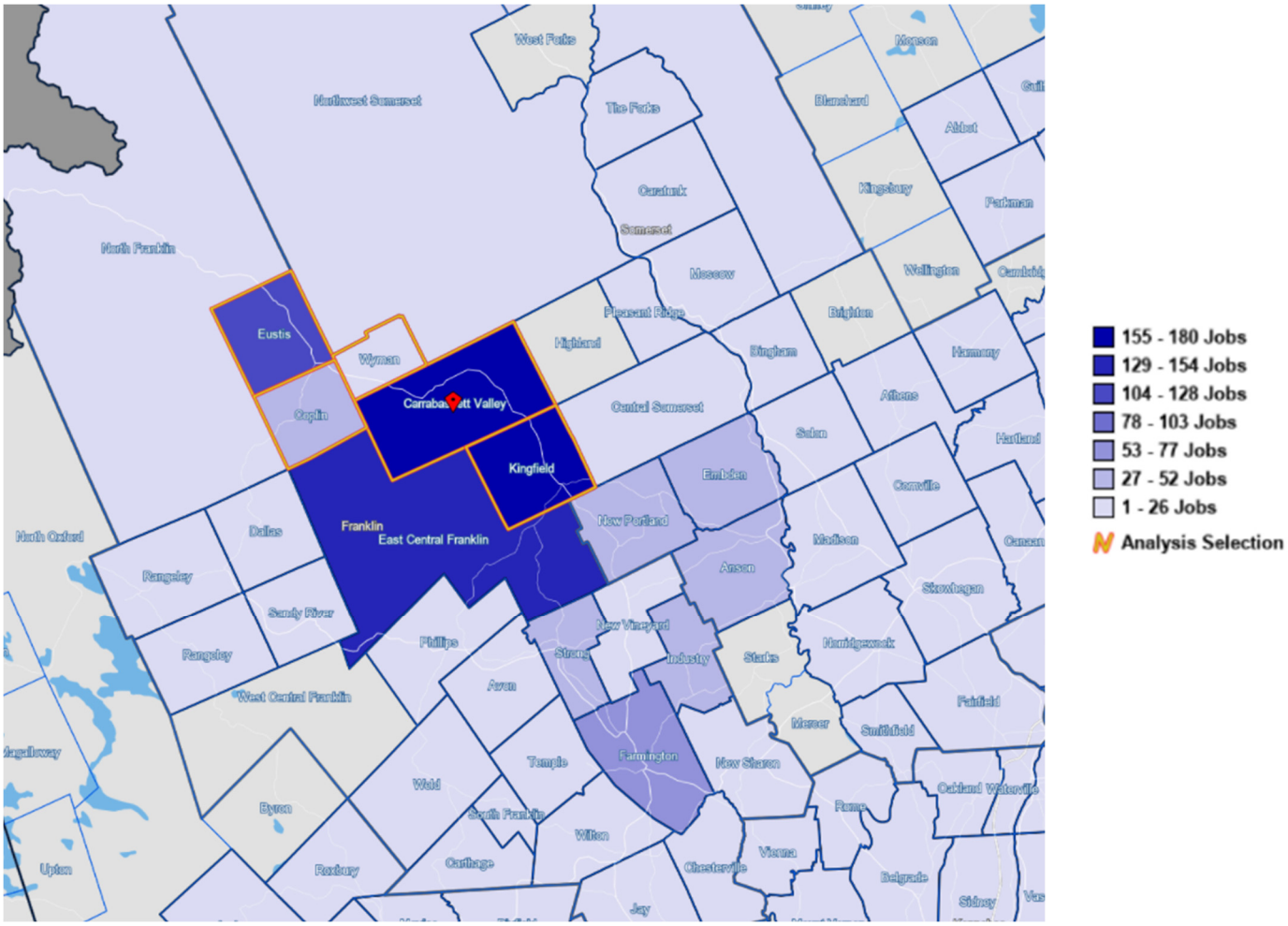
As shown in the diagram above, a majority of the study area's workers commute from outside the five study area communities. Of the approximately 1,644 workers at study area workplaces, 508 (31%) both live and work within the region, while 1,136 (69%) commute in from elsewhere. Another 654 workers commute out of the area to jobs in other regions.

As shown on the map and table on the following page, the top region outside of the study area that employees are commuting in from is East Central Franklin (7.9%), which includes Reddington, Mt. Abram, Salem, Freeman and Madrid. Another 4.3% of the workforce in the study area live in Farmington, south of the study area.

Within the study area most workers live in either Kingfield (10.9%) or Carrabassett Valley (10.3%). Another 7.2% of the workforce in the study area lives in Eustis, while 1.9% live in Coplin. Wyman does not fall within the top 20 towns where workers within the study area live.

The communities that make up the study area are housing 31% of the local workforce, while other surrounding communities house the remaining 69%.

Where Study Area Workers Live, 2019



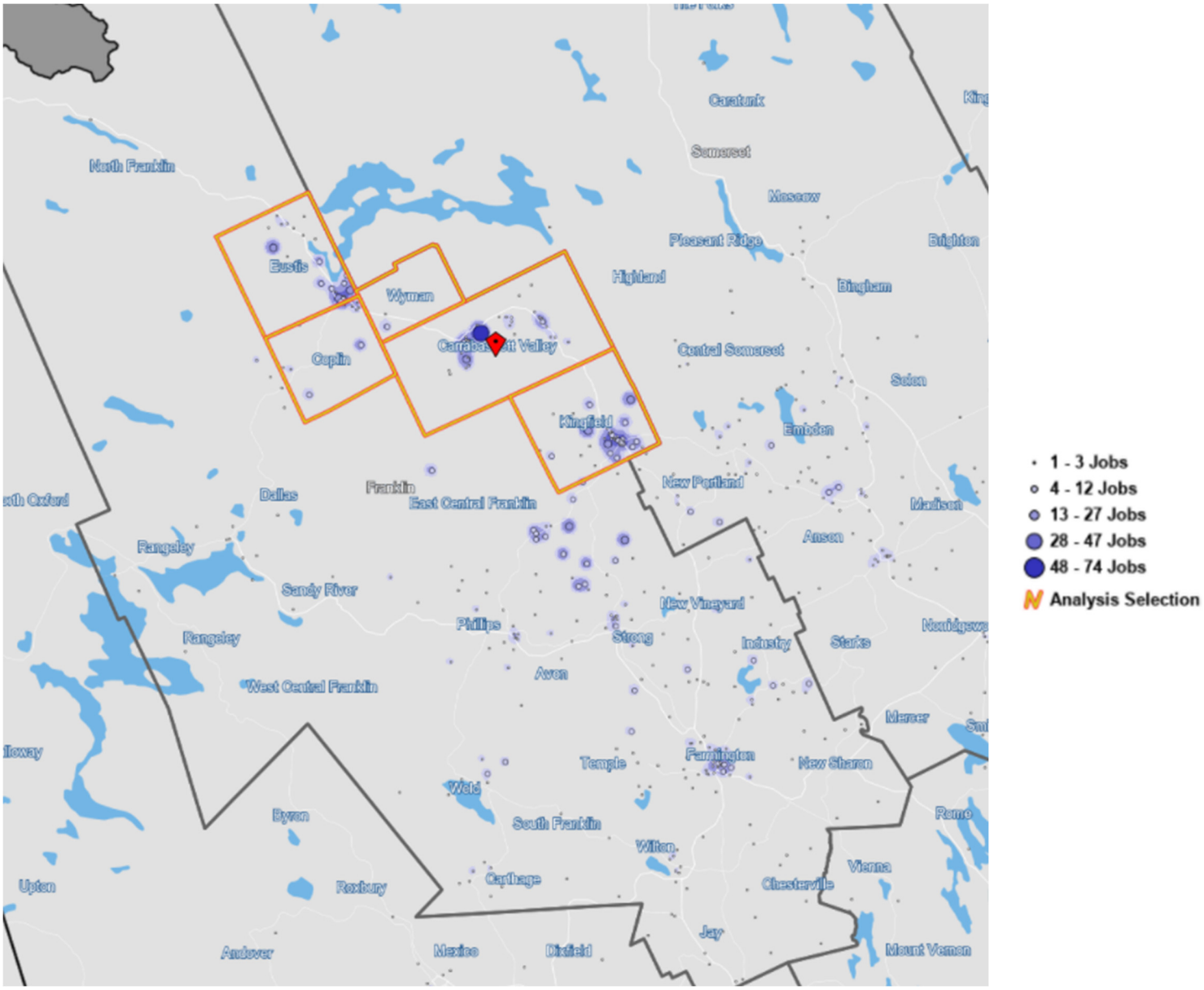
Source: US Census OnTheMap

Top 20 Towns Where Workers Live, 2019 Study Area

	Count	Share
Kingfield town (Franklin, ME)	180	10.90%
Carrabassett Valley town (Franklin, ME)	169	10.30%
East Central Franklin UT (Franklin, ME)	130	7.90%
Eustis town (Franklin, ME)	119	7.20%
Farmington town (Franklin, ME)	70	4.30%
New Portland town (Somerset, ME)	43	2.60%
Embden town (Somerset, ME)	39	2.40%
Anson town (Somerset, ME)	38	2.30%
Strong town (Franklin, ME)	33	2.00%
Coplin plantation (Franklin, ME)	32	1.90%
Industry town (Franklin, ME)	31	1.90%
Phillips town (Franklin, ME)	24	1.50%
Madison town (Somerset, ME)	24	1.50%
New Vineyard town (Franklin, ME)	23	1.40%
Portland city (Cumberland, ME)	20	1.20%
Skowhegan town (Somerset, ME)	19	1.20%
All Others	650	39.50%
Total	**1644**	**100.00%**

Source: On the Map

Jobs Concentration, Study Area 2019



Source: US Census OnTheMap

As shown on the map above, the Town of Carrabassett Valley had the highest concentration of jobs in the study area in 2019, followed by Kingfield and Eustis.

Jobs in the study area are almost exclusively clustered along Route 27, which runs from north to south through the study area's five communities.

Travel Distance to Work for Local Workers by Monthly Earnings, Study area 2019

	Under $1,250		$1,251 to $3,333		Greater than $3,333		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 10 miles	152	22%	183	34%	111	26%	446	27%
10 to 24 miles	161	24%	177	33%	149	35%	487	30%
25 to 50 miles	132	19%	85	16%	86	20%	303	18%
Greater than 50 miles	239	35%	89	17%	80	19%	408	25%
Total	**684**	**100%**	**534**	**100%**	**426**	**100%**	**1644**	**100%**

Source: On the Map

In the study area in 2019, over 25% of the overall workforce traveled greater than 50 miles to work, while 27% commuted less than 10 miles.

Of those traveling greater than 50 miles, more than half, or 59%, were earning less than $1,250 monthly. Lower wage earners disproportionately travel farther distances to work, likely due in part to a lack of housing affordability closer to their jobs in the study area.

Travel Distance to Work for Local Workers by Age, Study Area 2019

	29 or Younger		33 to 54		55 and Older		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 10 miles	94	18%	221	31%	131	32%	446	27%
10 to 24 miles	137	27%	220	31%	130	32%	487	30%
25 to 50 miles	122	24%	116	16%	65	16%	303	18%
Greater than 50 miles	162	31%	162	23%	84	20%	408	25%
Total	**515**	**100%**	**719**	**100%**	**410**	**100%**	**1644**	**100%**

Source: On the Map

Within the study area, workers between 33 and 54 years old represent the largest category of workers by age group (44%), followed by those 29 or younger (31%) and finally those 55 and older (25%).

By age, those 29 or younger have the highest concentration of workers commuting greater than 50 miles to their jobs. Those 29 or younger and those 33 to 54 each account for 40% of workers commuting greater than 50 miles.

The high concentration of younger workers traveling farther for work within the study area could mean that they cannot afford to live within the study area due to their wages, or that they are working in the area for seasonal work and live elsewhere due to the temporary nature of their position.

RESIDENTIAL MARKET CONDITIONS

This chapter quantifies existing residential market conditions in the study area, including the existing housing inventory, price points, recent housing sales, and the short-term rental market.

1.7 HOUSING TYPES

Type of Housing Unit by Geography, 2015-2019

	Study Area		Franklin County		Maine	
	Number	Percent	Number	Percent	Number	Percent
1, detached	2,807	66%	16,946	76%	522,734	70%
1, attached	133	3%	470	2%	16,776	2%
2	86	2%	601	3%	36,025	5%
3 or 4	437	10%	1,041	5%	41,077	6%
5 to 9	303	7%	739	3%	27,830	4%
10 to 19	272	6%	417	2%	11,077	1%
20 to 49	119	3%	264	1%	14,445	2%
50 or more	-	0%	10	0%	11,254	2%
Mobile home	126	3%	1,689	8%	61,283	8%
Boat, RV, van, etc.	-	0%	4	0%	287	0%
Total	**4,283**	**100%**	**22,181**	**100%**	**742,788**	**100%**

Source: Esri

Compared to both Franklin County and Maine the study area has a lower concentration of single-family detached homes and almost double the share of 3- or 4-unit housing types. The higher concentration of 3- or 4-unit housing demonstrates a demand for multifamily housing in the area, some of which could be used for workforce housing.

1.8 TENURE

Housing Overview by Geography, 2015-2019

	Owner Occupied		Renter Occupied		Seasonally Vacant		All Other Vacant		Total housing Units	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Study Area	807	19%	160	4%	3,094	72%	222	5%	4,283	100%
Franklin County	9,410	42%	2,438	11%	8,437	38%	1,896	9%	22,181	100%
State of Maine	404,759	54%	155,162	21%	130,354	18%	52,513	7%	742,788	100%

Source: Esri

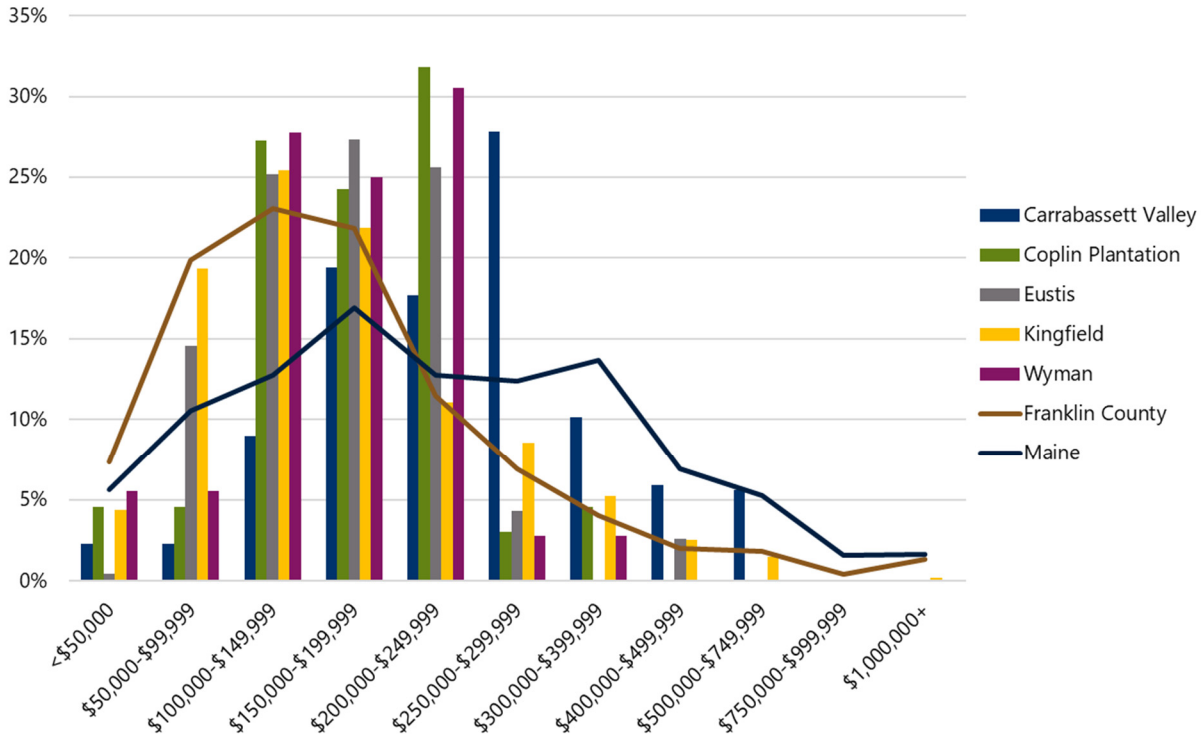
The study area has a high share (72%) of seasonally vacant housing, defined as housing that is intended for use only during certain seasons and is either unoccupied or occupied by persons staying in the unit for less than two months. Comparatively, 38% of Franklin County's housing stock is categorized as seasonally vacant and 18% is categorized the same in Maine.

Within the study area 4% of the entire housing stock (estimated at fewer than 200 units) is non-seasonal rental housing, compared to 11% in Franklin County and 21% in Maine. This emphasizes the challenge for workers to find available and affordable rental housing within the study area.

1.9 HOUSING VALUES

OWNER-OCCUPIED HOUSING STOCK

Home Value Distribution Comparison, 2021



Source: Esri

The median value of a house in the study area is $172,222, higher than that of Franklin County ($149,462) but lower than that of Maine ($216,158). A plurality of the homes within the study area were valued between $150,000 and $199,999. Carrabassett Valley has the highest concentration of home values above $200,000 compared to the overall study area, Franklin County and Maine. All study area communities except for Carrabassett Valley have a higher concentration of homes with a value between $100,000 and $249,000 than both Franklin County and Maine. Overall, the study area has a lower percentage of houses valued less than $100,000 than Franklin County.

Note that Esri's home values are based on self-reported data from residents at the time of survey by the Census. Actual values are almost certainly considerably higher, as evidenced by recent sales data presented in Section 4.5.

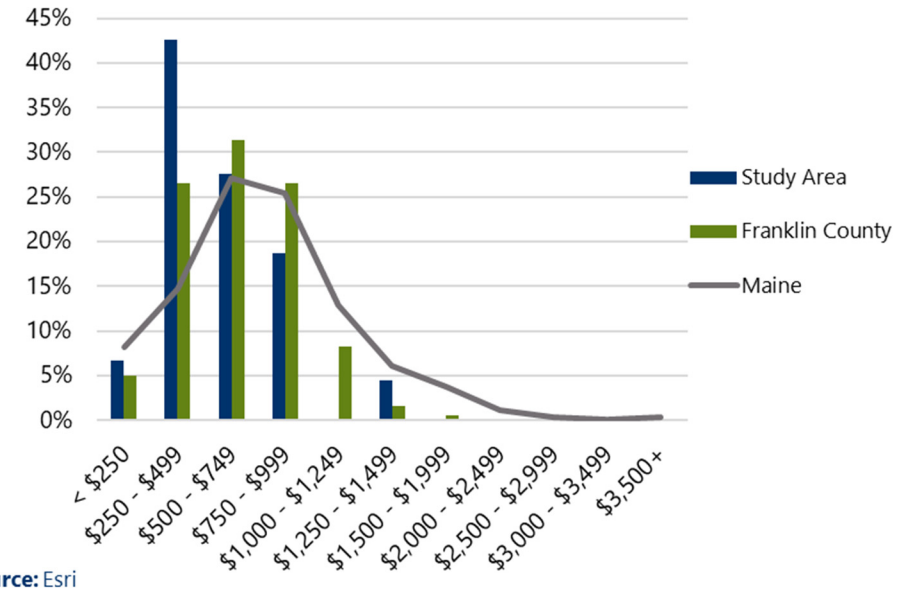
RENTER-OCCUPIED HOUSING STOCK

Rental Rates by Geography, 2015-2019

	Study Area		Franklin County		Maine	
	Number	Percent	Number	Percent	Number	Percent
< $250	9	7%	105	5%	11,824	8%
$250 - $499	57	43%	554	27%	21,174	15%
$500 - $749	37	28%	654	31%	38,951	27%
$750 - $999	25	19%	553	26%	36,490	25%
$1,000 - $1,249	-	0%	173	8%	18,516	13%
$1,250 - $1,499	6	4%	33	2%	8,746	6%
$1,500 - $1,999	-	0%	12	1%	5,323	4%
$2,000 - $2,499	-	0%	4	0%	1,691	1%
$2,500 - $2,999	-	0%	-	0%	568	0%
$3,000 - $3,499	-	0%	-	0%	133	0%
$3,500+	-	0%	-	0%	423	0%
Total	**134**	**100%**	**2,088**	**100%**	**143,839**	**100%**
Median Gross Rent	**$ 673**		**$ 635**		**$ 750**	

Source: Esri

Rental Rates by Geography, 2015 - 2019

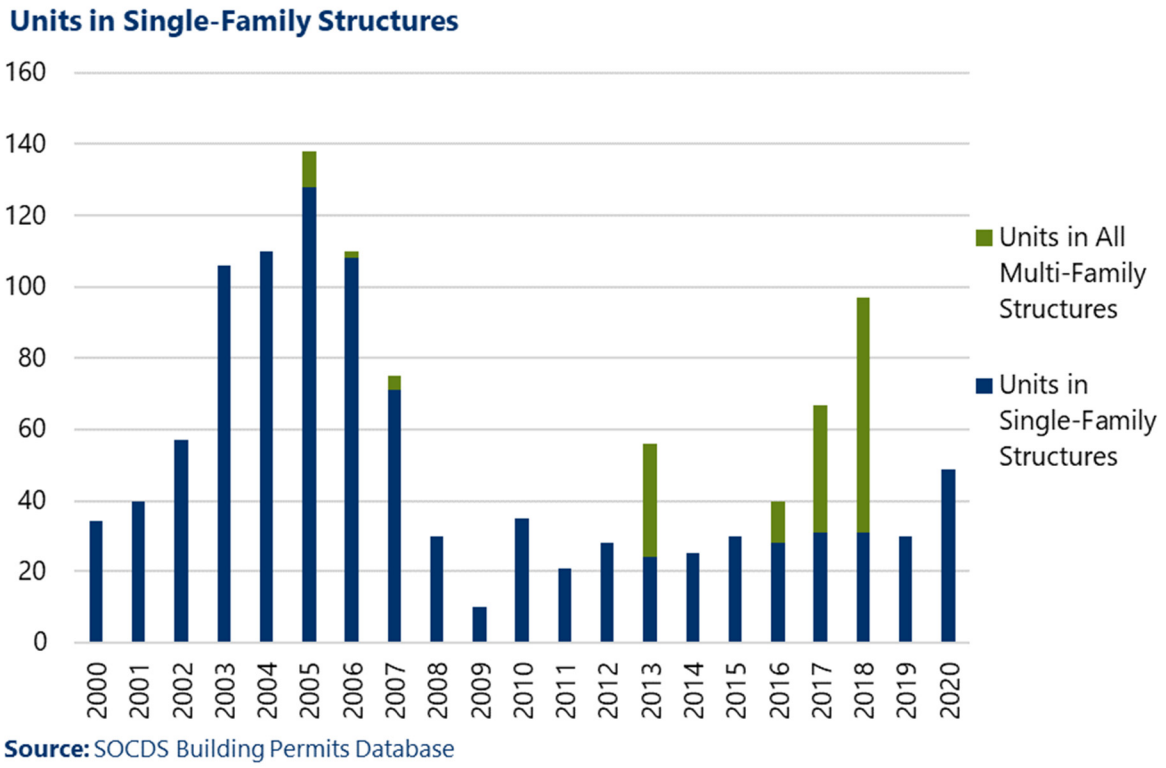


Source: Esri

Within the study area, 43% of the rental rates are between $250 and $499, a higher concentration that that of Franklin County (27%) or of Maine's rental market (15%). The study area has a lower concentration of rental units between $750 and $999 and between $1,250 and $1,499.

Note that like home values, rental rates from Esri are based on self-reported values from residents at the time of survey. The availability of year-round rental units is extremely constrained.

1.10 HOUSING DEVELOPMENT TRENDS



Source: SOCDS Building Permits Database

Housing development has been primarily single-family homes within Franklin County over the past 20 years. In the past 10 years 146 multi-family housing units have been permitted, compared to 332 single-family units permitted.

Housing permits over the past 20 years peaked between 2003 and 2007. Development significantly slowed during the Great Recession of 2008 and has yet to return to peak permitting.

Multi-family housing permits increased beginning in 2013, with most of the multifamily housing permitted in 2018. The inconsistency and disproportionate amount of multi-family permitting reduces the options for more affordable homes within the study area.

1.11 HOUSING SALES

Study Area Homes Sold Count, 2016-2021

	Condominium	Manufactured Home	Single Family Residence	Total
2016	75		62	137
2017	76		76	152
2018	68		77	145
2019	95	1	91	187
2020	56	3	101	160
2021	82		103	185
Total	**457**	**4**	**513**	**974**

Source: MLS Home Sales

From 2016 to 2021, 974 total homes were sold within the study area, 53% single-family homes and 47% condos. Home sales peaked in 2019 when 187 units were sold, 95 condos, 91 single-family, and one manufactured home.

Single-family residential home sales have been growing annually since 2016, while condominium sales peaked in 2019 but had the lowest number of sales in 2020.

Number of Units Sold per Town, 2016 - 2021

	Carrabassett Valley	Coplin	Eustis	Kingfield	Wyman	Total
2016	101	5	12	15	4	137
2017	112	5	19	11	5	152
2018	97	3	18	21	6	145
2019	126	10	21	23	7	187
2020	98	11	19	30	2	160
2021	116	8	28	31	2	185
Total	**656**	**42**	**117**	**132**	**27**	**974**

Source: MLS Home Sales

From 2016 to 2021, Carrabassett Valley represented 67%, or 656 units, sold within the study area. The study area community with the second most units sold since 2016 is Kingfield, representing 14%, or 132 units sold. Throughout the study area sales peaked in 2019 with 187 units sold. Although sales decreased to 160 units in 2020, the number of units sold almost returned to peak sales by 2021, with 185 units.

Study Area Housing Sales, 2016-2021

	Average of List Price	Average of Closed Price	Average of Sq Ft Finished Total	Average of Year Built	Average Days on Market
2016	$ 239,678	$ 231,834	1,554	1985	178
2017	$ 254,272	$ 240,312	1,537	1983	143
2018	$ 262,872	$ 250,900	1,577	1981	116
2019	$ 279,051	$ 269,317	1,576	1986	95
2020	$ 296,726	$ 289,556	1,645	1983	92
2021	$ 436,883	$ 439,691	1,709	1987	45
Average	**$ 300,109**	**$ 292,588**	**1,605**	**1984**	**108**

Source: MLS Home Sales

Overall, since 2016 the average list price and average closing price have been increasing year over year. From 2016 to 2020 the average list price has been less than the average closed price, meaning homes are selling for more than they are originally asking for, a sign of demand in the housing market.

In the past year, the average list price and closed price grew by approximately 70% and 66%, respectively. In the past year the average days a unit remains on the market reduced by half. The COVID-19 pandemic has led to similar trends across the U.S., making it difficult for home buyers to find a place to live that's affordable for them.

Average Closed Price per Town in Study Area, 2016 - 2021

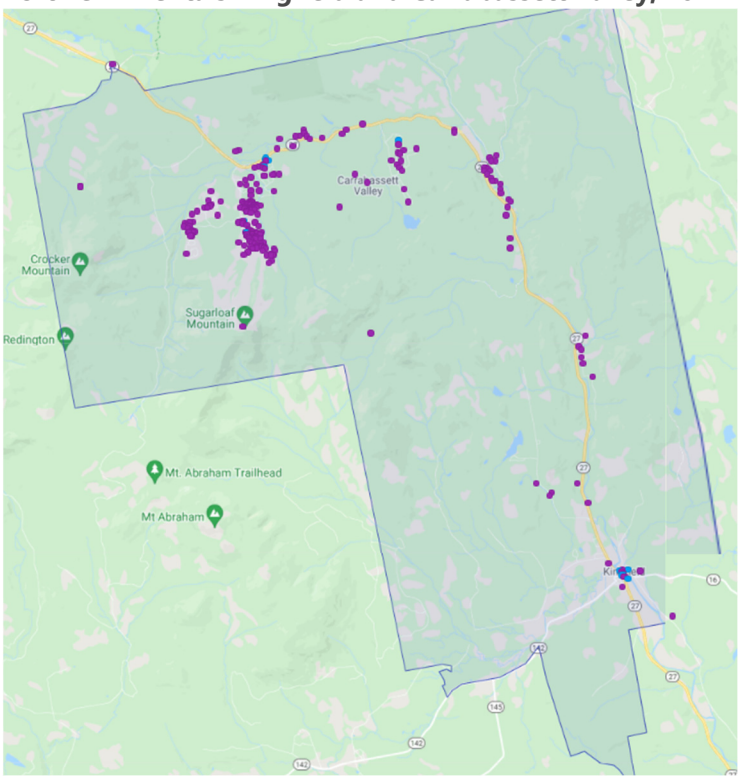
	Carrabassett Valley	Coplin	Eustis	Kingfield	Wyman	Average Closed Price
2016	$ 266,637	$ 123,100	$ 122,583	$ 141,767	$ 154,500	$ 231,834
2017	$ 276,356	$ 140,300	$ 150,389	$ 120,625	$ 137,965	$ 240,312
2018	$ 304,259	$ 120,667	$ 138,197	$ 154,543	$ 128,733	$ 250,900
2019	$ 326,851	$ 131,100	$ 157,464	$ 154,489	$ 144,000	$ 269,317
2020	$ 335,763	$ 220,964	$ 179,360	$ 241,990	$ 163,000	$ 289,556
2021	$ 538,930	$ 293,344	$ 263,099	$ 278,529	$ 239,500	$ 439,691
Average Closed Price	**$ 344,625**	**$ 184,937**	**$178,609**	**$ 198,599**	**$ 149,138**	**$ 292,588**

Source: MLS Home Sales

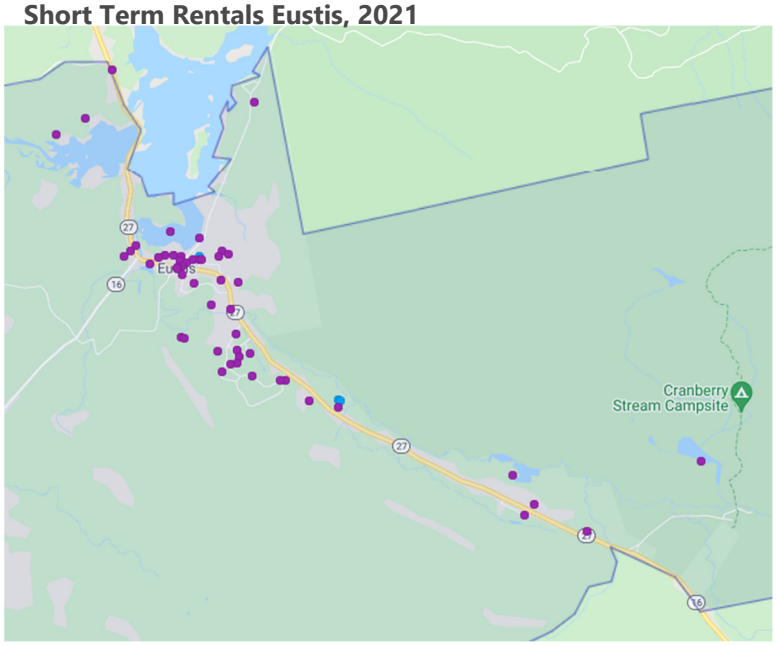
On average, Carrabassett Valley has the highest average closed price of $344,635, followed by Kingfield with an average closing price of $198,599, 42% lower than Carrabassett Valley prices. This distribution of closing prices is consistent with the distribution of median household income within the study area.

1.12 SHORT-TERM RENTAL MARKET

Short Term Rentals Kingfield and Carrabassett Valley, 2021



Short Term Rentals Eustis, 2021



Source: AirDNA

According to AirDNA, there are 202 active home rentals in the Carrabassett Valley and Kingfield region. As shown in the map on the left above, Carrabassett Valley includes Sugarloaf Mountain, making it a prime location for short-term rentals such as Airbnbs. The highest percentage of the rentals included above are 3 bedrooms (32%), made for larger groups or families. Almost one-third (32%) of all rentals are available "full time," meaning they are available for short-term rental purposes 181–365 days a year, leaving 68% available less than 181 days a year. These short-term rentals are occupying a portion of the housing market, potentially reducing supply for the local workforce. We say "potentially" because we do understand from interviews that some of these rentals are the result of conversions from seasonal camps that, if not for short-term rentals, would not have been invested in. They are mainly utilized during the peak outdoor winter recreational months when seasonal employment is also at its peak.

Size of Short Term Rentals in Study Area, 2020

	Zip Code 04982		Zip Code 04947		Total	
	Number	Percent	Number	Percent	Number	Percent
Studio	2	4%	13	6%	15	6%
1 bedroom	5	11%	30	15%	35	14%
2 bedroom	16	34%	45	22%	61	24%
3 bedroom	15	32%	65	32%	80	32%
4 bedroom	3	6%	35	17%	38	15%
5+ bedroom	6	13%	14	7%	20	8%
Total	**47**	**100%**	**202**	**100%**	**249**	**100%**

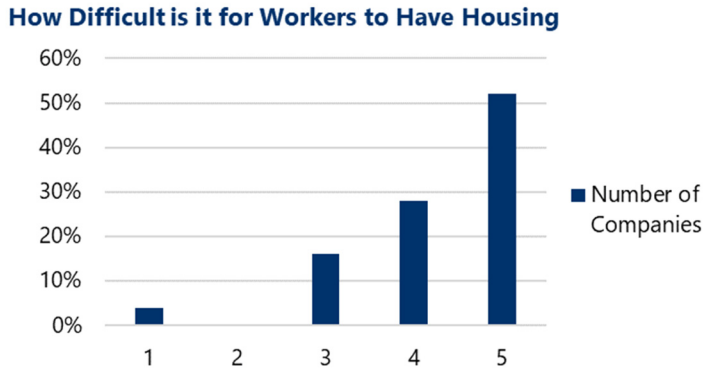
Source: AirDNA

WORKFORCE HOUSING NEEDS ASSESSMENT

1.13 SURVEY RESULTS

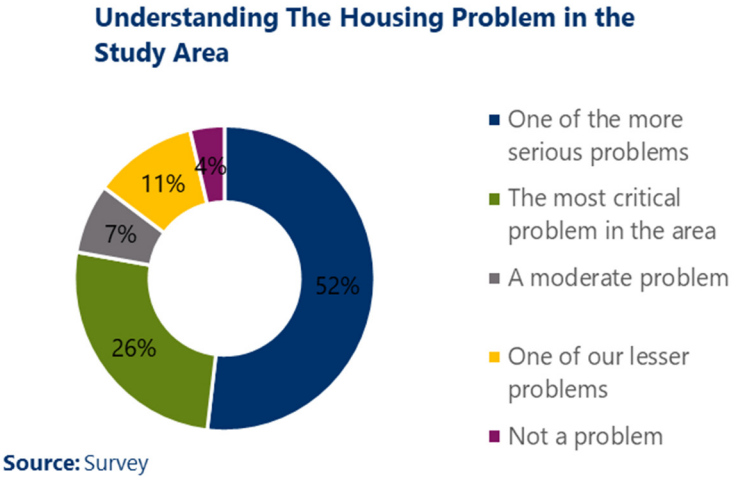
A survey was distributed and completed by 29 local businesses to provide further understanding into the need for affordable housing for local workers in the study area. The 29 businesses were asked a series of questions regarding their understanding of the housing need in the study area, how the housing market is impacting their employees and their participation and willingness to participate in the housing market.

The participating companies were asked how difficult it is for their workers to have housing on a scale of 1 to 5, 1 being the least difficult and 5 being the most difficult. Of the 24 companies who answered the question 52% or 13 companies answered that it is very difficult (5 out of 5) for their employees to have housing. Only 1 respondent answered lower than a 3 out of 5 on the difficulty scale.



Source: Survey for Local Businesses

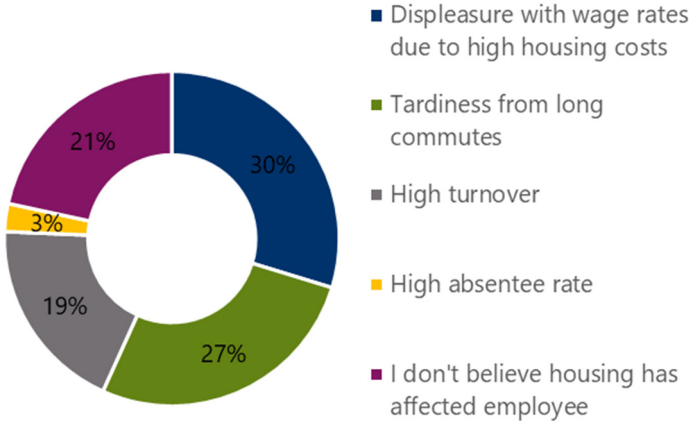
Of the 27 companies that answered the questions about the severity of the affordable or employee housing for local residents and workers 52% or 14 companies stated that it was one of the more serious problems of the area. Another 26% of respondents or 7 companies stated that it was the most critical problem in the area. A total of 22% of respondents say the housing problem is at worst a moderate problem within the area.



Source: Survey

The implication of the housing market in the study area could be making it difficult for businesses to find and keep workers. A total of 25 businesses answered the questions about housing availabilities impact on the workforce and, of those 25 businesses 89% stated that housing does impact workforce. Of the 89% that do believe that housing availability impacts their workforce 30% state that the housing affordability leads to a displeasure with wage rates due to high housing costs. Other businesses believe that the housing availability causes a tardiness from long commutes (27%), high turnover rate (19%) and or a high absentee rate (3%).

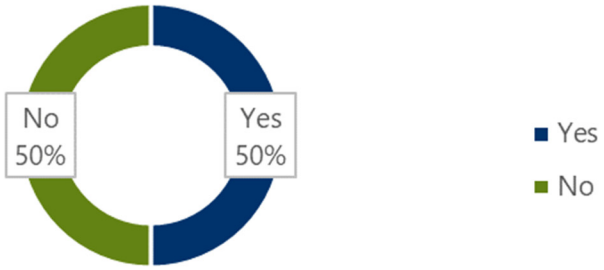
Housing Availability Impact on Workforce?



Source: Survey

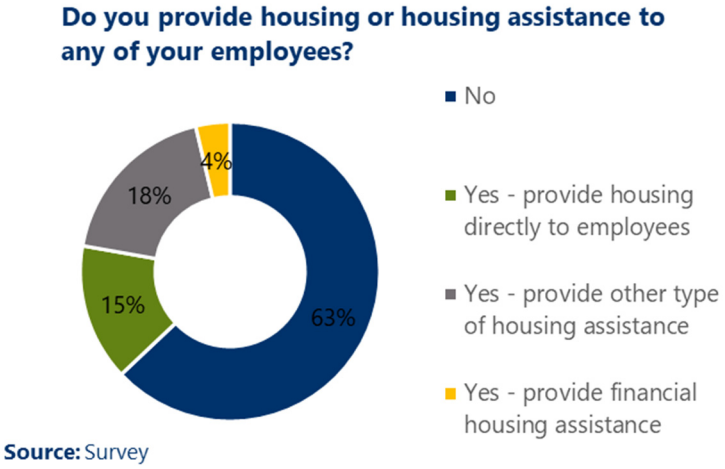
In the past 12 month 50% of respondents or 12 businesses stated that they have had prospective employees declined a job offer because they were unable to obtain housing.

In the past 12 months, did you have any prospective employees decline a job offer because they were unable to obtain housing?



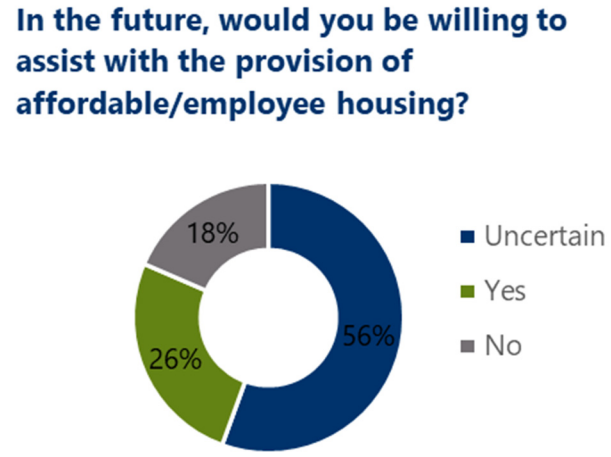
Source: Survey

When asked if they provide housing or housing assistance to any of their employees 62.96% or 17 companies said no. The remaining 37.04% or 10 companies do provide housing either through financial assistance, directly providing housing (own or rental units provided at no cost to employee) or through other types of housing assistance.



Source: Survey

When asked if they would be willing to assist with the provision of affordable or employee housing in the future 56% were uncertain, while 26% stated they would be willing to assist.



Source: Survey

1.14 STAKEHOLDER INTERVIEWS

Interviews were conducted with local business owners, larger employers, realtors, builders, and others to better understand the need and potential for attainable housing development. Key themes from those interviews include:

- **Carrabassett Valley's housing market is very tight.** There is very little inventory of housing and homes for sale are selling extremely quickly. Many buyers are coming from out of the region and out of the state, which is increasing pressure on the housing market.
- **Local workers are largely priced out of the ownership market.** Single-family homeownership is out of reach of many workers whose income does not allow them to afford the current sale price of most homes. Home prices have increased upwards of 25%-40% in the last few years, driven by high demand from seasonal visitors and second-home buyers.
- **Workers also struggle to year-round/long-term rental units at attainable price points.** Rental units are also seeing price increases that is pushing them beyond the means of local residents and workers. Rental price increases are driven in part by conversions of units from year-round or part-year rental housing to short-term rentals (STRs).
- **There is strong demand for both for-sale and rental housing.** Interviews suggested that there is a need for both types of housing in the Carrabassett Valley region. There is a strong need for suitable year-round housing for younger singles and couples, as well as young families. There is demand across unit sizes, including one-, two-, and three-bedroom units. Garages are not necessary, but access to adequate storage space for outdoor recreational equipment would be important.
- **Seasonal workforce housing is needed.** The need for workers increases significantly in the winter months, driven by hiring at Sugarloaf. It was suggested that dorm-style seasonal housing would be well utilized in the local area, as well as other types of housing.
- **The lack of rental housing is constraining hiring at local businesses.** Businesses interviewed indicated that there is an urgent need for affordable/attainable rental housing units. Some businesses have been able to provide their own housing to employees, but more is needed. All of these trends are putting pressure on businesses across a variety of industry sectors to survive and grow.
- **Zoning is a potential challenge to the development of attainable housing in the region.** Local zoning often limits residential development to one unit per acre, precluding multifamily development. Multifamily housing could be delivered to prospective buyers and renters at lower price points, as land costs can be spread over multiple units and other economies of scale can be achieved.
- **Infrastructure-served, developable land is constrained.** It will be critical to identify centrally located building sites that can be affordably connected to utilities infrastructure.

1.15 WORKFORCE HOUSING NEEDS ASSESSMENT

The purpose of the workforce housing needs assessment is to quantify the demand for new "workforce" or "middle income" housing units, both rental and for-sale, by households that make up the study area's workforce. A common definition of workforce housing is housing that is affordable to households earning between 60% and 120% of area median income (AMI). The median household income for the five-community study area is approximately $53,000. The 60%-120% AMI range is therefore between approximately $30,000 and $65,000. For comparison, a household with one full-time earner making minimum wage ($12.75 an hour in Maine as of January 1, 2022) would have an annual income of about $25,000.

Home prices affordable to households earning in the $30,000 to $65,000 range would range from about $100,000 to $230,000. However, as home prices have escalated at unprecedented rates during the pandemic, housing has become unaffordable even for those earning above 120% of AMI ($65,000). The 2021 median sale price in the study area was $380,000, which would require a household income of $100,000 to afford (roughly double the current area median income). Only 17% of homes sold in 2021 were affordable to a household earning the study area median income. Therefore, for the purposes of this analysis, we expand the definition of workforce housing to cover working households earning in the $30,000 to $75,000 range.

Affordability of 2021 Home Sales

Municipality	2021 Median Income	Affordable Home Price for Median Income HH	2021 Median Sale Price	2021 Home Sales	2021 Home Sales Affordable to Median Income HH	Pct. of 2021 Home Sales Affordable to Median Income HH
Carrabassett Valley	$ 63,885	$ 228,161	$ 482,000	116	14	12%
Coplin	$ 59,392	$ 212,114	$ 251,000	8	1	13%
Eustis	$ 26,755	$ 95,554	$ 244,500	28	0	0%
Kingfield	$ 51,241	$ 183,004	$ 240,000	31	12	39%
Wyman	$ 59,375	$ 212,054	$ 239,500	2	1	50%
Study Area	**$ 52,667**	**$ 188,096**	**$ 380,000**	**185**	**31**	**17%**

Source: Esri, MLS, Camoin Associates

YEAR-ROUND IN-COMMUTER DEMAND

The in-commuter data demonstrates the commuting patterns of workers at various earnings levels. The study area's workforce that earns under $1,250 a month (less than $15,000 annually) represents the largest share of in-commuters, 45% or 514 commuters. Those earning between $1,251 and $3,333 or between $15,001 and $40,000 annually represent 30% or 342 of in-commuters, the second largest group. Finally, those earning more than $3,333 a month of over $40,000 a year include the final 25% or 280 in-commuters. Note that these figures represent earnings of individual workers, and not total household income. In other words, the earnings of other individuals in the household are not considered.

In-Commuter Demand

Monthly Earnings	Annual Equivalent	Count	Share
Under $1,250	$15,000 or less	514	45%
$1,251 to $3,333	$15,001-$40,000	342	30%
Greater then $3,333	Greater than $40,000	280	25%
Total		**1,136**	**100%**

Source: On the Map

Based on interviews and the employer survey, it is expected that a portion of in-commuters would move to the local Carrabassett Valley area if appropriate and attainable housing was available as many are currently commuting into the area because they are unable to find suitable housing.

To understand how much housing demand from in-commuters could be "captured" by new workforce housing we considered the in-commuters traveling relatively long distances to work (greater than 25 miles) as the most likely to relocate. It is important to note that this estimate of in-commuters contains a combination of year-round and seasonal workers, and likely undercounts seasonal workers since it uses the second quarter of 2019 (April to June) as the reference period.

Employers who responded to the employer survey conducted for this study collectively employ 579 year-round staff, while they employ 1,435 at their peak time, which is typically between November and April. This suggests that there are upwards of 850 seasonal workers employed in the region at those businesses alone. Based on available monthly employment counts for the study area, we estimate that approximately 300 of these seasonal workers are accounted for in the number of in-commuters in the above table, assumed to be in the lowest earnings category, and we adjust accordingly to examine first only year-round worker capture potential.

As shown in the table below, approximately 929 year-round workers are in-commuters, and of those, an estimated 302 workers travel a long distance to work in the local area. Research, interviews, and the employer survey suggest that the combination of strong demand for attainable housing and a critically low supply of housing available will enable future workforce housing development to capture a sizable number of year-round workers currently commuting long distances into the area.

Year-Round In-Commuter Housing Need

Earnings Group	Total Workers	Total Year-Round Workers	Percent In-Commuters	# Year-Round In-Commuters	Percent "Long Commuters"	Number "Long Commuters"	Capture % Potential	Year-Round Worker Capture Potential	Equivalent Capture Rate (All In-Commuters)
Low	684	384	75%	289	46%	133	30%	40	14%
Medium	534	534	64%	342	26%	89	30%	27	8%
High	426	426	66%	280	29%	80	30%	24	9%
Total	**1644**	**1344**	**69%**	**929**	**32%**	**302**	**30%**	**91**	**10%**

Source: Census OnThe Map, adjusted to exclude seasonal workers

Therefore, it is estimated that new housing development would be able to capture at least 30% of those year-round "long commuters" on an annual basis. This represents 91 workers, or an overall minimum capture rate of approximately 10% of all in-commuters annually, which is considered reasonable and achievable. Using an estimate

of 1.5 workers per household,[1] this represents demand for approximately 61 year-round workforce housing units in the study area.

SEASONAL IN-COMMUTER DEMAND

From the results of the employer survey and knowledge of other businesses in the region who did not participate in the survey, we conservatively estimate that there at least 900 seasonal workers employed in the study area, typically during the winter months. No data is available specific to the share of seasonal workers who commute into the study area, so we use 50%, which is lower and therefore more conservative than the overall share of workers (69%). Anecdotally, we heard in interviews that seasonal workers aim to live as close as possible to their place of work. We therefore estimate a total of 450 in-commuting seasonal workers. It is assumed that most seasonal workers would opt to live within the study area if housing were available and therefore assume a relatively high minimum capture rate of 50%, translating to a housing need for at least 225 seasonal workers.

Seasonal Worker Housing Need	
Seasonal Workers (Estimate)	900
Percent In-Commuters	50%
In-Commuting Workers	450
Capture % Potential	50%
Seasonal Worker Capture Potential	**225**

Source: Employer Survey, Camoin Associates

COST-BURDENED RESIDENT HOUSEHOLDS

Households that are currently overburdened by housing costs represent another source of demand for workforce housing development in the study area. Households are considered overburdened if they spend more than 30% of their income on housing costs. Many households that are overburdened are in this situation because of the lack of housing that meets their needs (price point, location, and housing type).

As shown in the following table, there are currently 285 overburdened households in the study area, including 217 homeowner households and 68 renter households. Just over half of overburdened households are concentrated in the under $20,000 annual income bracket. In the study area 43% of all renters are experiencing a housing cost burden, compared to 22% of those who own their homes.

[1] Calculated from 2019 ACS data for Franklin County

Number of Households Overburdened by Housing Costs

Household Income	Owner-Occupied	Renter-Occupied	Total
Less than $20,000:	101	61	162
$20,000 to $34,999:	85	3	88
$35,000 to $49,999:	17	4	21
$50,000 to $74,999:	7	-	7
$75,000 or more:	7	-	7
Total Overburdened	**217**	**68**	**285**
Share of Total Households	**22%**	**43%**	**25%**

Source: Census American Community Survey, 2019

Of these over-burdened households, if we conservatively assume that 10% would be interested in relocating to a more affordable workforce housing unit, this represents demand for about 29 units.

UNDERHOUSED RESIDENTS

A third source of demand for workforce housing is underhoused residents. As a result of a shortage of affordable housing, many young adults in the study region are living with their parents, other relatives, or other nonrelatives. Overall, 61% of the 18- to 34-year-old population are living with others besides their partner or spouse, compared to 19% of the overall adult population. The 18- to 34-year-old population also has a smaller concentration of their population living alone (4%) compared to the overall adult population in the study area (22%).

Study Area Living Arangements, 2019

	Age 18-34		Total Adult	
	Population	Percent	Population	Percent
Lives alone	16	7%	387	23%
Living with spouse or spouse of householder	67	27%	913	55%
Living with unmarried partner or unmarried partner of householder	24	10%	83	5%
Child of householder	105	43%	118	7%
Other relatives	0	0%	97	6%
Other nonrelatives	34	14%	70	4%
Total:	**246**	**100%**	**1668**	**100%**
Total Living with Others Besides Partner or Spouse	**139**	**57%**	**285**	**17%**

Source: American Community Survey

The difference in the concentration between the age groups of those living alone or with non-relatives is in part due to a lack of housing affordability to provide the option to live alone. A lack of affordability in housing for those earning a more modest income, as young adults typically do, could also be causing them to live with their parents longer than they would otherwise.

Assuming a conservative 10% of these young adults could be interested in and able to afford to live in a workforce housing unit, this represents demand for 14 additional workforce units.

OVERALL WORKFORCE HOUSING NEED

Overall, there is demand for at least 104 units of year-round workforce housing from workers in the region, including 40 owner-occupied units and 64 year-round rental units. A significant portion (33%) of year-round demand is from

households with less than $20,000 in annual income and would generally be expected to represent demand for "affordable" housing units rather than "workforce" or "middle income" housing. There is also a need for seasonal rental accommodations for 225 workers. Most seasonal workers are assumed to earn wages at the lower end of the spectrum and would typically be in search of a dormitory or house-share living arrangement.

Study Area Workforce Housing Need - Baseline Estimate

	In-Commuters			Overburdened		Underhoused		Total		
Income Level	Owner	Renter	Seasonal	Owner	Renter	Owner	Renter	Owner	Renter	Seasonal
Less than $20,000	0	13	225	10	6	0	6	**10**	**25**	**225**
$20,000 to $34,999	0	20	0	9	1	0	6	**9**	**27**	**0**
$35,000 to $49,999	4	12	0	2	0	1	0	**7**	**12**	**0**
$50,000 to $74,999	12	0	0	1	0	1	0	**14**	**0**	**0**
Total	**16**	**45**	**225**	**22**	**7**	**2**	**12**	**40**	**64**	**225**

Note: Owner and renter values indicate number of units; seasonal values indicate number of worker rooms

Source: Camoin Associates

The "baseline estimate" presented above should be considered the minimum existing workforce housing need in the study area using the conservative capture rates detailed previously. There is most likely additional demand beyond these baseline estimates. "High-capture" estimates are shown in the following table and reflect a 30% capture rate of year-round in-commuters, cost-overburdened households, and underhoused workers; and a 75% capture rate for seasonal-worker in-commuters. It is recommended that new workforce housing be developed incrementally to ensure that it is not overbuilt. In other words, we recommend begin by developing the baseline number of units and adding more units as initial units are occupied.

Study Area Workforce Housing Need - High-Capture Estimate

	In-Commuters			Overburdened		Underhoused		Total		
Income Level	Owner	Renter	Seasonal	Owner	Renter	Owner	Renter	Owner	Renter	Seasonal
Less than $20,000	0	39	338	30	18	0	18	**30**	**75**	**338**
$20,000 to $34,999	0	60	0	27	3	0	18	**27**	**81**	**0**
$35,000 to $49,999	12	36	0	6	0	3	0	**21**	**36**	**0**
$50,000 to $74,999	36	0	0	3	0	3	0	**42**	**0**	**0**
Total	**48**	**135**	**338**	**66**	**21**	**6**	**36**	**120**	**192**	**338**

Note: Owner and renter values indicate number of units; seasonal values indicate number of worker rooms

Source: Camoin Associates

The following tables summarize demand by unit type. There is a need for 64–192 rental units of attainable housing in the study area for year-round workers. The distribution of this demand by income level and attainable rental level is shown below.

Workforce Year-Round Rental Unit Need

Income Level	Attainable Rent Level	Demand (Units)
Less than $20,000	Less than $500	25-75
$20,000 to $34,999	$500 to $875	27-81
$35,000 to $49,999	$875 to $1,250	12-36
$50,000 to $74,999	$1,250 to $1,875	0-0
Total Income Qualified Capture Potential		**64-192**

Source: Camoin Associates

Similarly, the demand opportunity for homeowner housing of between 40–120 units is shown in the following table by income and attainable home price.

Workforce Homeowner Unit Need

Income Level	Attainable Home Price	Demand (Units)
Less than $20,000	Less than $70,000	10-30
$20,000 to $34,999	$70,000 to $125,0000	9-27
$35,000 to $49,999	$125,000 to $180,000	7-21
$50,000 to $74,999	$180,000 to $270,000	14-42
Total Income Qualified Capture Potential		**40-120**

Source: Camoin Associates

The need for seasonal worker rooms is estimated at 225–338. It should also be noted that introducing a significant amount of seasonal housing in a dormitory-style or similar "rent by the room" format would allow some existing units in the study area currently being shared by seasonal workers to be converted into year-round rental housing for workers.

Workforce Seasonal Room Need

Income Level	Attainable Rent Level	Demand (Units)
Less than $20,000	**Less than $500**	**225-338**

Source: Camoin Associates

WORKFORCE HOUSING STRATEGY

1.16 RECOMMENDATIONS

Workforce housing markets exist within a larger complex regional economy; there is no one "silver-bullet" solution. Regional collaboration and partnerships among developers, property owners, municipalities, business owners, and other stakeholders will be essential if the region is to address its current workforce housing crisis. An assortment of new and existing funding tools combined with re-aligned municipal policies and programs are also necessary to drive new investment in workforce housing development. Recognizing these critical elements to generating new workforce housing in the Carrabassett Valley region, the following eight recommendations were developed:

STRATEGY RECOMMENDATIONS OVERVIEW

1. Build a Prioritized Inventory of Potential Workforce Housing Development/Redevelopment Sites
2. Engage Local and Statewide Housing Developers
3. Pursue Public-Private Partnerships with Developers to Build Workforce Housing.
4. Align Local Land Use Regulations with Housing Needs and Goals
5. Engage regional employers to assist in developing workforce housing solutions
6. Balance the economic benefits of short-term rentals with the need for year-round housing
7. Support the Creation of Seasonal Worker Housing
8. Build capacity to address workforce housing needs

Detailed descriptions are provided on the following pages. Additional information on funding resources is provided in the following section.

FRAMEWORK FOR SUCCESS

The process below illustrates a general approach moving forward from the completion of the Workforce Housing Plan.

Recommendation 1: Build a Prioritized Inventory of Potential Workforce Housing Development/Redevelopment Sites

Description: A prioritized inventory of sites is a critical foundational step towards allocating limited public resources to the most impactful projects and recruiting private developer interest and investment in projects. Care should be made to include an equitable distribution of sites and projects from each of the region's communities. It will also be critical to align the sites with their ability to accommodate the type of housing development that will best meet the unique local housing needs of each community.

Action Items:

1A. Establish criteria for identifying potentially suitable sites, which may include vacant/underutilized properties, tax foreclosure properties, publicly owned property, served by water/sewer infrastructure, and property owned by interested/willing parties.

1B. Prepare a comprehensive list with basic details of each property, such as location, ownership, size, existing structures, zoning, infrastructure, etc.

1C. Conduct a prioritization exercise to rank the sites in terms so that the sites best positioned for future development and that can meet critical housing needs are ranked highest.

Available Resource: Housing Site Inventory Guidebook (California)

California offers a guidebook that is intended to assist with compliance for general plan regulations but offers helpful information on how to approach creating an inventory and prioritizing properties for housing development.

For more information:

https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

Recommendation 2: Engage Local and Statewide Housing Developers

Description: Proactive outreach to the development community regarding the opportunities within the region should be undertaken, particularly to share the results of this housing study and the inventory of prioritized sites (see Recommendation 1). This outreach can range from low effort and informal methods to more formal outreach and solicitation methods. Ideally, outreach should be in collaboration with regional partners while still giving each community the opportunity to showcase its opportunities.

Action Items:

2A. Identify active housing developers in the State of Maine with a focus on affordable and workforce-level developers.

2B. Invite developers to the region. Consider a "developers' summit" with a brief presentation followed by a tour of potential development sites. Alternatively, schedule one-on-one meetings and tours with potential developers.

2C. Prepare simple marketing materials for key sites/opportunities such as one-page brochure with a photo and key information about the property and housing development opportunity.

2D. If appropriate, such as a critical housing project need on property controlled by a municipality, prepare a formal request for proposals process to solicit plans from multiple developers through a competitive process.

Example: Bar Harbor, National Park Service – Acadia National Park, ME

The National Park Service identified seasonal housing need as a critical issue and sought to enter into a partnership for a housing project on park land in Bar Harbor. To engage housing developer partners, the Park Service issues a Request for Information (RFI) from potentially interested developers and other organizations to enter into a partnership to construct and operate housing for seasonal employees of Acadia National Park. In conjunction with the RFI, NPS hosted an "Industry Day" at a conference center that includes an introduction and presentation, an open question and answer session, and a site visit to the proposed housing area.

For more information:

https://www.nps.gov/acad/learn/news/public-private-seasonal-housing-development-opportunity.htm

https://www.nps.gov/acad/learn/news/industry-day-invites-input-for-public-private-seasonal-housing-development-opportunity.htm

Recommendation 3: Pursue Public-Private Partnerships with Developers to Build Workforce Housing.

Description: It is imperative for the region's municipalities to actively engage in supporting workforce housing development projects rather than rely on, or expect the private market to address the region's shortage of attainable housing. The economics of developing workforce housing are typically prohibitive, requiring partnerships with development entities that can take a variety of forms, including but limited to the following:

- The upfront public provision of infrastructure such as water/sewer service
- Conveyance of publicly owned or controlled land at no- or reduced-cost
- Securing grant funds to support housing development projects that are not available directly to development entities (see funding strategy section).
- Entering into tax-increment financing (TIF) Credit Enhancement Agreements with developers or utilizing other TIF funds to support projects (see funding strategy section).

Action Items:

2A. Determine appropriate and effective partnership arrangements to induce development projects at identified priority sites (refer to recommendation 1).

Example Community: Vail, CO

The Town of Vail's Lion's Ridge Apartments were developed through a public-private partnership. The development features 112 deed-restricted rental units for year-round residents or employees. Residents must work at least 30 hours per week within the county to qualify. While all construction costs were borne by the private developer, the Town invested millions to ensure that the units remain deed restricted. The Town also leased the underlying land (ground lease structure) to the developer with payments deferred up to 10 years. The flexible loan terms also allow the developer to exercise an option to purchase the ground lease from the Town.

For more information:

https://www.walkerdunlop.com/news-and-events/2017-10-18-workforce-housing-property-at-the-base-of-vail-ski-resort-receives-22-million-in-financing-via-walker-dunlop/https://govos.com/blog/how-north-elba-works-with-short-term-rentals/

Recommendation 4: Align Local Land Use Regulations with Housing Needs and Goals

Description: Local land use regulations should exist as a "living document" and be continually revisited and refined to make sure they continue to support each community's goals with respect to preserving and creating workforce housing among other community goals. The housing needs research identified instances of local zoning requirements in conflict with goals of supporting workforce housing development. Particular zoning and land use regulations that each community should examine to support workforce housing include the following:

- Ensuring multi-family can be built as-of-right in most, if not all, residential and commercial zones
- Increasing density by allowing small-lot residential development where appropriate
- Inclusionary zoning housing requirements that require a portion of new housing units to be for affordable to low- or moderate-income households when market-rate housing is being developed
- Density bonuses provided to developers of workforce level housing that allow developers to build additional units if a certain portion are workforce level.
- Allowing homeowners to add secondary housing such as accessory dwelling units and "in-law units" as of right on their properties.
- Streamlining and expediting the approval process for workforce housing projects
- Adopt "tiny home" friendly zoning regulations

Action Items:

3A. Each community should conduct an assessment of its land use regulations with respect to alignment with workforce housing goals.

Recommendation 5: Engage regional employers to assist in developing workforce housing solutions

Description: Regional employers have a vested interest in the creation of workforce housing, which is urgently needed to help attract and retain employees. The employer survey and stakeholder interviews indicate that employers recognize the urgent need to address workforce housing needs and most are open to providing assistance in addressing this need in some shape or form. Leveraging the resources of the region's employers and building capacity through collaboration will be highly effective in building the supply of housing for local workers. Potential opportunities for employer-assisted housing assistance may include the following:

- "Matchmaker" assistance between employees in need of housing and local property owners with available units.
- Direct financial assistance (grants or loans) to employees through rent, security deposit, or down payment assistance
- Provision of housing to employees (construction or purchase of units to be reserved for employees).
- Donation of land for workforce housing development
- Contribution to housing financing pool (fund that regional businesses donate to, which then provides funds to assist homebuyers)
- Contribution to housing development financing pool (similar but funds are distributed to developers of workforce housing)
- Direct support to workforce housing developer, potentially in return for "reserved" units for employer's workers

Action Items:

4A. Follow-up with regional employers for one-on-one discussions about what types of programs they might be interested participating in.

4B. Identify most appropriate type(s) of programs moving forward and identify best practices and successful case study examples to utilize as models.

4C. Build the capacity to implement the program, which may include a new committee or organizational entity to implement such as a housing trust or community land trust.

Example Community: Rochester, MN
In Rochester, two nonprofit organizations sought to build 500 single-family homes and 275 affordable rental units for the city's workforce. A fundraising effort from local businesses raised over $13 million. This helped leverage funding from state, local, and GMHF sources. The Funds are used to assist homebuyers who can receive assistance from a local community land trust.

Available Resources:
National Association of Realtors - Employer-Assisted Housing Initiative Guide: https://realtorparty.realtor/wp-content/uploads/2017/08/EAH-Initiatives-Guide-1.pdf

NHFA: Developing Employer-Assisted Housing: https://www.nhhfa.org/wp-content/uploads/2021/11/Employer-Assisted-Housing-Guide.pdf

Recommendation 6: Balance the economic benefits of short-term rentals with the need for year-round housing

Description: The region's popularity has spawned an increasing number of short-term rentals (STRs) catering to skiers and other visitors. The area's short-term rentals contribute to a vibrant tourism economy and provide additional income to many local property owners, helping them afford to living in the region. At the same time, the popularity and high-income potential of these STRs has created an environment in which there is a greater financial incentive and benefit to making units available for short-term rentals than long-term year-round housing. Moving forward, it is important to be sensitive to all stakeholder viewpoints while striking a balance between maintaining a supply of rentals for visitors and for year-round residents and workers. To understand how and what type of balance to maintain, it is important to have quality information and data on STRs by instituting local registration programs that will provide this data while also ensuring that short-term rentals adhere to local codes.

Action Items:

5A. Explore the local adoption of STR programs at the municipal level. Establish a reasonable fee-schedule for registration, which may include a sliding schedule based on the number of rental units per applicant.

5B. Share data between municipalities to produce a brief annual report with key STR data. Identify emerging trends year-to-year.

5C. Be prepared to explore short-term rental ordinances with appropriate public and stakeholder input if STRs are demonstrated to substantially impact the availability of workforce housing.

Example Community: Town of North Elba, NY (Village of Lake Placid)
Following the completion of a housing needs assessment study that identified short term rentals as having an adverse impact on workforce housing, the Town created a short-term rental registration system. The program requires all short-term rental owners to submit an application that includes a site plan, 24/7 emergency contact information, Type of STR, Parcel ID#, parking plan, copy of deed, and other items. The application fee is a sliding schedule ranging from $200 to $1,200 depending on the number of bedrooms. Registration is effective for two years. The Town utilizes a third-party web vendor, MUNIRevs (now GovOS), which offers an online portal for STR owners to submit their application. The system allows the Town to monitor compliance and handle complaints.

For more information:
http://www.northelba.org/?page=government/code-enforcement/short-term-rental
https://govos.com/blog/how-north-elba-works-with-short-term-rentals/

Available Resources:

Best Practices in Regulation and Taxation of Short Term Rentals (LodgingRevs):
https://glenwoodspringsco.civicclerk.com/Web/GenFile.aspx?ad=834

A Practical Guide to Effectively Regulating Short-term Rentals on the Local Government Level (Granicus):
https://granicus.com/pdfs/Whitepaper_-A-practical-guide-to-effectively-regulating-short-term-rentals-on-the-local-government-level.pdf

National Association of Realtors Rental Housing Restriction Best Practices White Paper:
https://www.nar.realtor/sites/default/files/handouts-and-brochures/2016/rental-housing-restriction-white-paper-propose-best-practices-09-27-2016.pdf

Recommendation 7: Support the Creation of Seasonal Worker Housing

Description: Seasonal workers have unique housing needs that are best served by dedicated housing, such as dormitory-style or other communal or semi-communal housing types. The majority of the region's seasonal housing need is for workers at Sugarloaf Mountain, Carrabassett Valley Academy, and related recreation and hospitality. Efforts should be focused on supporting these stakeholders in their work to create new seasonal worker housing.

Examples of seasonal housing development projects successful in other communities include:

- Reuse of underutilized hotel/motel properties
- Tiny home village/campground (see Aspen-Basalt Campground)
- Worker dormitories

Action Items:

6A. Keep connected and collaborating with seasonal housing stakeholders in efforts to create workforce housing

Example: Crested Butte, CO – Purchase of Property for Seasonal Workers
The ski town declared its housing shortage a local disaster emergency with 10 to 12 percent of its workforce unfilled due to housing issues. To address the issue, the Town approved a $2.3 million purchase of a former six-room bed and breakfast to reuse for public and private seasonal workers. Local zoning didn't allow congregate housing so the emergency order was issued to allow occupancy to commence while the town goes through the board of zoning and architecture approval.

For more information:
https://www.cpr.org/2021/06/10/crested-butte-hotel-for-seasonal-workers-housing-shortage-emergency/

Example: Aspen, CO – Aspen Snowmass Aspen-Basalt Campground
Aspen Snowmass is the Town's largest employer and operates four ski areas. Desperately in need of worker housing, it created a tiny home village of 500-square foot homes reserved exclusively for seasonal workers. The rent for tiny homes is $550 per month.

For more information:
https://www.insider.com/aspen-ski-resort-tiny-home-village-for-seasonal-workers-2022-1

Recommendation 8: Build capacity to address housing needs

Description: The existing Carrabassett Valley Regional Housing Committee provides an effective framework for continued collaboration among the region's municipalities and key stakeholders. The Committee should oversee and monitor the implementation of the recommendations of this strategy and measure progress in terms of new projects, workforce-level housing units, and other successes throughout the region. Enhancing capacity through a new organization should also be carefully considered as certain dedicated organization types have powers and access to certain resources that the Committee and municipalities would not, such as a housing trust or community land trust.

Action Items:

6A. Task the Housing Committee with implementing recommendations. Create sub-committees as necessary for high priority actions.

6B. Explore creating a regional housing trust/community land trust

Example: Kennebunkport, ME (The Kennebunkport Heritage Housing Trust)
Following the completion of a housing needs assessment study that recommended creating a Housing Trust to acquire land and build workforce housing, the Kennebunkport Heritage Housing Trust was created by a group of community members with a goal to build 25 permanently affordable homes by 2025.

For more information:
https://www.khht.org/

Example: Mount Desert Island, ME (Island Housing Trust)
Island Housing Trust promotes year-round island communities by advancing permanent workforce housing on Mount Desert Island. Since 2003, the Trust has completed 46 homeownership projects.

Available Resources:
Local Housing Solutions: Community Land Trust Brief: https://localhousingsolutions.org/housing-policy-library/community-land-trusts/

Grounded Solutions Network: - Community Land Trust Technical Manual: https://groundedsolutions.org/tools-for-success/resource-library/community-land-trust-technical-manual

Schumacher Center for a New Economics – Community Land Trust Toolkit: https://centerforneweconomics.org/apply/community-land-trust-program/toolkit-legal-documents/

FUNDING RESOURCES

The following sources are available to support the creation of new workforce housing in the region. Most workforce housing projects will require a combination of these sources and other public-private partnership strategies to succeed.

Funding Source	Description	Use Discussion
Affordable Housing Tax Increment Financing (AHTIF) – Maine Housing (MSHA)	The AHTIF Program offers municipalities a flexible financing tool to assist affordable housing projects and support related infrastructure and facilities by designating a specific area of the municipality as an affordable housing development district and adopting an affordable housing development program for the district. AHTIF enables communities to use the incremental tax revenues from the affordable housing district to help make the housing affordable and to pay for related costs.	Eligible uses of incremental tax revenues from a district include: Costs inside the AHTIF district: Capital and operating costs of affordable housing and public infrastructure improvements, related soft costs, support services for residents of the affordable housing, and costs of recreational and child care facilities. Costs outside the AHTIF district: Costs outside the AHTIF district can be funded with tax increment revenues from the district only if those costs are directly related to or made necessary by the establishment or operation of the district, and then only to a proportional extent. Examples include infrastructure and public safety improvements, costs to mitigate adverse impacts (including to local schools), and costs to establish a permanent housing development revolving loan or investment fund. An Affordable Housing TIF, a program of Maine Housing , can be used to support housing development. The challenge for this program is that it requires "At least 33% of the housing units in the AHTIF district must be for households earning no more than 120% of area median income, and "the affordability of rental units must be maintained for at least 30 years, and the affordability of homeownership units must be maintained for at least 10 years." "Affordability" as defined by Maine Housing may not be directly compatible with "workforce" housing.
Maine Department of Economic & Community Development (DECD) Tax Increment Financing (TIF)	Through a DECD TIF, any portion of the new taxes generated by a specific project or projects within a defined geographic district may be used to finance public or private projects for a defined period of time up to 30 years. The Program is locally-driven: The municipality or plantation defines the district size, determines the amount of new taxes to be captured, identifies allowable public and private projects along with the term up to 30 years, with the whole package requiring local political approval. A business may approach a municipality with a proposal for investment for which a TIF district would provide financing. Or, a municipality may take advantage of an already-planned and financed project and create a TIF district around it, capturing a portion of new property tax revenue for specific public uses.	The Maine Department of Economic and Community development (DECD) TIF can also be used for housing. DECD TIF's can be used for housing projects that are not ownership (meaning rentals) and are seen as supporting economic development. They cannot be used for condos or owner-occupied single-family homes. They have the benefit of no housing affordability requirements. Municipalities can utilize TIF funds toward (rental) housing projects in a number of ways: 1. TIF Credit Enhancement Agreement would credit back to the developer a percentage of the increased taxation value in paid taxes to offset development costs. 2. TIF can be used as a loan guarantee on financing. 3. TIF funds can be used toward certain public and private infrastructure costs. 4. TIF funds can be used to update local zoning to improve housing density and/or establish density bonuses on lots connected to public water and sewer. 5. Town TIF can be used as leverage or matching funds for grant applications.

Funding Source	Description	Use Discussion
MSHA Affordable Homeownership Program (new for 2022)	This new program is funded by the American Rescue Plan Act through the Maine Jobs & Recovery Plan and is intended to help lower the costs to developers building single-family subdivisions by providing zero percent, forgivable loans. The funding will help offset rising costs to developers for land acquisitions, labor, and materials.	Developers are required to set aside homes in a subdivision as Affordable Homeownership Units that will be sold to homebuyers who earn up to 120% of Area Median Income (AMI). A minimum of five (5) single-family homes in a subdivision must be designated as Affordable Homeownership Units. Homes must be new (never previously occupied) and single-occupancy single-family homes. The minimum forgivable loan amount is $300,000 and the maximum forgivable loan amount is $1,400,000 per affordable single-family housing development. The maximum forgivable loan amount per Affordable Homeownership Unit is $70,000 in Cumberland, Sagadahoc or York counties, and $60,000 in the remaining 13 counties of the State. Developers participating in the Subdivision Program will not be allowed to access additional subsidy from MaineHousing, however homebuyers may receive subsidy for down payment and closing costs. The program is very similar to the previous Affordable Housing Subdivision Program); however, it provides significantly more subsidy per home ($60,000 vs. $25,000) and a greater per project maximum forgivable loan ($1,400,000 vs. $450,000).
MSHA Low Income Housing Tax Credit Program	The Low Income Housing Tax Credits are a federal resource that MaineHousing allocates in Maine. The credits are allocated to developers, who sell (syndicate) them to corporate investors. Money raised from the sale is used as equity in the developer's rental housing project.	This is a highly competitive program that is based on a series of scoring criteria and it may be difficult for the region's municipalities to compete. Additionally, the program is targeted toward lower levels of affordability and includes restrictions that do not necessarily align with goals for workforce-level housing.
MSHA Rental Loan Program	The Rental Loan Program (RLP) through MaineHousing provides long-term mortgage financing at attractive interest rates for development of affordable rental housing.	The RLP may be used for acquisition, acquisition and rehab, or new construction of apartment buildings of five or more units; developers must reserve a portion of the units for lower income renters.
Community Development Block Grants (CDBG)	Each year the State of Maine receives a formula allocation of funding from the Department of Housing and Urban Development to be distributed to eligible Maine communities under the Community Development Block Grant Program.	Municipalities can apply for these funds, which can pay for roads, water and sewer to support housing projects. The State has money set aside for rural housing of $500,000 to $800,000 per year.

Funding Source	Description	Use Discussion
Community Solutions Grant - MaineHousing	Provides matching grants to municipalities that are taking a lead role in creating or preserving affordable housing in their communities. The grants are flexible and locally driven; each successful municipality determines how best to address their affordable housing needs.	Municipalities may request up to $500,000 in Community Solutions Grant funds for the creation or preservation of affordable housing units. Applicants must demonstrate a commitment to address their community's affordable housing needs. Grantees must partner with other entities and commit municipal resources. Municipalities with local public housing authorities are encouraged to partner with their local public housing authority in developing a proposal. Interested parties are invited to submit a thoughtful proposal offering a clear solution to their community's identified housing needs. Municipalities must demonstrate that they are bringing additional resources to the table with a value equal to or greater than the Community Solutions Grant requested. Such resources may include without limitation personnel, zoning provisions, other in-kind contributions, and additional funds. Towns can be the application for this grant and play the role of the required non-profit partner. Providing increased density and TIF can serve as a town's required local match. It should be noted that units that benefit from CSG funds must all be for households earnings 80% of AMI or lower.
Federal Home Loan Bank – Affordable Housing Program (AHP)	This Affordable Housing Program supports the development and rehabilitation of stable and affordable rental apartments and for-sale homes throughout New England. Federal Home Loan Banks must contribute 10% of their net income from the previous year to affordable housing through the AHP. The minimum annual combined contribution by the 12 Federal Home Loan Banks must total $100 million. Member banks partner with developers and community organizations seeking to build and renovate housing for low to moderate income households.	AHP consists of two programs: a competitive application program and a homeowner set-aside program. If rental housing is developed with AHP funds, at least 20% of the units must be reserved for and be affordable to households with incomes below 50% of AMI. Owner-occupied housing must be occupied by households with incomes below 80% of the area median income (AMI). The program requires a non-profit partner but a town can play that role.
U.S. Department of Housing and Urban Development Mortgage Insurance for Cooperative Housing HUD 213	Insures mortgage loans to facilitate the construction, substantial rehabilitation, and purchase of cooperative housing projects. Each member shares in the ownership of the whole project with the exclusive right to occupy a specific unit and to participate in project operations through the purchase of stock. Insures lenders against loss on mortgage defaults.	Section 213 enables nonprofit cooperative housing corporations or trusts to develop or sponsor the development of housing projects to be operated as cooperatives. Section 213 also allows investors to provide good quality multifamily housing to be sold to non-profit corporations or trusts upon completion of construction or rehabilitation.
U.S. Department of Housing and Urban Development mortgage Insurance for Single Room Occupancy Developments - HUD 221 D4	Insures mortgage loans for multifamily properties consisting of single-room occupancy (SRO) apartments. There are no Federal rental subsidies involved with this SRO program. It is aimed at those tenants who have a source of income but are priced out of the rental apartment market.	SRO projects generally require assistance from local governing bodies or charitable organizations in order to reduce the rents to affordable levels. Although SRO housing is intended for very low-income persons, the program does not impose income limits for admission.

Funding Source	Description	Use Discussion
USDA Section 515 Rural Housing	Rural Rental Housing Loans are direct, competitive mortgage loans made to provide affordable multifamily rental housing for very low-, low-, and moderate-income families, elderly persons, and persons with disabilities.	This is primarily a direct housing mortgage program; its funds may also be used to buy and improve land and to provide necessary facilities such as water and waste disposal systems. Individuals, partnerships, limited partnerships, for-profit corporations, nonprofit organizations, limited equity cooperatives, Native American tribes, and public agencies are eligible to apply.
Limited Equity Housing Cooperative	A corporation that owns the building and the residents own shares in the corporation. It is known as a "limited equity" coop because the purchase price for the units / shares is limited (lower) and there are income limits for the residents.	The benefit for the owners / shareholders is a lower, fixed cost of housing versus a traditional project where ROI / Return on Investment is the main focus. This approach can be combined with the other affordability programs like low interest loans, grants, TIFs and first-time homebuyer programs.

ATTACHMENT A: DATA SOURCES

ECONOMIC MODELING SPECIALISTS INTERNATIONAL (EMSI)

To analyze the industrial makeup of a study area, industry data organized by the North American Industrial Classification System (NAICS) is assessed. Camoin Associates subscribes to Economic Modeling Specialists Intl. (EMSI), a proprietary data provider that aggregates economic data from approximately 90 sources. EMSI industry data, in our experience, is more complete than most or perhaps all local data sources (for more information on EMSI, please see www.economicmodeling.com). This is because local data sources typically miss significant employment counts by industry because data on sole proprietorships and contractual employment (i.e. 1099 contractor positions) is not included and because certain employment counts are suppressed from BLS/BEA figures for confidentiality reasons when too few establishments exist within a single NAICS code.

ESRI BUSINESS ANALYST ONLINE (BAO)

ESRI is the leading provider of location-driven market insights. It combines demographic, lifestyle, and spending data with map-based analytics to provide market intelligence for strategic decision-making. ESRI uses proprietary statistical models and data from the U.S. Census Bureau, the U.S. Postal Service, and various other sources to present current conditions and project future trends. Esri data are used by developers to maximize their portfolio, retailers to understand growth opportunities, and by economic developers to attract business that fit their

AMERICAN COMMUNITY SURVEY (ACS), U.S. CENSUS

The American Community Survey (ACS) is an ongoing statistical survey by the U.S. Census Bureau that gathers demographic and socioeconomic information on age, sex, race, family and relationships, income and benefits, health insurance, education, veteran status, disabilities, commute patterns, and other topics. The survey is mandatory to fill out, but the survey is only sent to a small sample of the population on a rotating basis. The survey is crucial to major planning decisions, like vital services and infrastructure investments, made by municipalities and cities. The questions on the ACS are different than those asked on the decennial census and provide ongoing demographic updates of the nation down to the block group level. For more information on the ACS, visit http://www.census.gov/programs-surveys/acs/

LOCAL AREA UNEMPLOYMENT STATISTICS (LAUS), U.S. BUREAU OF LABOR STATISTICS (BLS)

The Local Area Unemployment Statistics (LAUS) program estimates total employment and unemployment for approximately 7,500 geographic areas on a monthly basis, from the national level down to the city and town level. LAUS data is developed through U.S. Bureau of Labor Statistics (BLS) by combining data from the Current Population Survey (CPS), Current Employment Statistics (CES) survey, and state unemployment (UI) systems. More information on LAUS can be found here: http://www.bls.gov/lau/lauov.htm

ONTHEMAP, U.S. CENSUS

OnTheMap is a tool developed through the U.S. Census Longitudinal Employer-Household Dynamics (LEHD) program that helps to visualize Local Employment Dynamics (LED) data about where workers are employed and where they live. There are also visual mapping capabilities for data on age, earnings, industry distributions, race, ethnicity, educational attainment, and sex. The OnTheMap tool can be found here, along with links to documentation: http://onthemap.ces.census.gov/.

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