

## **Chapter D: Housing**

### **1. Purpose**

Gouldsboro's Comprehensive Plan will address several key housing issues. These include changes in conditions and needs as well as projecting future demands for housing throughout the community, workforce housing as well as housing for an aging population.

This chapter:

- a) describes recent trends in Gouldsboro's housing stock in terms of types and number of units with available information, including vacant and occupied homes
- b) discuss rental and owner housing affordability
- c) project future housing needs including short and long term housing needs
- d) describe emerging trends such as climate in-migration and increased short term rentals
- e) describe benefits that will accrue to Gouldsboro from a greater supply of available and affordable housing and,
- f) recommend ways to increase the supply of energy-efficient housing for multi-occupational and multi-generational community members.

### **2. Key Findings and Issues**

The cost of purchasing or renting a dwelling in Gouldsboro has risen beyond the reach of many population groups upon which the viability of Gouldsboro depends.

As seen across the state of Maine as well as many areas across the nation, the affordability index for housing has fluctuated.

The official "affordability index" for housing in Gouldsboro has shifted from "affordable" (2010-2013) to "unaffordable" (2014-2022). The Maine Housing Authority calculated the "affordability index" for housing in Gouldsboro at .52 in 2020, 0.93 in 2019 and 0.94 in 2018. An index of less than 1.0 means that housing is "unaffordable" because a household earning the median income could not cover payments on a median- priced home by using no more than 30% of gross income for payments on a 30-year mortgage, taxes and insurance, according to the Maine Housing Authority.

With the realization of a declining local economy, the recent percentage of income used for housing is anticipated to climb. Dwelling units remained mostly single-family detached units, although the actual number of single family units has decreased. The number of multi-family units or mobile homes increased threefold but remains a small percentage of total housing. The American Community Survey estimated that 31.1% of homeowners and 47.1% of renters in 2021 paid 30% or more of their household income on housing costs in 2017 in Gouldsboro.

Traditionally, Maine communities are multi-occupational and multigenerational, but a shortage of affordable housing makes it challenging for Gouldsboro to attract young people and families or to retain even those whose ancestors have been here since before the town was incorporated in 1789. Senior citizens or others on fixed incomes may also find it challenging to retain their homes here, and a shortage of affordable housing is making it increasingly difficult for local employers to find year-round or seasonal workers so that they can expand their businesses.

Furthermore, as property values rise, especially shoreline properties, households on fixed incomes will find property taxes increasingly burdensome, and creative people who are inspired by the scenic beauty and peace of the town, as well as those who wish to make their living from the sea or from the land, may not be able to afford to live here.

### **3. Key Findings & Issues from the 2005 Plan**

The number of second homes increased by about 20 percent during the 1980's; there was an increase of about 5 percent in year-round homes, which was a slower rate of increase than the 20 percent rate for year-round population.

### **4. 2022 Public Opinion Survey Results**

Maintaining the rural character of Gouldsboro was important to 95.83% of survey respondents and the necessity for more residential homes was identified as important by 75.81%. Survey results also showed that 46.12% of respondents thought that residential homes should be built anywhere in town, while 31.36% believed they should be built in designated areas. 66.97% also think that more inns, hotels and B & B's are needed to accommodate short term renters. Of the respondents, 81.33% live in Gouldsboro year round and 97.91% own their own homes.

### **4. Recent Housing Trends and Analysis**

Gouldsboro's total number of housing units increased by 7% between 2000 and 2020 (see table D-1.) The number of vacant dwellings increased by nearly 19% in the last two decades, while the number of occupied units went down slightly. The increased vacancies may be an indicator of a slowed housing market, or gradual outmigration from Gouldsboro. The overall increase in units is a much faster rate of increase in units than the 5% rate projected in the 1992 plan and is also faster than the five-percent actual growth rate between 1980 and 1990. The main reason for housing units increasing at a faster rate than the population is decreasing is that household sizes are decreasing. This is likely to continue, given the aging of the town's population. Older households tend to have fewer, if any children.

The number of second homes increased by 14% between 2000 and 2020. The 1993 plan estimated that second homes could increase by as much as a 20 percent rate, which was roughly the actual rate of increase for the 1980-1990 decade. The number of year-round housing units thus increased at a faster rate than predicted while second homes increased at a slower rate.

Table D-1: Change in Housing Units, Gouldsboro, 2000-2020				
	2000	2010	2020	Percent Change, 2000-2020
Occupied	801	773	798	-0.4%
Vacant	528	669	628	18.9%
Total	1,328	1,442	1426	7.4%
Source: U.S. Census				

While home prices between 2000 and 2020 increased, prices were higher than the county, median rental costs remained lower than the region. Notwithstanding official data, the anecdotally reported experience in Gouldsboro is that housing costs are especially problematic for first-time home buyers and renters, low-paid workers and individuals no longer in the workforce.

How many additional housing units (if any), including rental units, will be necessary to accommodate projected population and demographic changes during the planning period?

The number of year-round homes increased by 15 percent between 1990 and 2000 while the number of second homes increased by 14 percent. As of 2002, median household incomes in town were only 58 percent of the amount needed to buy the median-priced house. Housing affordability for first-time home buyers is a serious problem . According to MSHA, in 2020, 57% of Gouldsboro households were unable to afford the median home price of \$274,000 using the local median income of \$59,779.

The effects of the increase in the conversion of properties to short term rentals contributes to the lack of availability and cost of year-round residential homes as well as seasonal rentals. An inventory of short term rentals should be kept and updated annually.

Table D-2 shows the breakdown between various occupied housing types. There was an estimated 11.5 percent decrease in the number of occupied, detached single family homes in the last decade, somewhat offset by an increase in duplex/multi-family homes. There has also been a substantial decrease in the number of occupied mobile homes. Although the housing types summarized in the 2005 plan represented all of Gouldsboro’s housing stock, not just the occupied units, this newer data seems to mirror the trends of previous decades with an overall decrease in mobile homes and a small increase of duplex and multifamily units. This is relative to the percentage of total housing stock, which is still dominated by single family detached dwellings.

Type	2010		2019		Percent Change in number of Units
	Number	Percent	Number	Percent	
Single family detached	632	80.8	559	82.2	-11.5%
Duplex/Multifamily	16	2.0	48	7.1	206.9%
Mobile Homes or other	135	17.3	73	10.7	-46.0%
Total	782	100	680	100	

Source: ACS 5-Year Estimates (2019)

The breakdown between rental and owner occupied year-round housing is shown in Table C.3. As of 2017, about 83 percent of year-round homes were owner-occupied and 17 percent were renter-occupied. This is a lower percentage of rental units than in Hancock County as a whole. Most year-round rental units are concentrated in the larger, service center communities rather than in small towns such as Gouldsboro. The numbers of total occupied housing units in Gouldsboro, however, decreased by an estimated 14% between 2000 and 2017, in contrast to an 8% increase in occupied housing units in all of Hancock County during that same time period.

**Table D-3:** Estimated Tenure of Occupied Year-round Housing 2000 & 2017 (does not include seasonal and vacant units); Gouldsboro & Hancock County.

		2000		2021		2000-2021
		Number	Percent of Total	Number	Percent of Total	Percent Change
Town	Renter-Occupied	153	19%	73	% 13%	52%
	Owner-Occupied	648	81%	493	87%	24%
	Total Occupied Units	801	100%	566	100%	29%

Sources: U.S. Census 1990 CPH-1-21, Tables 10+11, 2020 American Community Survey 2020 Accessed via US Census 2020

The breakdown of contract rents is shown in Table D-4. As of 2017, the estimated median monthly rent in Gouldsboro was \$776, which is somewhat lower than that of Hancock County as a whole; \$812. These median rents represent a very significant increase in the cost of renting in the community since 2000 (39% and 59%, respectively). While rental units continue to make up a relatively small number of the total occupied housing units in Gouldsboro, the increase in rental costs is concerning. In 2000, only 30% of Gouldsboro's rents were \$750/month or higher.

By 2017, an estimated 69% of Gouldsboro’s rents were \$750/month or higher.

Table D-4 Gross Rent of Renter-Occupied Units Gouldsboro and Hancock County: 2000 and 2021						
Monthly Rent	Gouldsboro			Hancock County		
	# Units 2000 (% total units)	# Units 2021 (% total units)	% Change, 2000-2021	# Units 2000 (% total units)	# Units 2021 (% total units)	% Change, 2000 2021
\$1 to \$299	18 (11%)	0	-100%	732 (15%)	0	-100%
\$300 to \$499	35 (21%)	0 0%	100%	1,286 (26%)	807 (15%)	100%
\$500 to \$999	(10%)80 (52%)	37 (51%)	54%	447 (9%)	2,367 (45%)	430%
\$1,000 or more	0	20 (27%)	(100%)	104 (2%)	1,468 (28%)	1312%
No cash rent	34 (20%)	16 (22%)	53%	676 (14%)	658 (12%)	-3%
Total	167	73	56%	4,998	5300	6%
Median Rent	\$559	\$725	30%	\$514	\$865	68%
Source: U.S. Census 20200, DP04; 2022 American Community Survey, accessed via US Census						

Table D-5 compares the value of owner-occupied homes in 2000 and 2021 in Gouldsboro and Hancock County. The data illustrate a trend of growing home prices, more so in Gouldsboro than in the County as a whole. The median value in Gouldsboro was estimated at \$210,600 in 2021, more than double that in 2000, a trend basically replicated by the County as a whole during this time period. The 2021 Gouldsboro median value is slightly less than that of all of Hancock County ( (\$228,700). It should be noted that these data are for year-round homes and do not reflect the values of second homes, including those in prime waterfront locations.

Table D-5 Value of Specified Owner-Occupied Housing Units, 2000 & 2021									
Value	Gouldsboro 2000		Gouldsboro 2021		% change 2000-2021	Hancock County 2000		Hancock County 2021	
	Number	Percentage	Number	Percentage		Number	Percentage	Number	Percentage

Less than \$50,000	14	3.6%	35	5.3%	150%	685	6.4%	652	3.5%
\$50,000 to \$99,999	183	47.5%	50	7.5%	-72.7%	4,118	38.2%	1503	8.0%
\$100,000 to \$149,000	87	22.6%	119	17.8%	36.8%	2,785	25.8%	2314	12.3%
\$150,000 to \$199,000	38	9.9%	110	16.5%	189.5%	1,383	12.8%	3379	18.0%
\$200,000 to \$299,999	39	10.1%	144	21.5%	269.2%	1,030	9.6%	5056	26.9%
\$300,000 to \$499,999	22	5.7%	84	12.6%	281.9%	510	4.7%	3630	19.3%
\$500,000 to \$999,999	2	0.5%	93	13.9%	4550%	190	1.8%	1751	9.3%
\$1000,000 or more	0	0.0%	33	4.9%		78	0.7%	518	2.7%
Total	385	100.0%	668	100%	73.5%	10,779	100.0%	18,803	100%
Median Value	\$98,600	-	\$198,600			\$108,600	-	\$207,300	

Source: 2000 Census, Table DP-4; 2017 Estimates: American Community Survey, accessed via Maine Housing; US Census 2020, Table DP04; ACS 2022 accessed via US Census

## Affordability

Under the state's comprehensive planning process, towns must assess their affordable housing needs. This involves comparing housing prices to household incomes and determining if there are sufficient opportunities for home purchase and rentals. A common rule of thumb used to determine how much one can afford to spend on housing is to allot no more than 30% of your gross income to housing costs. The 2021 American Community Survey estimated that 31.1% of owner-occupied households in Gouldsboro were spending 30% or more of their household

income on housing costs. This same survey estimated that 37.1% of renter-occupied households in Gouldsboro pay 30% or more of their household income on housing costs. While these figures indicate that a number of Gouldsboro households may be struggling with housing affordability, there is indication that renting in Hancock County as a whole is less affordable; an estimated 24.8% of homeowners and 40.0% of renters paid at least 30% of their household income in housing costs in 2017.

Maine Housing uses an affordable housing index to compare median household incomes to median sales prices. An index of 1.00 or more indicates that incomes are sufficient to purchase the median-priced home. As of 2020, MSHA showed Gouldsboro having an index of 0.88. In other words, 57% percent of Gouldsboro households were unable to afford the median-priced home in town. This is based on a median 2020 income of \$59,779 and a median home price of \$274,000. Gouldsboro ranks a little higher in this index than Hancock County, which came in at 0.85 in 2020.

The U.S. Department of Housing and Urban Development (HUD) defines Very Low, Low and Moderate income levels and Maine Housing (MH) uses this framework to provide data for all of Maine, broken down by town and by county.

HUD'S affordability definitions are tied to regional median household income levels:

- Very Low income is defined as less than 50% of the regional median;
- Low income is defined as 50-80% of the regional median
- Moderate income is defined as 80-120% of the regional median (used to calculate Workforce Housing).

### **Local Regulations & Affordable Housing Policies**

Local land-use regulations focus on shoreland and wetlands. They also include local ordinances for minimum lot sizes and setbacks. There are no regulations that directly encourage or discourage the development of affordable housing. Due to Gouldsboro's relatively high market costs for home ownership, this lack of affordable-housing policies could contribute to population loss over the medium-term, despite recent upticks in regional and local home purchases. First-time homebuyers and median-income earners would tend to be priced out of the market. Local affordable-housing policies could address this issue, along with measures to promote sustainable growth and incorporate affordable housing options within any new development.

### **Additional Key Observations from Community Input:**

Some conversations throughout the community entailed observations such as;

- It may be helpful for the Town to have a method for better understanding housing data in Gouldsboro. This is complicated by the percentage of housing units that are seasonal use (vacation) properties vs. year-round residents; and among rentals whether they are short or long term, and whether the rental is owner occupied or an investment property.

- It is important for housing to be structurally sound and protected from nature-based and climate-change risks such as rain-event and coastal flooding.
- It is important for housing to be constructed or retrofitted to benefit from increasingly affordable energy-saving design and operation.
- Gouldsboro's lack of affordable housing is a problem that undermines the goal of a more stable year-round community and must continue community discussions for solutions and steps the Town may take to direct and support growth that reduces its impacts on affordable housing for the Town.
- Given the lack of affordable housing in Gouldsboro, the Town should encourage development of additional year-round rental units to provide more affordable family housing.
- The Town should consider the appointment of a Housing Committee to work with the Board of Selectmen and Town manager. The intent is for this committee to study the availability, affordability, energy efficiency and sustainability of Gouldsboro's housing stock and to recommend opportunities and solutions to create, enhance and sustain a multi-occupational and multi-generational community. It is recommended that the committee study how other rural coastal towns in Maine are addressing housing issues in conjunction with land trusts, non- government organizations, the philanthropic community and other private-sector sources of technical assistance, funding, financing and volunteers. It is also recommended that the committee explore technical assistance and funding support from state and federal government programs.
- Families with young children who are attracted to Gouldsboro because of new affording housing opportunities and programs will be challenged by the lack of child care opportunities.
- The Town should explore other development patterns such as conservation subdivision design and "Rural by Design" principles that would allow for denser development patterns, conserve open spaces and reduce demand on natural resources.
- The Town may investigate imposing fees on owners of vacant housing and lots to encourage them to either sell or make better use of these properties. This idea is similar to a practice numerous other towns have recently started imposing to try to alleviate housing shortages.
- Addressing the lack of available and affordable housing has been explored by other similar towns and could be adopted in Gouldsboro: partnering with Habitat for Humanity or Efficiency Maine Trust; and forming a nonprofit corporation to develop housing. Examples of the latter are Stonington Island Workforce Housing, Cranberry Isles Realty Trust, Islesboro Affordable Property, and the Washington County Sustainable Housing Work Team.



## Other Communities:

- Island Workforce Housing, a non-profit group of volunteers in Stonington/Deer Isle. The mission of Island Workforce Housing is to create housing solutions in Deer Isle and Stonington that are permanently affordable to individuals and families working in these communities. Housing these valued community members is a critical first step in securing the longevity of the economic development and civic health and well-being of the island. ” As its first project, Island Workforce Housing and the Island Heritage Trust acquired 27.5 acres of land on the Sunset Cross Road. The upland 13.4 acres will be used to develop rental housing for Stonington’s year-round workforce, and the pond buffer (14.1 acres) will be conserved for public use.
- The Washington County Sustainable Housing Work Team prepared a 2014 plan, “A Regional Plan for Sustainable Housing in Washington County” with three objectives: 1. Supporting the most effective existing public/private partnerships; 2. Developing a better understanding of problems and solutions for an aging population and an aging housing stock; and 3. Sponsoring new strategies to create jobs while improving our housing stock and reducing our reliance on increasingly unaffordable ways of staying warm in the winter.
- In 1996, Cranberry Isles established a nonprofit Realty Trust to address their affordable housing issues. The Trust accepted federal HUD funds to help purchase three properties. The occupants of these properties must earn less than a maximum income, specified on an annual basis by the federal government.
- In Islesboro, another nonprofit organization, Islesboro Affordable Property (IAP), constructed an eight-unit project, the Ruthie James Subdivision. IAP owns the land; residents own the homes. IAP subsequently built and subsidized the sale of a single-family home. All in all, IAP has built or acquired 13 homes for rent. Most of its money is raised through private fundraising. Islesboro’s comprehensive town plan identifies five issues related to housing on the island.

## 5. Goals & Objectives

**GOAL: Recognize that Gouldsboro’s viability, economy and overall well-being depend upon housing that is safe, energy efficient and affordable for multi-occupational and amulti-generational community.**

<b>Objective</b>	<b>Strategy</b>	<b>Responsible Party(ies)</b>	<b>Timeframe</b>
Facilitate development of affordable housing, including rental and ownership options which may include long and short term	Provide at least 10% of new residential development from 2024-2034 to be affordable	Select Board, Planning Board	Longterm, within 10 years
	Ensure ordinances to allow the addition of at least one/two accessory apartment/bldg.per dwelling unit, subject to site suitability *state legislature may pass a similar law soon.	Select Board, Planning Board, Voters	2-5 years
	Support collaborative local and regional housing coalitions in addressing affordable housing needs.	Select Board	Immediate to long term
	Address reported violations of local ordinance and State laws and regulation that affect health, safety or community conditions	Select Board, Planning Board, CEO	Ongoing
Create a housing committee or task elected officials to study affordability and sustainability and provide recommendations	Include in the committee's agenda-the study of current growth management and land use regulation, propose possible amendments to support increased density and	Select Board, Planning Board or task a committee	Immediate and ongoing

	encourage development of affordable housing.		
	Compile and distribute information on programs, grants and projects for subsidized housing, energy efficient improvements, etc.	Select Board, Planning Board	2 years, ongoing
	Establish a special reserve account dedicated for funding/potential affordable housing/workforce housing programs	Select Board/Budget committee, and/or housing committee/ town warrant article	2 years, ongoing