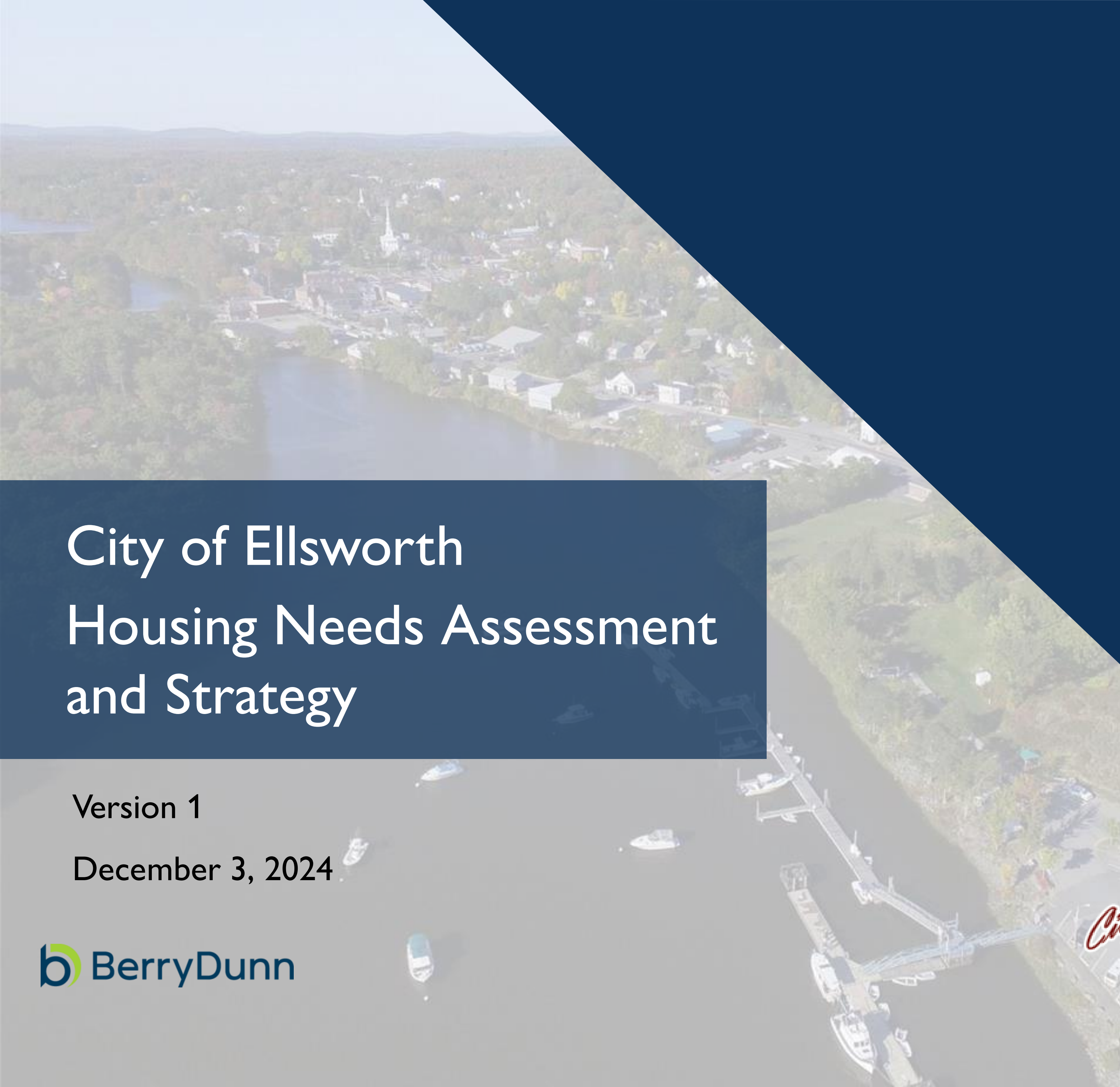

City of Ellsworth Housing Needs Assessment and Strategy

Version 1

December 3, 2024

BerryDunn

City of ELLSWORTH
Business, Leisure, Life.

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PART 1: NEEDS ASSESSMENT

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Introduction

The availability and affordability of housing in Ellsworth (the City) and the surrounding region has been identified as a critical issue for the community.

The availability and affordability of housing in Ellsworth (the City) and the surrounding region has been identified as a critical issue for the community. In addition to rising housing costs impacting current renters and potential homebuyers, the housing crisis is a significant challenge to economic growth for the City and region.

Throughout much of the 2010s, Ellsworth was considered an affordable community, meaning households earning the median income could afford the median home price. Housing costs have risen sharply in recent years and home vacancies have remained low. Homes are on the market for fewer days than in years past. Renters and homeowners are also spending more of their income on housing costs.

In Ellsworth, Hancock County (County), and the State, changing demographics are also impacting the type, size, location, and affordability of housing that is in demand. The population is growing and aging, the average household size is declining, and the number of available homes has not been able to meet current demand. Enrollment in Ellsworth public schools has not returned to pre-pandemic levels, and the number of children living in Ellsworth has declined.

Ellsworth is a regional employment and service center and provides residents and visitors access to grocery stores, local shops, restaurants, medical care, and other services. Housing supply and housing availability directly impact economic growth and the City's ability to attract and retain workers and young families. Both small and large employers have faced challenges attracting and retaining workers due to housing challenges. Large companies, like Jackson Laboratory, have begun providing housing to attract employees.

Ellsworth is also the gateway to Acadia National Park and sees significant tourist traffic, peaking in the summer months. Rising housing costs and limited availability of housing on Mount Desert Island (MDI) have pushed workers toward Ellsworth and beyond, further increasing pressure on the housing market in the region and adding to seasonal traffic and pressure on the existing transportation system.

Housing challenges have been identified during the Comprehensive Plan process, in developing the City's recent Business Attraction Plan, and in other local and regional community discussions. This needs assessment provides a more detailed analysis of current and projected housing supply and demand, housing market dynamics, economic conditions, and the labor market. This information has been used to develop an estimate of the City's housing needs and identify policy changes and initiatives to address housing needs.

Key Findings

Demographic trends:

- **The City's population is growing.** Ellsworth has experienced steady growth for several decades. The 4% population growth from 2020 to 2022 exceeded the pace of growth estimated by the Maine State Economist.
- **The older adult population has grown and is expected to continue to grow.** The percent of adults over age 60 has increased from 18% of the City's population to 30% from 2010 to 2022. Population projections for the County estimate that this demographic group will make up roughly 40% of the population by 2030.
- **There are fewer families with children.** The percent of Ellsworth households with children declined from 30% in 2010 to 21% in 2022. This change is also reflected in the 7% decline in school enrollment from 2020 to 2024. County and State populations have experienced a similar shift, and County population projections estimate a continued decline in youth through 2040.
- **The City's median household income is comparatively lower than the County and the State.** The City has a higher percentage of low- to middle-income households (making $25,000 – $75,000) compared to the County and State. The City's median household income of $61,233 (2022) is approximately 5% below the County and 10% below the State's median income.
- **Fewer people who work in Ellsworth also live in the City.** In 2004, 46% of Ellsworth residents also worked in the City. This has declined to 35% in 2021.

Key Findings

Housing and economic trends:

- **The decline in affordability has been more severe in Ellsworth than in other communities in Maine.** From 2010 to 2020, the median rent for a two-bedroom apartment in Ellsworth increased 97%, compared to a 28% increase statewide. The housing affordability index (a ratio of median home price and home price affordable to households earning the median income) declined significantly from 1.03 (generally considered affordable) in 2019 to 0.59 in 2023.

- **Housing in Ellsworth is increasingly unaffordable to most people who work in the City.** More than 60% of employees in Ellsworth are in industries with an average weekly wage that is less than the statewide average weekly wage of $1,161. At the same time, the annual household income needed to afford the median home price in Ellsworth is $124,149.

- **The housing market in Ellsworth is regionally and seasonally influenced.** The impact of seasonal homes and short-term rentals (STRs) on the housing market has increased in recent years. Visits to Acadia National Park increased nearly 13% from 2019 to 2023, with most visits from June to October. More than 13% of people who work in Bar Harbor are commuting from Ellsworth and many more are traveling through Ellsworth to get to MDI.

- **More households are cost burdened.** "Cost burdened" refers to households spending more than 30% of income on gross housing costs. Approximately 66% of renter households are cost burdened, an increase from 48% in 2020. Approximately 23% of all owner households and 28% of senior-owner households are cost burdened.

DEMOGRAPHICS: Introduction

Population growth and demographic changes are having a major impact on housing needs statewide. There is a mismatch between the current housing stock (predominantly detached single-family homes) and the type of housing needed.

As the City develops strategies to help meet the community's and region's housing needs, understanding how those needs are shifting is critical.

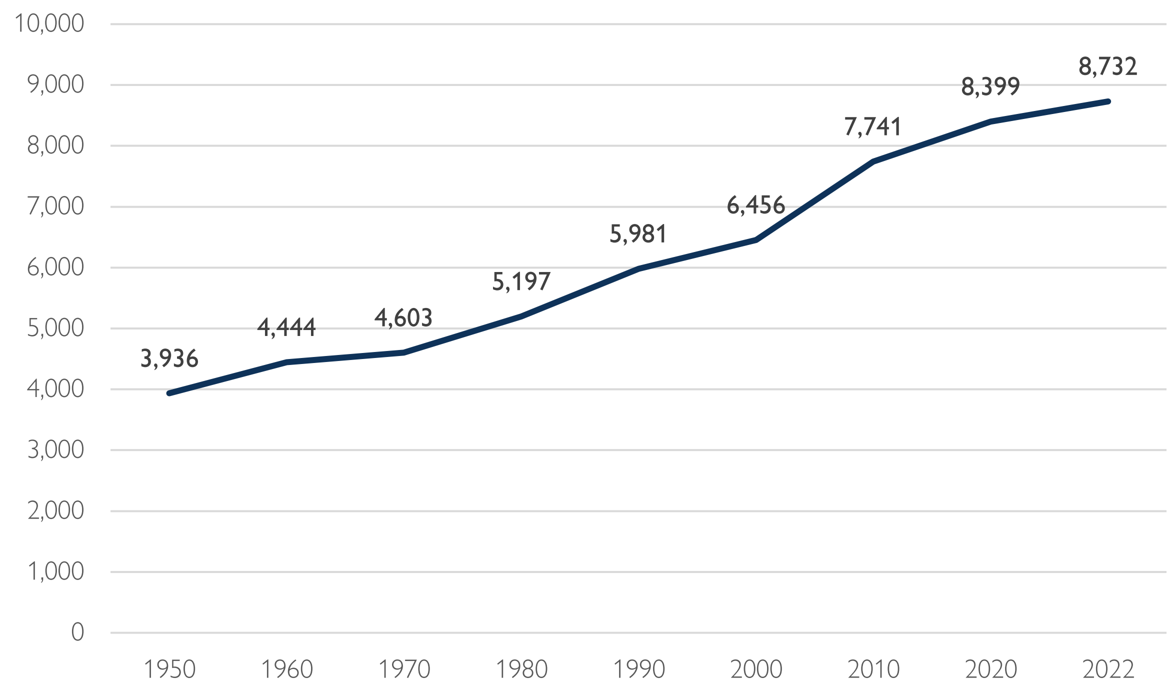
A growing older adult population, fewer children and continued in-migration will all have an impact on the type, size, location, and amenities of housing that is in demand.

Photo credit: City of Ellsworth

Population

The 2020 Decennial Census reported a population of 8,399 for the City of Ellsworth, and the most recent U.S. Census Population Estimate (July 1, 2022) reported a total population of 8,732, a 4% increase in two years. Ellsworth has experienced steady growth in resident population since the 1950s, with the most significant period of population growth from 2000 to 2010. The recent increase of in-migration to Maine, beginning in 2020, has also impacted Ellsworth, as more people had opportunities to work remotely and left larger cities in favor of smaller communities with access to nature.

Figure 1.1: Ellsworth Population



Source: U.S. Census; U.S. Census Population Estimates, July 2022

Population Projections

The Maine State Economist Population Projections predict continued population growth in Ellsworth through 2040. While these growth estimates anticipate a slower rate than the last several decades, the City's recent post-pandemic population growth has already outpaced growth projections. Other communities in the region might lose population or only experience slight growth. Hancock County is expected to experience population growth through 2030, followed by a slight decline, with a projected overall growth from 2020 to 2040 of 1.1%.

Population projections are based on a continuation of recent historical trends, and, as trends change, should be updated. The State's projections are based on pre-pandemic in-migration statistics. Near-term projections are more likely to be accurate; however, several geographies in the region have observed a higher population in 2022 than was predicted for the municipality or region in 2025.

Table 1.1: Projected Population Change

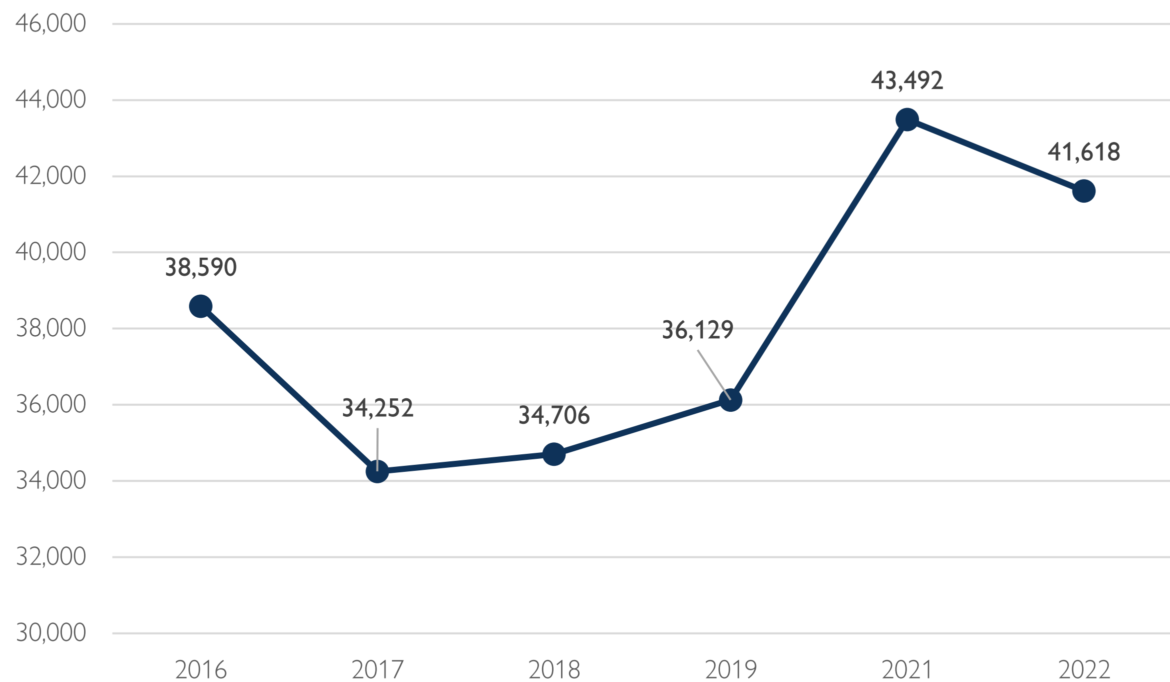
	Population Observed (2020 U.S. Census; Population Estimates July 1, 2022)		Population Projected				Total Percent Change
	2020	2022	2025	2030	2035	2040	2020 – 2040
Bangor	31,753	31,588	31,354	31,286	30,530	29,687	-6.5%
Bar Harbor	5,089	5,269	5,194	5,241	5,234	5,173	1.7%
Belfast	6,938	7,041	7,220	7,553	7,811	7,971	14.9%
Bucksport	4,944	5,016	4,951	4,940	4,878	4,766	-3.6%
Ellsworth	8,399	8,732	8,636	8,948	9,172	9,297	10.7%
Lamoine	1,720	N/A	1,769	1,825	1,864	1,882	9.4%
Skowhegan	8,620	8,661	8,728	8,888	8,999	9,041	4.9%
Trenton	1,584	N/A	1,637	1,684	1,714	1,727	9.0%
Hancock County	55,460	56,549	56,140	56,707	56,698	56,092	1.1%
Maine	1,362,280	1,389,338	1,374,728	1,397,663	1,407,396	1,404,176	3.1%

Source: U.S. Census; Maine State Economist Population Projections 2040

Population Projections

While in-migration to Maine has slowed slightly since the influx of new residents during the pandemic in 2020 and 2021, Maine is still welcoming more new residents than in years prior to the pandemic. In 2023, Maine had the highest percentage of inbound moves.[1] If this in-migration trend continues, Ellsworth (and other communities with access to amenities, services, recreation, and other desirable qualities) will likely continue to see growth exceed the State's projections.

Figure 1.2: Maine Residents With a Different State of Residence One Year Ago



Source: U.S. Census Bureau, State-to-State Migration Flows, 2016 – 2022

[1] *Atlas Van Lines 2023 Migration Patterns Study.* https://www.atlasvanlines.com/resources/migration-patterns

Age Distribution

While population growth has continued, it has not been consistent across age groups. The growth of the population over age 60 has increased faster than the working-age population—a trend that is consistent throughout Maine and nationally. As the oldest state in the nation with a median age of 44.8 years, Maine is already experiencing challenges related to an aging population. Changing housing needs, an increase in healthcare and social service needs, and a decline in the labor force are just a few examples of impacts that communities are beginning to address related to population shifts.

Table 1.2: Percent Population by Age Category

	Ellsworth		Hancock County		Maine		United States	
	2010	2022	2010	2022	2010	2022	2010	2022
Under 10	13.4	9.4	9.1	9.3	10.9	9.7	13.2	11.8
10 to 19	10.5	10.7	12.4	9.6	13.1	11.1	14.1	13.1
20 to 29	12.8	9.4	10.2	10.4	11.4	11.5	13.8	13.6
30 to 39	14.0	17.1	10.7	11.1	11.8	12.3	13.2	13.5
40 to 49	11.8	10.7	15.5	11.0	15.6	11.6	14.6	12.4
50 to 59	19.0	12.4	17.7	14.6	15.6	14.4	13.3	12.8
60 to 69	8.4	17.1	12.4	17.4	10.7	15.1	8.9	11.8
70 to 79	3.3	7.6	6.7	11.3	6.5	9.4	5.4	7.3
80 and over	6.7	5.7	5.4	5.5	4.3	4.9	3.6	3.9
Total	7,555	8,478	54,309	55,851	1,327,665	1,366,949	303,965,272	331,097,593

Source: 2010 and 2022 ACS 5-year estimates

Age Distribution

Since 2010, the percentage of older adults (over age 60) has continued to increase across the region, State, and country. In 2022, more than 30% of the City's population and 34% of the County's population were over age 60.

With this aging trend expected to continue, it is important to address the economic impacts of a growing older adult population and the changing housing needs for this demographic. By 2030, adults over age 60 are expected to make up nearly 40% of the total projected population of Hancock County, and people over age 70 are expected to account for nearly a quarter of the total population.

Table 1.3: Hancock County Projected Change in Older Adult Population

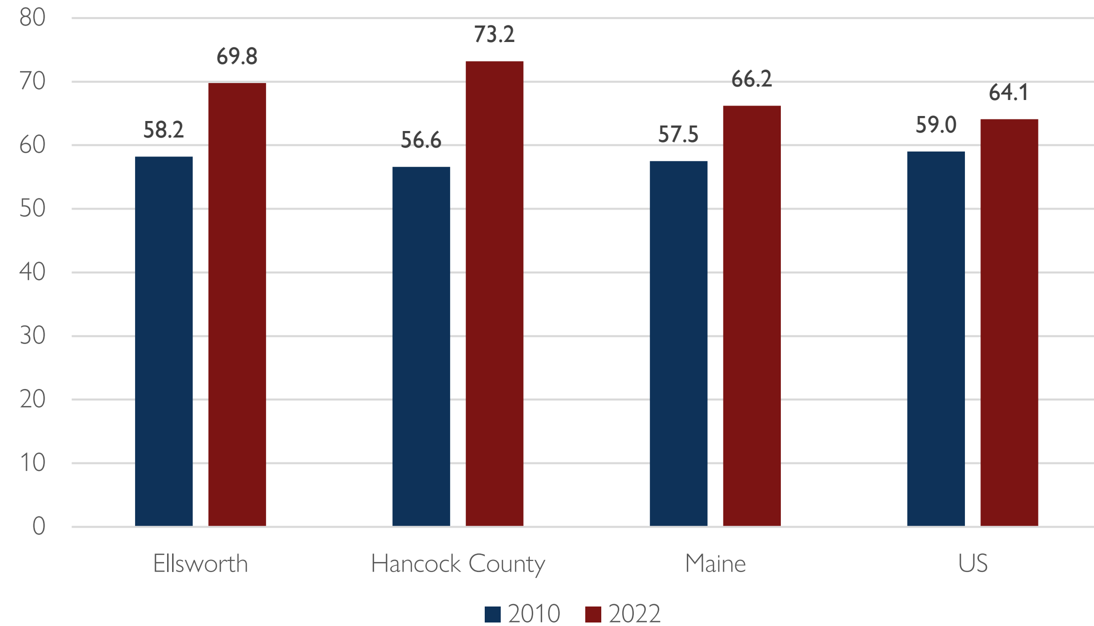
	60 – 69	70 – 79	80+	Total Population Over 60	Percent of Total Projected Population
2020*	9,705	6,624	2,833	19,162	34.6%
2025	9,387	8,075	3,453	20,915	37.3%
2030	8,423	9,179	4,957	22,559	39.8%
2035	7,586	8,856	6,530	22,972	40.5%
2040	7,318	8,034	7,473	22,825	40.7%
Change 2020 – 2030	-13.2%	38.6%	75.0%	17.7%	
Change 2020 – 2040	-24.6%	21.3%	163.8%	19.1%	

Source: Maine State Economist Population Projections 2040

Age Dependency Ratio

The age dependency ratio is another measurement of shifting population that can inform potential economic impacts. An age dependency ratio is a comparison of the population not typically in the workforce (children under age 15 and adults aged 65 and over) to the population typically in the workforce (those ages 15 – 64). For Ellsworth in 2022, the age dependency ratio was 69.8, meaning for every 100 working-age people there were 69.8 dependent-age people. Despite slower growth of the youth population, this ratio still increased for the City, County, State, and nation from 2010 to 2022.

Figure 1.3: Age Dependency Ratio



Source: 2010 and 2022 ACS 5-year estimates

Households and Families

Similar to trends across the country and related to the aging population, the average household size in Ellsworth has declined from 2.36 in 2010 to 2.13 in 2022. This decline reflects changing household composition, including more people living alone and fewer households with children. While Ellsworth's population increased 12.2% from 2010 to 2022, the total number of households increased 25%, a reflection of the changing demographics including a prevalence of households without children and single-person households.

The decline in household size means that there are more households and greater demand for housing units for the same population size. Figure 1.6 illustrates this change in household size from 2000 to 2022. Smaller households have added to the demand for housing as the population grows.

Figure 1.4: Ellsworth Percent Population and Household Growth

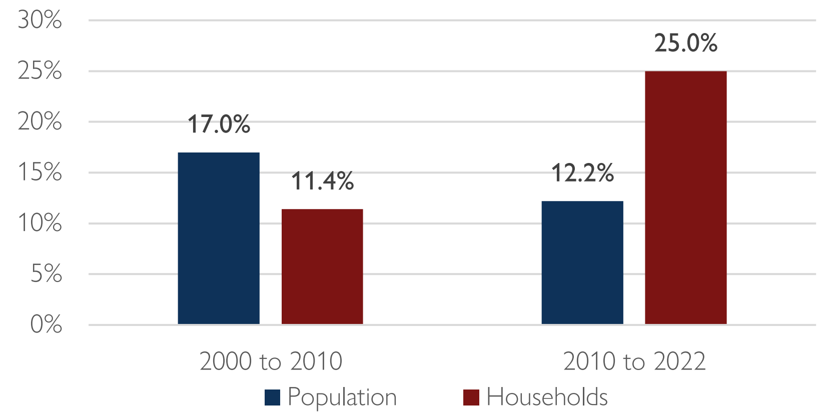
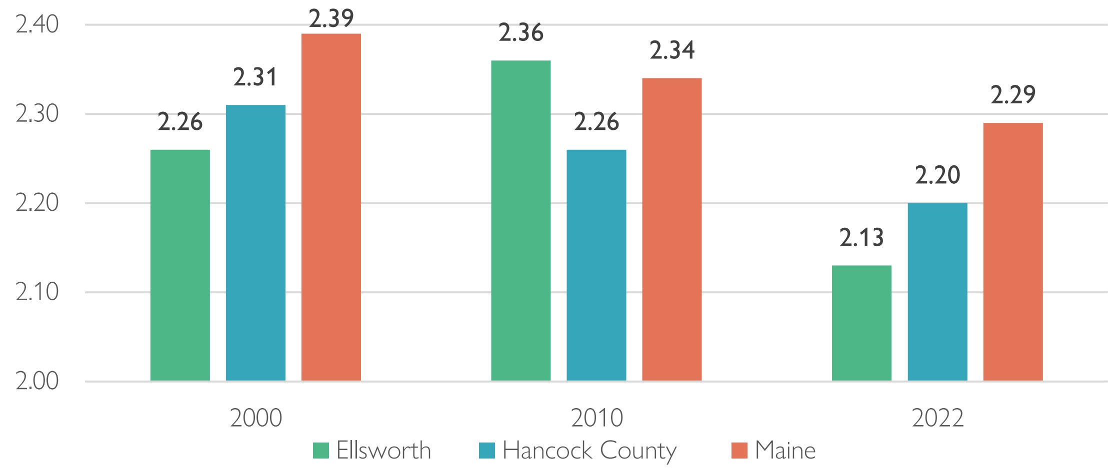


Figure 1.5: Average Household Size

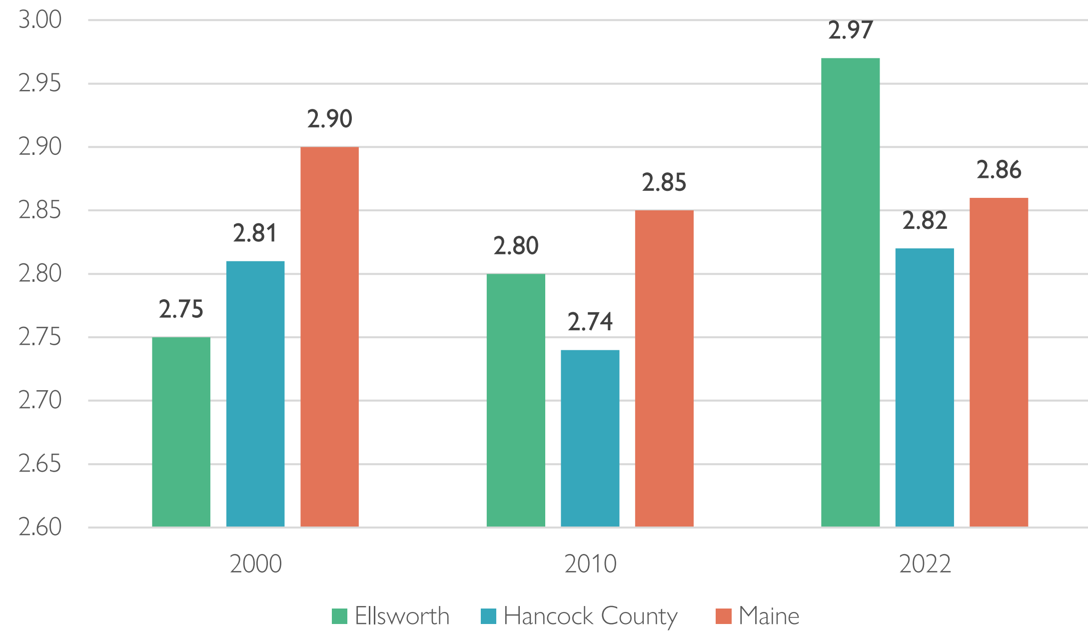


Source: U.S. Census; 2010 and 2022 ACS 5-year estimates

Family Size

Conversely, the average family size (which does not include single-person households) has increased, likely possibly due to more single-person households (not included in average family size calculation), adult children returning to live with their parents, older adults moving in with family, or other co-habitating living arrangements. These living arrangements often occur to support caregiving and/or due to the high cost of housing or limited housing options for adults on either end of the age spectrum.

Figure 1.6: Average Family Size

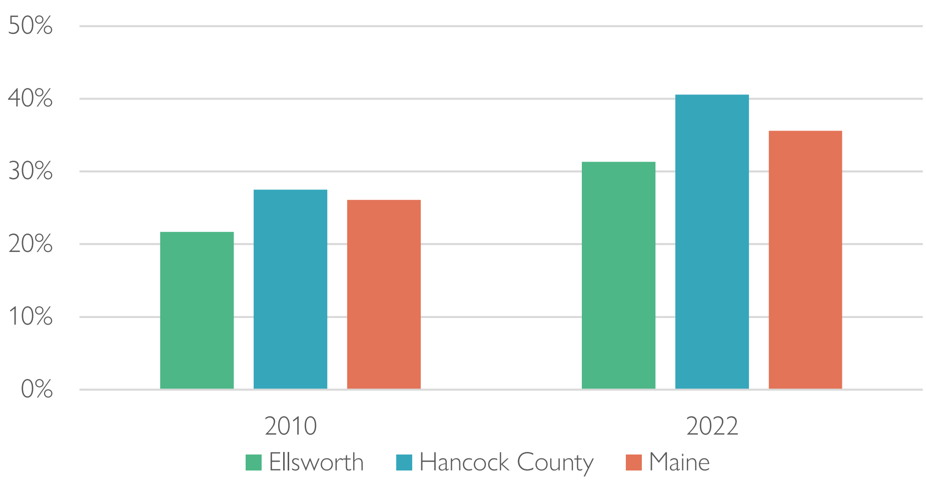


Source: U.S. Census; 2010 and 2022 ACS 5-year estimates

Household Composition

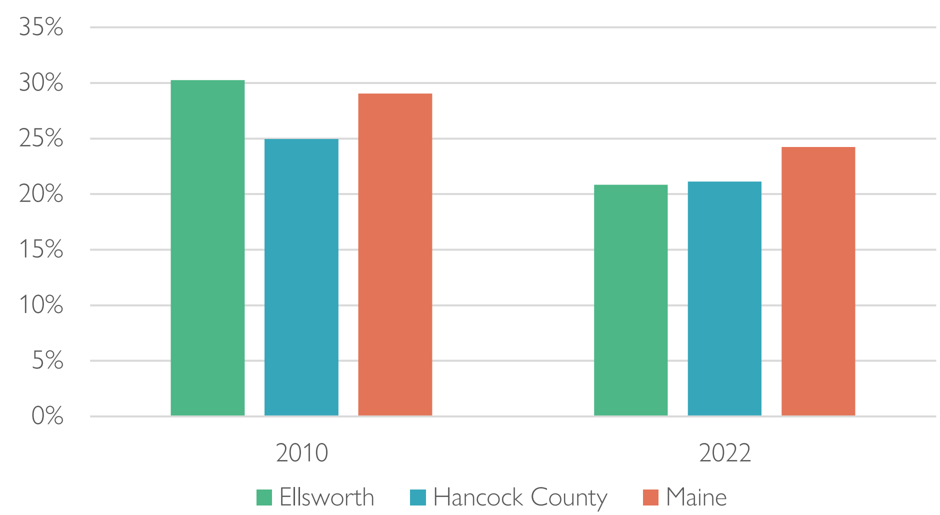
Household composition has also changed significantly, with fewer households with children (as noted in the next section on school enrollment) and more households with older adults (aged 65 and over). For the City, County, and State, household composition has switched from a greater percentage of households with children in 2010 to a greater percentage of households with retirement-aged adults.

Figure 1.7: Households With One or More People Age 65+



Source: 2010 and 2022 ACS 5-year estimates

Figure 1.8: Households With Children (One or More People Under Age 18)



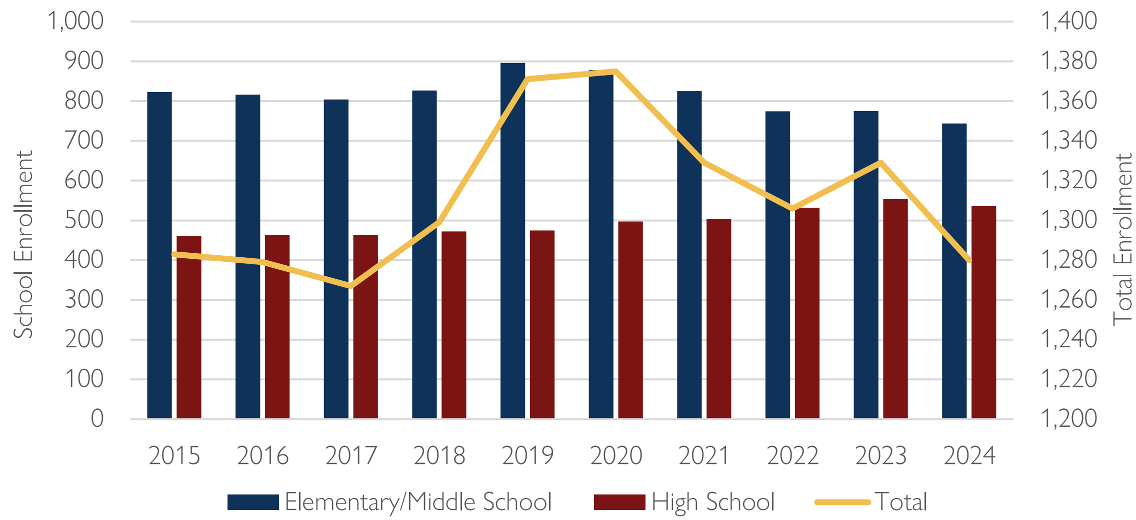
Source: ACS 2010 and 2022 ACS 5-year estimates

School Enrollment

School enrollment in Ellsworth declined 6.9% from 2020 to 2024, consistent with enrollment trends across the State (4.3% decline during the same period).

After several years of increasing enrollment at Ellsworth High School, the 2023 – 2024 school year was the first year in the last decade in which Ellsworth High School and Ellsworth Elementary/Middle School both experienced a decline in enrollment. This change is consistent with demographic trends and is likely to continue based on projected decline of the youth population through 2040 for all school-age categories (under 20 years). Based on current school enrollment and projected youth population changes, the Elementary/Middle School will likely experience a greater decline in enrollment in the next decade compared to Ellsworth High School.

Figure 1.9: Ellsworth Public School Enrollment



Source: Ellsworth Public Schools

Table 1.4: Hancock County Projected Change in Youth Population

	0 – 4	5 – 9	10 – 14	15 – 19	Total Population Under 20	Percent of Total Population
2020*	2,279	2,534	2,804	2,770	10,387	18.7%
2025	2,123	2,334	2,616	2,657	9,730	17.3%
2030	2,109	2,205	2,482	2,733	9,529	16.8%
2035	2,048	2,193	2,366	2,627	9,234	16.3%
2040	2,027	2,141	2,356	2,532	9,056	16.1%
Change 2020 – 2030	-7.5%	-13.0%	-11.5%	-1.3%	-8.3%	
Change 2020 – 2040	-11.1%	-15.5%	-16.0%	-8.6%	-12.8%	
*Observed						

Source: Maine State Economist, Population Projections 2040

Race & Ethnicity

As Ellsworth continues to grow, the population has diversified.

The City and region are still predominantly white; however, the City experienced a greater shift in racial and ethnic diversity from 2010 to 2020, compared to the County.

The City's Asian and American Indian and Alaskan Native populations and those identifying as two or more races increased from 2010 to 2020.

Table 1.5: Race and Ethnic Origin

	2010			2020		
	Ellsworth	Hancock County	Maine	Ellsworth	Hancock County	Maine
White alone, not Hispanic or Latino	95.7%	96.2%	94.4%	90.3%	94.6%	90.2%
Asian alone	1.1%	0.8%	1.0%	1.4%	1.0%	1.2%
Hispanic or Latino	1.4%	1.1%	1.3%	2.2%	1.7%	2.0%
American Indian and Alaska Native alone	0.4%	0.4%	0.6%	0.5%	0.4%	0.5%
Black or African American alone	0.6%	0.4%	1.1%	1.1%	0.6%	1.8%
Native Hawaiian and Other Pacific Islander alone	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Some Other Race (alone)	0.1%	0.1%	0.1%	0.2%	0.4%	0.3%
Two or More Races	0.7%	1.0%	1.4%	4.3%	3.7%	3.9%
Total Population	7,741	54,418	1,328,36	8,399	55,478	1,362,35

Source: US Census, 2010, 2020

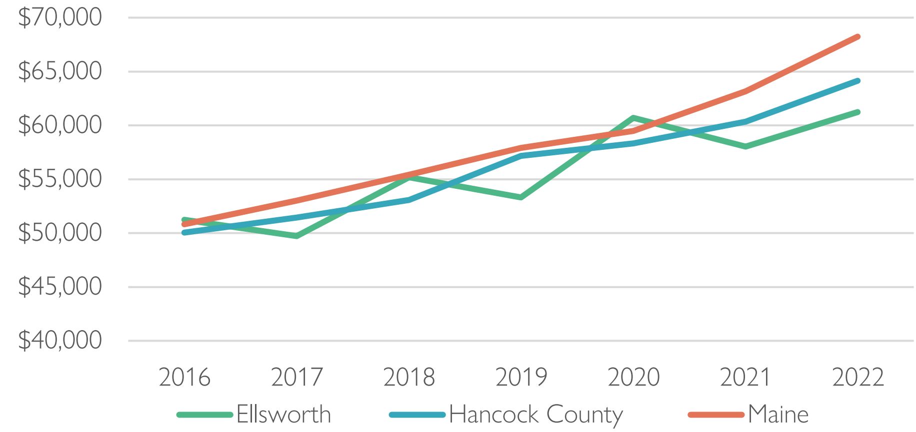
Income

Median household income has increased in Ellsworth, similar to the County and State; however, when adjusted for inflation, real buying power has decreased in Ellsworth in recent years.

Median household income for the City has fluctuated more, compared to the County and State which have experienced relatively consistent income growth in the last decade.

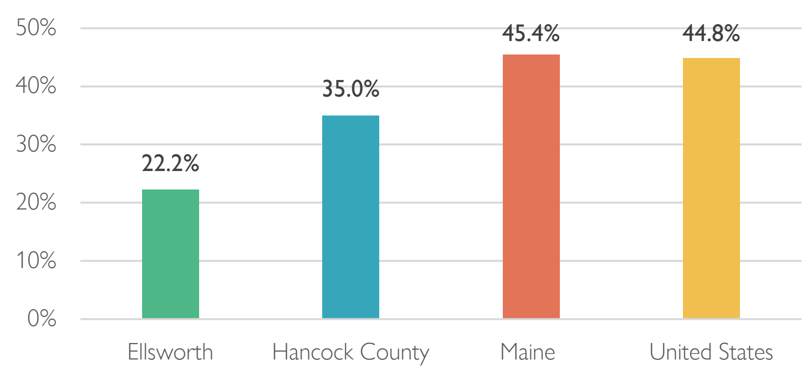
Overall, from 2010 to 2022, median household income increased much less in Ellsworth compared to the County, State, and nation.

Figure 1.11: Median Household Income



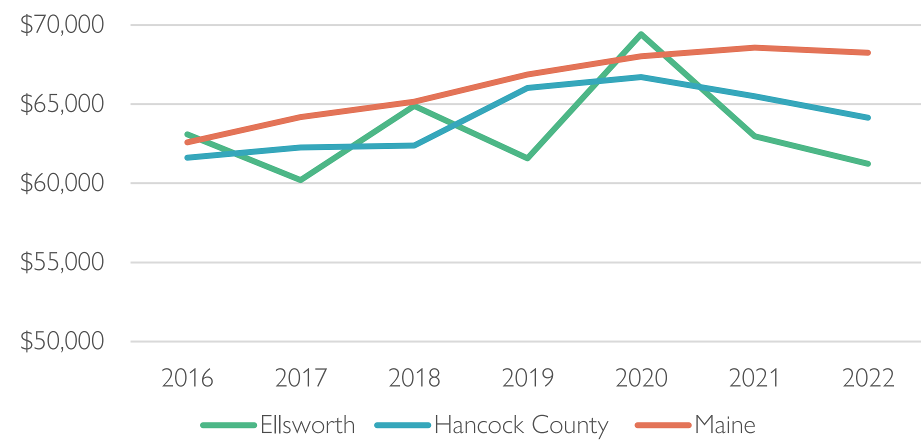
Source: 2016 – 2022 ACS 5-year estimates

Figure 1.10: Change in Median Household Income, 2010 – 2022



Source: 2010 and 2022 ACS 5-year estimates

Figure 1.12: Median Household Income (Inflation Adjusted to 2022 Dollars)



Source: 2016 – 2022 ACS 5-year estimates

Income

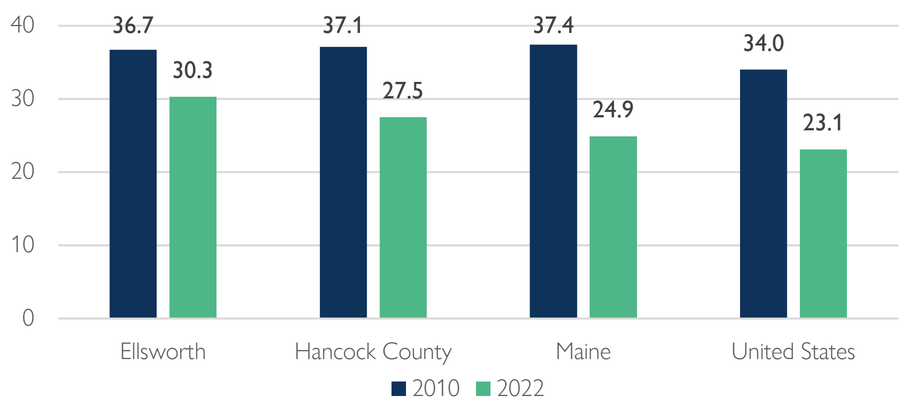
The breakdown of households by income category also indicates the relatively slow income growth in Ellsworth compared to the region, State, and nation. While the percentage of Ellsworth households making less than $35,000 per year decreased and the percentage of households making more than $100,000 increased, these changes were less notable than for all other geographies.

Table: 1.6: Percent of Households by Income Category

	Ellsworth		Hancock County		Maine		United States	
	2010	2022	2010	2022	2010	2022	2010	2022
Less than $10,000	3.6	3.6	6.3	4	7.2	4.2	7.2	4.9
$10,000 to $14,999	5.9	5.9	6.5	4.8	6.4	4.5	5.5	3.8
$15,000 to $24,999	14	9.1	12.7	9.3	12.3	8	10.8	7
$25,000 to $34,999	13.2	11.7	11.6	9.4	11.5	8.2	10.5	7.4
$35,000 to $49,999	13.3	12.2	15	11.3	15.4	11.9	14.1	10.7
$50,000 to $74,999	22.3	20	20.7	19	20.2	17.3	18.6	16.1
$75,000 to $99,999	10	10	12	13.3	12.3	13.5	12.3	12.8
$100,000 to $149,999	13.5	16.6	10.1	15.3	9.6	17.2	12.3	17.1
$150,000 to $199,999	3	4.8	3	6.7	2.8	7.8	4.4	8.8
$200,000 or more	1.4	6.1	2	7	2.1	7.4	4.2	11.4

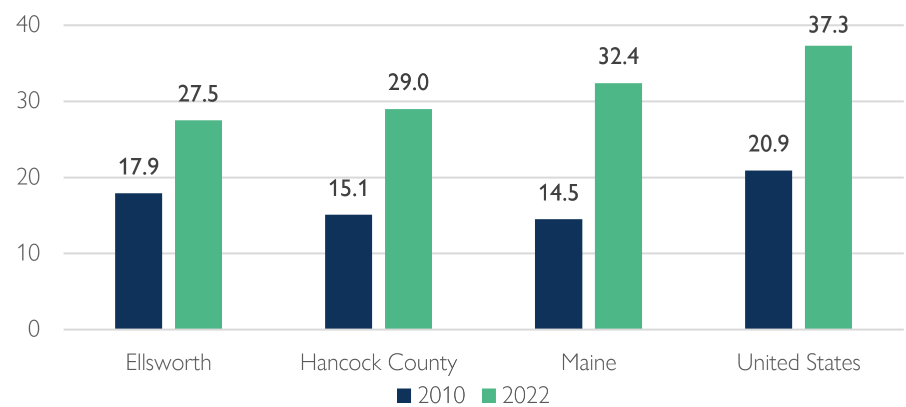
Source: 2010 and 2022 ACS 5-year estimates

Figure 1.13: Percent of Households with Income Less than $35,000



Source: 2010 and 2022 ACS 5-year estimates

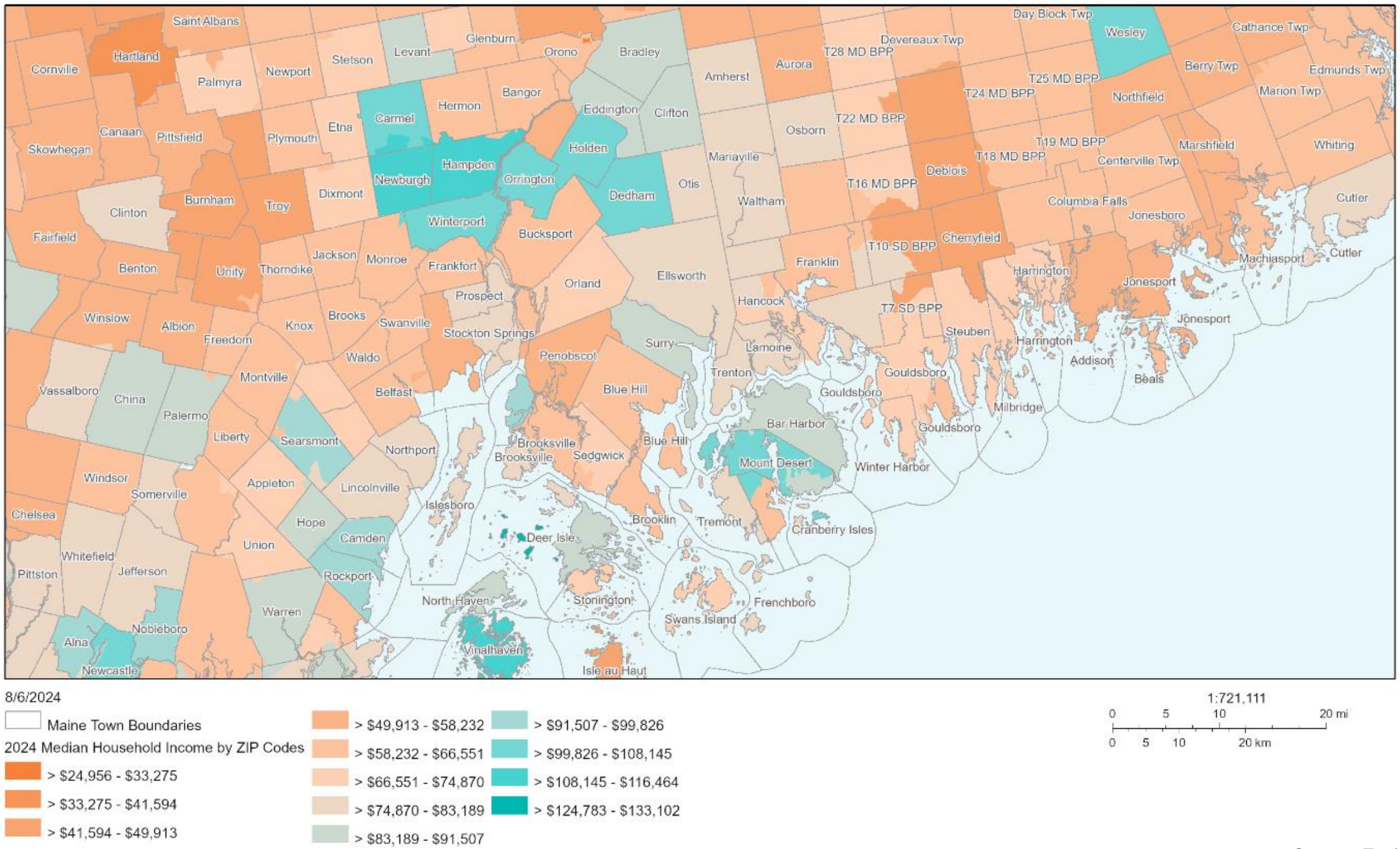
Figure 1.14: Percent of Households with Income of $100,000 or More



Source: 2010 and 2022 ACS 5-year estimates

Income

Figure 1.15: Median Household Income by Zip Code, 2024



Source: Esri[2]

[2]*"Esri" stands for Environmental Systems Research Institute. Esri is a multinational company that provides geographic information system (GIS) software.*

Vulnerable Populations

The total number of and percent of people living with a disability in Ellsworth has declined substantially since 2012, while the percent of residents with a disability has remained relatively steady for Hancock County and the State.

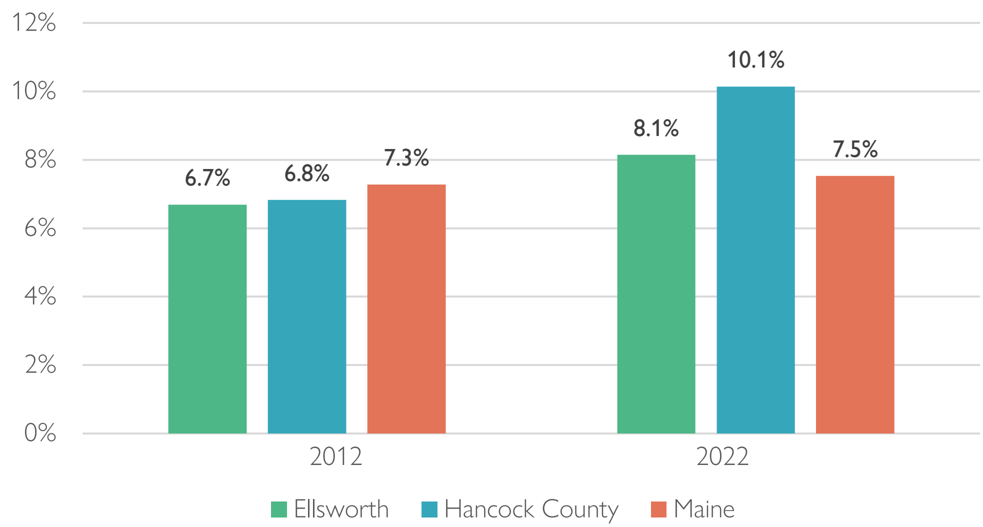
At the same time, the percent of the City's population with a self-care or independent living difficulty has increased since 2012, indicating a growing demand for supportive housing, assisted living, and other types of residential care facilities or housing options. Just over 8% of the City's residents have a self-care or independent living difficultly, up from 6.7% in 2012.

Table 1.7: Population With a Disability

	2012		2022	
	Number of residents	% of residents	Number of residents	% of residents
Ellsworth	1,281	17.1%	949	11.6%
Hancock County	8,176	15.2%	7,876	14.2%
Maine	205,444	15.6%	213,246	15.8%

Source: 2012 and 2022 ACS 5-year estimates

Figure 1.16: Population with a Self-Care or Independent Living Difficulty



Source: 2012 and 2022 ACS 5-year estimates

ECONOMIC PROFILE: Introduction

Local economic conditions influence housing demand. Robust and growing economies attract workers, increasing demands on housing in the area. In contrast, stagnating and declining local economic activity is an advance indicator of waning housing demand.

Some indicators of a strengthening economy serve to mask the adverse impacts of housing shortages. For instance, low unemployment levels demonstrate a competitive environment for labor; a lack of housing locally will serve to hinder the worker influx needed to help businesses grow. Further, while employment levels in Ellsworth are recovering following pandemic-related job losses, two of the three largest industries represented in Ellsworth offer below average wages and a distinct seasonality. Workers in these roles often lack the resources to obtain market-rate housing and may need to look outside of Ellsworth to find housing affordable to them.

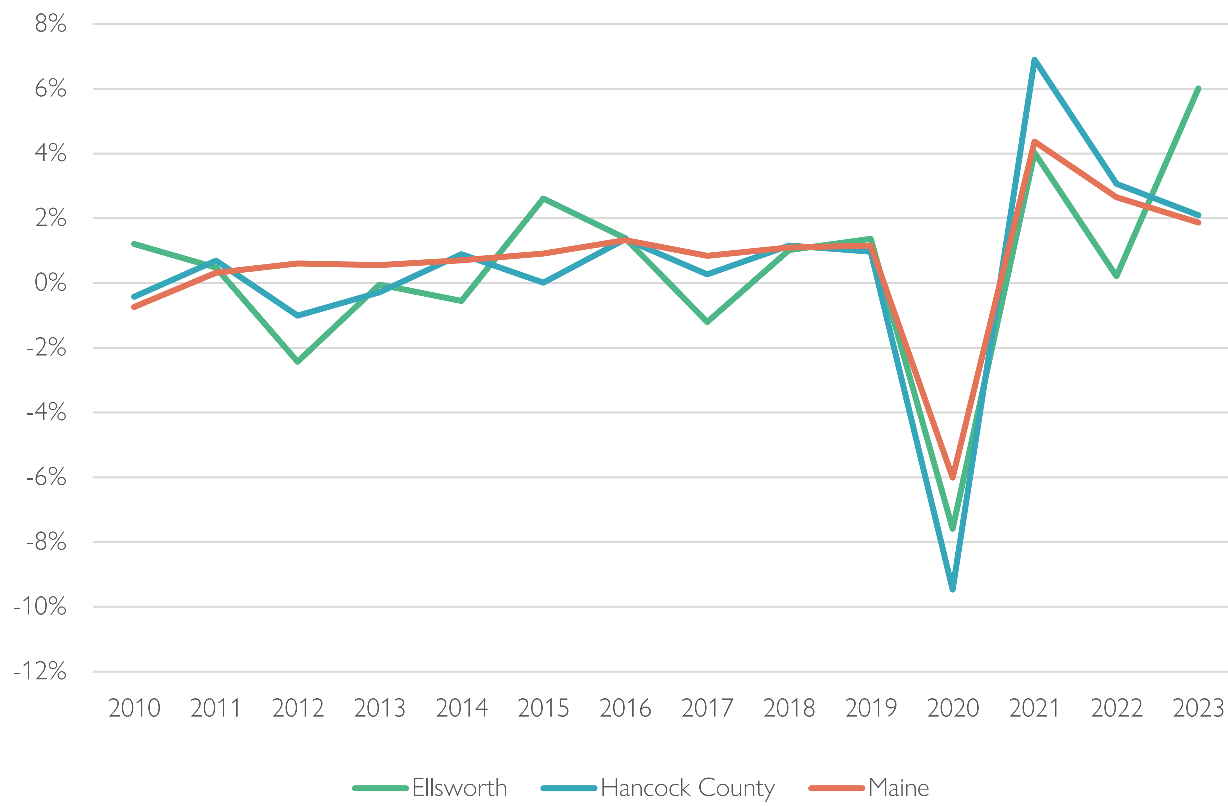
Photo credit: City of Ellsworth

Total Employment

Employment trends indicate changes in the strength of the local economy over time. The average total employment in Ellsworth in 2023 was 6,594 jobs. Employment has continued to grow in Ellsworth since 2020, after a significant decline related to the pandemic. Figure 2.1 shows how job levels have fluctuated in the City compared to Hancock County and Maine, using 2002 job levels as a baseline.

Employment in Ellsworth declined from 2011 to 2014. Jobs largely recovered by 2018, with steady growth up until 2020. All three geographies endured pandemic-related employment decline in 2020 but experienced job growth from 2020 to 2023 to exceed pre-pandemic employment. Employment in Ellsworth and Hancock County were more severely impacted by the pandemic in 2020 compared to the State, but the City has experienced stronger job growth from 2022 to 2023.

Figure 2.1: Annual Percent Change in Job Growth, 2002 – 2023



Source: Maine Labor Department, CWRI, Quarterly and Annual Industry Employment and Wages

Employment by Industry

Concentrations of jobs by industry sector can provide an indication of housing needs. Leading industries in Ellsworth by number of jobs include:

- Health care and social assistance (1,367)
- Retail trade (1,912)
- Accommodation and food services (820)

Together, these three industries represent approximately 70% of employment in Ellsworth. Both the retail trade and accommodation/food services industries are seasonal in nature and offer weekly wages below the overall average for the area. As a result, employees in these sectors often face difficulties in securing housing at market rates and are more often exploring areas beyond Ellsworth to find housing that is affordable.

The estimated monthly rental budget for a household earning the average wage in each industry is shown; this value assumes a single-income household. According to Maine State Housing Authority, renter households spending 30% or more of their gross income on housing expenses, including utilities, are exceeding the affordability threshold.

Table 2.1: Average Annual Employment and Housing Budget by Industry, Ellsworth (2023)

Industry	Employees	Percentage	Avg. Weekly Wage	Monthly Rental Budget (Single-Income Household)	Affordable Home Price (Single-Income Household)*
Retail Trade	1,912	32.30%	$758	$985	$157,500
Health Care/Social Assistance	1,367	23.10%	$1,191	$1,548	$247,500
Accommodation/Food Services	820	13.90%	$526	$684	$109,500
Other Services (Excluding Public)	368	6.20%	$707	$919	$147,000
Construction	273	4.10%	$985	$1,281	$204,500
Public Administration	247	3.70%	$1,190	$1,547	$247,000
Finance/Insurance	179	3.00%	$1,402	$1,823	$291,000
Professional/Scientific/Tech	173	2.90%	$1,286	$1,672	$267,000
Admin/Support/Waste Management	151	2.60%	$1,057	$1,374	$219,500
Transportation/Warehousing	115	1.70%	$864	$1,123	$179,500
Information	104	1.60%	$1,145	$1,489	$238,000
Real Estate/Rental/Leasing	101	1.70%	$903	$1,174	$187,500
Wholesale Trade	93	1.60%	$1,384	$1,799	$287,500
Management of Companies	66	1.10%	$1,289	$1,676	$267,500
Transportation/Warehousing	115	1.70%	$864	$1,123	$179,500
Arts/Entertainment/Recreation	37	0.50%	$367	$477	$76,000
Educational Services	30	0.50%	$336	$437	$69,500
Manufacturing	28	0.40%	$497	$646	$103,000

Source: Maine Department of Labor, CWRI, Quarterly and Annual Industry Employment and Wages; MaineHousing

**Assumes a 30-year mortgage with a 5% down payment*

Major Employers

The top private employers in Hancock County include the Jackson Laboratory, the region's three hospitals, major retailers, a boat building company, residential care facility, and the College of the Atlantic. Maine Coast Hospital, Wal-Mart, Hannaford (one of several locations), and Kidspeace are all based in Ellsworth.

Table 2.2: Top Private Employers in Hancock County by Average Monthly Employment

Rank	Name	Business Description	Employment Range
1	The Jackson Laboratory	Research and Development in Biotechnology (except Nanobiotechnology)	1001 to 1500
2	Mount Desert Island Hospital	General Medical and Surgical Hospitals	1 to 500
3	Maine Coast Healthcare Corp	General Medical and Surgical Hospitals	1 to 500
4	Wal-Mart Associates INC	Warehouse Clubs and Supercenters	1 to 500
5	Talaria Company LLC, The	Boat Building	1 to 500
6	The Jackson Laboratory	All Other Animal Production	1 to 500
7	Blue Hill Memorial Hospital	General Medical and Surgical Hospitals	1 to 500
8	Hannaford Bros Co	Supermarkets and Other Grocery Retailers (except Convenience Retailers)	1 to 500
9	College Of The Atlantic	Colleges, Universities, and Professional Schools	1 to 500
10	Home Depot U S A INC	Home Centers	1 to 500
11	Down East Family Ymca	Civic and Social Organizations	1 to 500
12	The Witham Family LLC	Hotels (except Casino Hotels) and Motels	1 to 500
13	Kidspeace National Centers Of Ne In	Other Residential Care Facilities	1 to 500
14	Downeast Horizons INC	Services for the Elderly and Persons with Disabilities	1 to 500
15	Shaws Supermarkets INC	Supermarkets and Other Grocery Retailers (except Convenience Retailers)	1 to 500
16	Hannaford Bros Co	Supermarkets and Other Grocery Retailers (except Convenience Retailers)	1 to 500
17	Bucksport Regional Health Center	Offices of Physicians (except Mental Health Specialists)	1 to 500
18	Mdi Biological Laboratory	Research and Development in the Physical, Engineering, and Life Sciences (except Nanotechnology and Biotechnology)	1 to 500
19	Nate Holyoke Builders INC	New Single-Family Housing Construction (except For-Sale Builders)	1 to 500
20	Hannaford Bros Co	Supermarkets and Other Grocery Retailers (except Convenience Retailers)	1 to 500

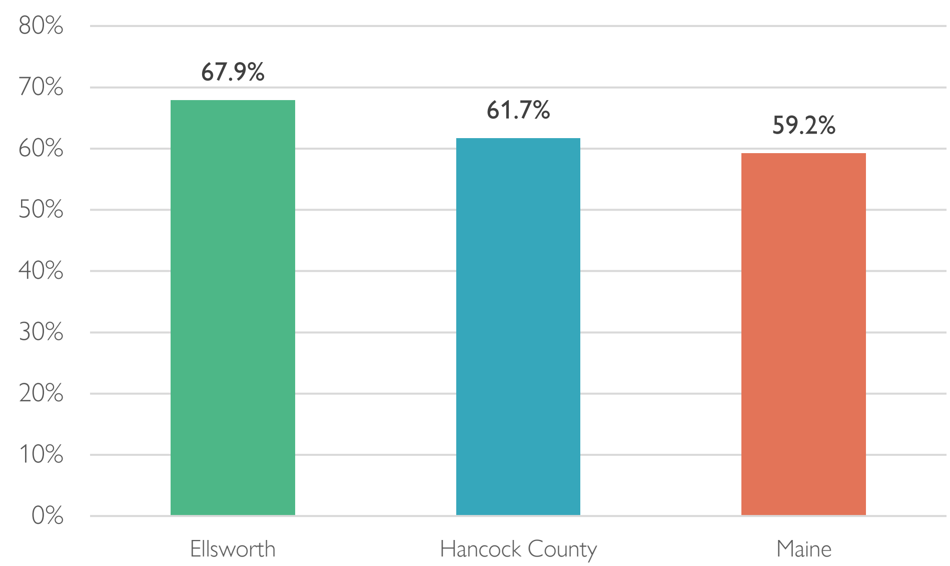
Source: Maine Department of Labor, CWRI

Labor Force Participation Rate

Labor force participation rate (LFPR) is a measure of the percentage of working-age adults who are employed. As economic conditions stagnate, LFPR tends to wane as people leave the job market. A robust or increasing LFPR indicates a strong job market and a stable or growing local economy.

An elevated LFPR can be a leading indicator for increased housing demand: residents are fully employed, and businesses may be on a growth trajectory. In 2023, the LFPR for the City of Ellsworth was 67.9%, outpacing that of both Hancock County (61.7%) and Maine (59.2%), signaling a robust local economy in the City relative to the surrounding region. Businesses in this type of economy may need to compete for a limited pool of available candidate employees. At the same time, attracting more workers to the area is made more difficult by a lack of suitable housing options.

Figure 2.2: Labor Force Participation Rate, 2023



Source: Esri

Occupations

The array of Ellsworth residents' occupations offers insight into projected housing demand. Occupations with higher incomes typically have greater purchasing power, leading to higher demand for housing in higher price ranges. Also, occupations with stable employment prospects may attract individuals looking for long-term housing solutions, contributing to sustained demand locally. Further, concentrations of high-growth occupations are indicators of increased housing demand in the local market. At the same time, concentrations of low-wage occupations reflect socioeconomic segments that might lack the resources to attain market-rate housing in a competitive environment.

The leading occupation category in Ellsworth is Office and Administrative Support, accounting for nearly 600 jobs. The chart below details the total number of Ellsworth employees by occupation, with the size of each block representing the relative share of total employment in Ellsworth.

Table 2.3: Employment by Occupation, Ellsworth, 2023

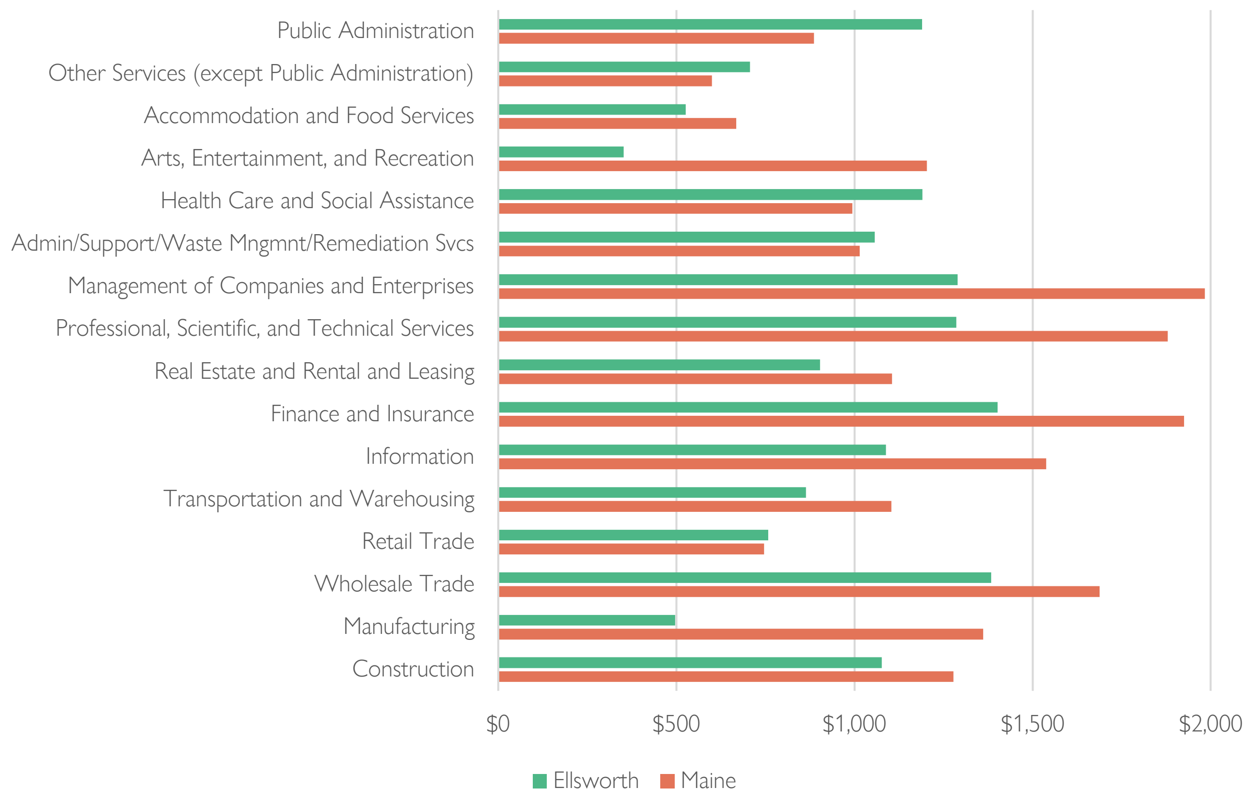
Occupation	Employment	Mean Annual Salary (Hancock County)	Annual Openings Rate (Northeast Region)
Office and Administrative Support Occupations	597	$44,550	11%
Management Occupations	482	$100,260	9%
Sales and Related Occupations	476	$43,510	13%
Educational Instruction and Library Occupations	426	$54,500	9%
Healthcare Practitioners and Technical Occupations	297	$92,880	6%
Transportation and Material Moving Occupations	290	$41,420	13%
Construction and Extraction Occupations	232	$54,620	9%
Production Occupations	231	$44,560	11%
Community and Social Service Occupations	214	$51,360	10%
Food Preparation and Serving-Related Occupations	207	$38,720	19%
Business and Financial Operations Occupations	203	$75,510	9%
Building and Grounds Cleaning and Maintenance Occupations	200	$39,880	13%
Healthcare Support Occupations	186	$43,340	16%
Life, Physical, and Social Science Occupations	166	$77,070	9%
Installation, Maintenance, and Repair Occupations	125	$52,370	9%
Architecture and Engineering Occupations	124	$77,420	7%
Personal Care and Service Occupations	116	$38,580	17%
Computer and Mathematical Occupations	88	$95,600	8%
Arts, Design, Entertainment, Sports, and Media Occupations	52	$51,860	11%
Farming, Fishing, and Forestry Occupations	45	$43,980	15%
Protective Service Occupations	24	$51,980	11%
Legal Occupations	8	$82,280	8%

Source: Maine Department of Labor

Wages

Average wages in Ellsworth are significantly lower than the State for nearly all industries. Two of the City's largest industries, retail trade and health care and social assistance, have average weekly wages that are comparable to statewide averages, likely indicating a more competitive labor market in those employment areas. For all industries combined, the average weekly wage for Ellsworth employees is nearly 30% lower (at $904 per week) than the State average wage of $1,161. While average weekly wages have increased in Ellsworth consistent with wage growth in the region and State, the cost of living, and especially housing, have increased as well. The concentration of lower-wage jobs relative to the surrounding region and the State demonstrates the need for affordable housing locally.

Figure 2.3: Average Weekly Wages by Industry, Top Ellsworth Industries, 2023



Source: Maine Department of Labor, Center for Workforce Research, and Information

Commuting Patterns

Of the 5,638 primary jobs in Ellsworth in 2021, 4,359 workers commuted into Ellsworth from outside the City (more than 77%). Higher numbers of inbound commuters tend to increase housing demand, as living some distance from a job is viewed as a cost and an inconvenience.

A total of 1,279 workers both lived and worked in the City in 2021, approximately 22.7% of Ellsworth employees, down from more than 30% in 2004. This is likely due in part to the increase in housing costs, which have resulted in people living further from their jobs in areas outside of the City where housing is more affordable.

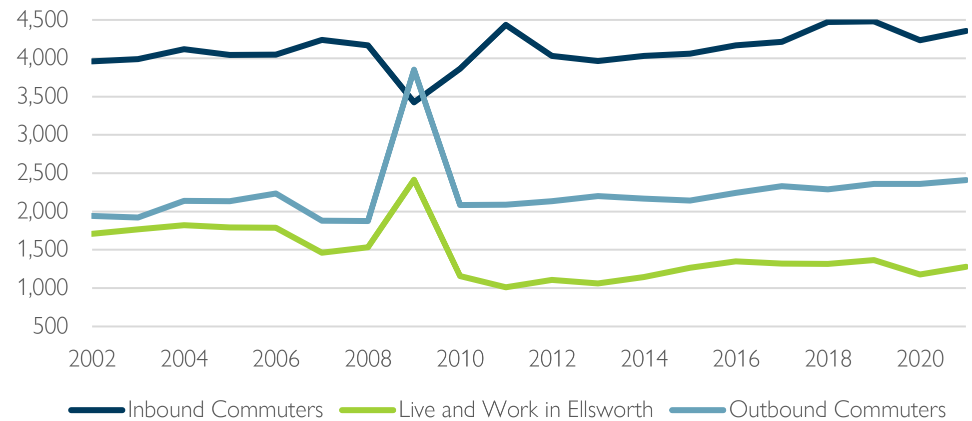
In 2021, 2,409 total Ellsworth residents commuted to jobs located outside the City while 4,359 non-residents commuted to Ellsworth for employment. As shown in Figure 2.5, the number of inbound commuters remained elevated from 2018 to 2021, peaking at 4,484 inbound commuters on average in 2019.

Commuting patterns reflect potential latent demand for housing, as some portion of commuters would be expected to consider relocating closer to their place of work if acceptable housing options were available. Anecdotally, based on conversations with employers in Ellsworth, employees working locally have indicated that they have been unable to find suitable housing near their place of employment.

Figure 2.4: Commuting Patterns, Ellsworth, 2021

Source: U.S. Census Bureau, Longitudinal-Employer Household Dynamics Program

Figure 2.5: Commuting Trends



Source: U.S. Census Bureau, Longitudinal-Employer Household Dynamics Program

Commuting Patterns

The shift toward fewer employees both living and working within the City is also reflected in increased commuting times, with the mean travel time to work increasing more than 5% from 2010 to 2022. This is a trend observed for the City, County, and State and is indicative of sprawling development patterns as well as declining affordability of housing in job centers.

Table 2.4: Inbound Commuters, 2021

Places Where Ellsworth Workers Live	Commuters	Percent
Hancock County, ME	3,227	57.2%
Ellsworth	*1,279*	*22.7%*
Bucksport	*72*	*1.3%*
Blue Hill	*51*	*0.9%*
Bar Harbor	*47*	*0.8%*
Penobscot County, ME	924	16.4%
Bangor	*202*	*3.6%*
Brewer	*91*	*1.6%*
Old Town	*44*	*0.8%*
Hampden	*38*	*0.7%*
Washington County, ME	284	5.0%
Calais	*30*	*0.5%*
Waldo County, ME	163	2.9%
Kennebec County, ME	146	2.6%
Augusta	*32*	*0.6%*
Somerset County, ME	134	2.4%
Cumberland County, ME	117	2.1%
Aroostook County, ME	114	2.0%
Androscoggin County, ME	90	1.6%
Knox County, ME	88	1.6%
Oxford County, ME	70	1.2%
York County, ME	65	1.2%
All Other Locations	216	3.8%
Total	**5,638**	

Table 2.5: Outbound Commuters, 2021

Places Where Ellsworth Residents Work	Commuters	Percent
Hancock County, ME	2473	67.1%
Ellsworth	*1,279*	*34.7%*
Bar Harbor	*481*	*13.0%*
Blue Hill	*65*	*1.8%*
Bucksport	*31*	*0.8%*
Northeast Harbor	*31*	*0.8%*
Penobscot County, ME	518	14.0%
Bangor	*276*	*7.5%*
Brewer	*104*	*2.8%*
Cumberland County, ME	159	4.3%
Portland	*70*	*1.9%*
Kennebec County, ME	136	3.7%
Augusta	*74*	*2.0%*
Waterville	*40*	*1.1%*
Washington County, ME	67	1.8%
Somerset County, ME	50	1.4%
Waldo County, ME	42	1.1%
Knox County, ME	41	1.1%
Androscoggin County, ME	35	0.9%
York County, ME	28	0.8%
Franklin County, ME	22	0.6%
Lincoln County, ME	21	0.6%
All Other Locations	96	2.6%
Total	**3,688**	

Source: U.S. Census Bureau, Longitudinal-Employer Household Dynamics Program

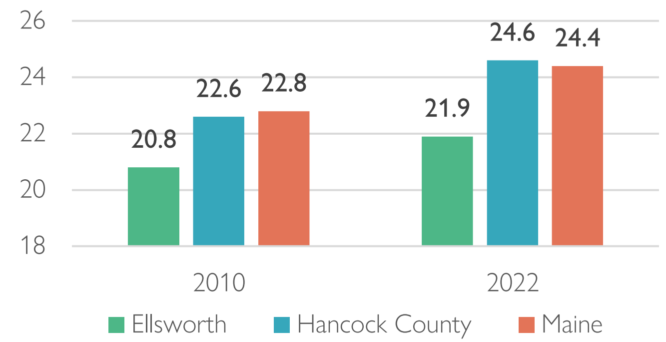
Mode of Travel and Commute Time

With minimal public transit options, commuters in Ellsworth largely drive alone. Long and costly commutes can tend to increase housing demand in areas closer to employment centers.

Similar patterns can be found in Hancock County and the State. Bus transportation was utilized by a small percentage of workers in Ellsworth, a mode of travel used minimally in the larger geographies. The high percentage of employees driving alone to work is common in rural areas such as Ellsworth in which the population is dispersed. Increased housing in the vicinity of places of employment would facilitate the adoption of alternative travel modes.

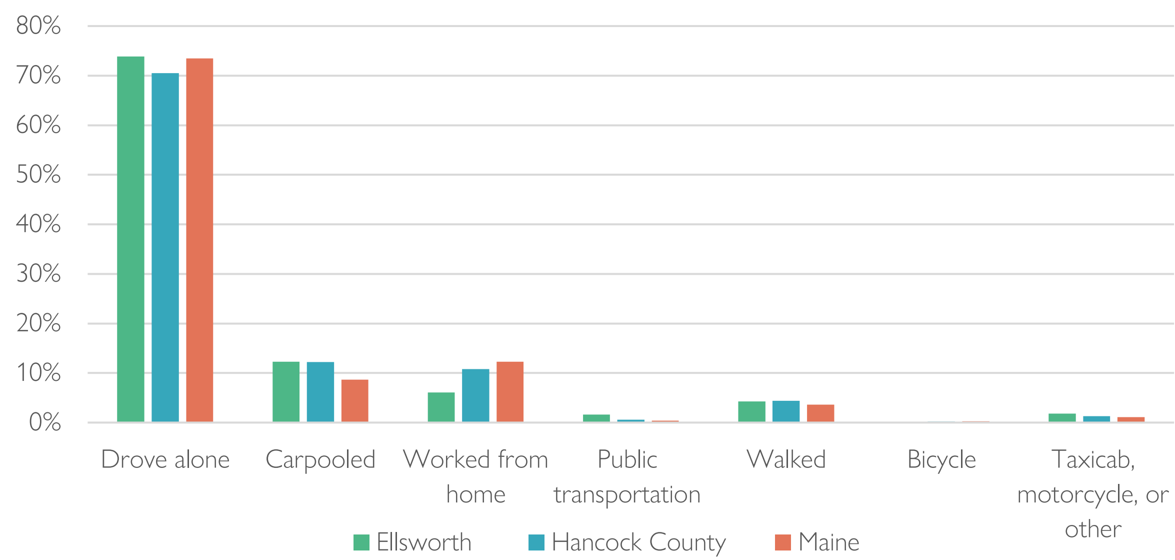
The shift toward fewer employees both living and working within the City is also reflected in increased commuting times, with the mean travel time to work increasing more than 5% from 2010 to 2022. This is a trend observed for the City, County, and State and is indicative of sprawling development patterns as well as declining affordability of housing in job centers.

Figure 2.6: Mean Travel Time to Work (Minutes)



Source: 2010 and 2022 ACS 5-year estimates

Figure 2.7: Mode of Travel to Work, 2022 (Percent of Commuters)



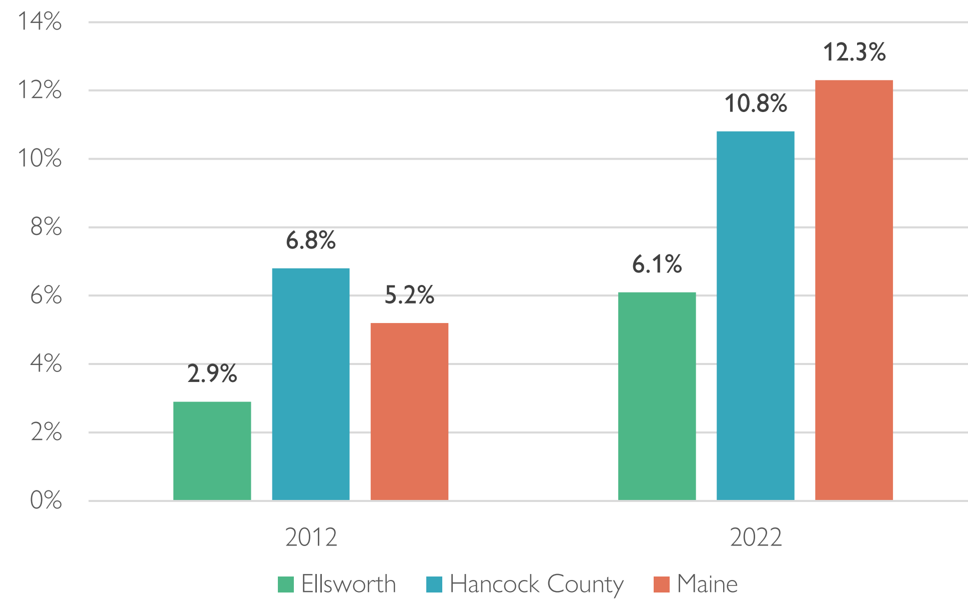
Source: 2022 ACS 5-year estimates

Working at Home

In 2022, Ellsworth residents working from home accounted for 6% of total workers, a significantly lower share than either Hancock County or Maine.

From 2012 to 2022, the population of remote workers in Ellsworth increased 110%-- from 2.9% to 6.1%. The State also saw substantial growth in the remote worker population, increasing from 5.2% to 12% in that same period. This growth in the percent of employees who work from home is part of a national trend but also could reflect the increased in-migration to Maine of remote workers. The actual percent of employees who work from home is likely larger than represented in the 2022 data below because this includes both pre- and post-pandemic estimates (2018 – 2022).

Figure 2.8: Working From Home (Percent of all Workers)



Source: 2022 ACS 5-year estimates

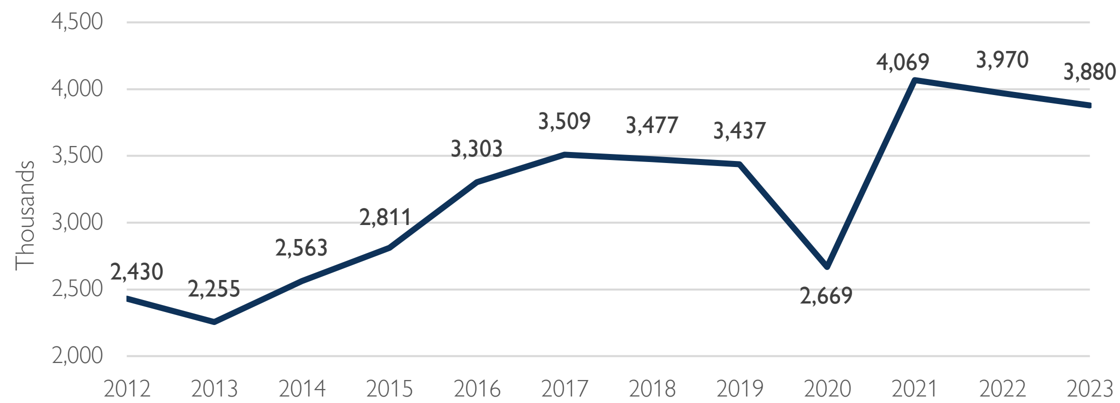
Tourism Trends

Tourism is a foundational element of the Ellsworth economy. Recent increases in tourism have resulted in expansion of housing units made available for STRs (short-term rentals). According to STR data aggregator AirDNA, there were 776 total active listings in the Ellsworth region (includes Ellsworth, Trenton, Lamoine, Hancock, and some communities north of Ellsworth) in June 2024, up 24% from 2023. AirDNA considers Ellsworth a high-performing market, with a Market Score of 83. A total of 982 listings have been identified in this region as a whole; as an estimation, between 350 to 400 of the units are within the City of Ellsworth.

Annual revenue from active listings of STRs is down 6% from the previous year. The average occupancy rate is 68%. Seasonality of rentals is strong, with the months of June through October busier than the remainder of the year.

Seasonal homes and STRs have contrasting impacts on the local economy of Ellsworth. On one hand, STRs provide lodging availability for visitors from outside the region, supporting the tourist-based components of the economy.

Figure 2.9: Annual Visits, Acadia National Park, 2012 – 2023



Source: National Park Service

On the other hand, STRs decrease the supply of available housing for full-time residents, resulting in an increase in housing costs. While thoughtful management of STRs may yield some benefits regarding housing availability, strategies that increase the overall housing supply will have a more measurable impact on the housing shortage.

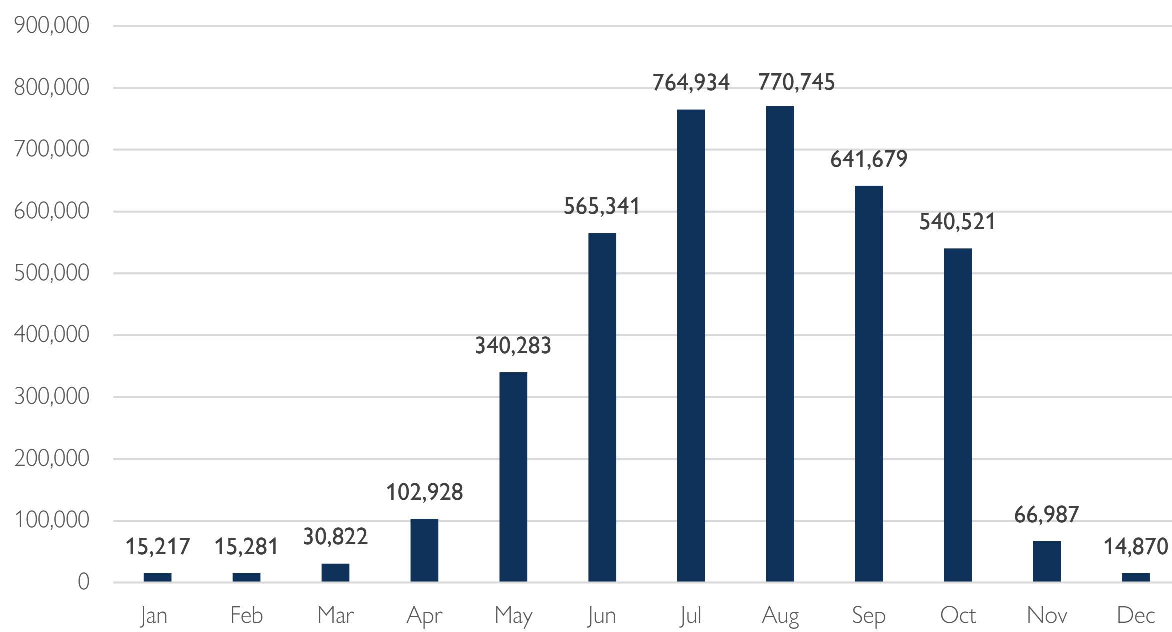
Depending on their use by their owners, units currently rented on a short-term basis are not necessarily candidates for long-term rentals. Short-term rental listings consisting of a partial home have negligible benefit to the long-term rental market; this type of unit represents 6% of units in this region. Additionally, homes that are rented out some of the year on a short-term basis but are inhabited by the owner(s) part of the year are not likely candidates for use by long-term renters. Anecdotal feedback describes owners who rent out their homes exclusively while away for a portion of the summer months. AirDNA data corroborates this practice, indicating that nearly three-quarters of property owners make their rental units available for less than six months a year. About a third of the units are made available 90 nights or fewer on an annual basis. Hence, the potential increase in housing supply represented by returning short-term rental units to long-term use is difficult to estimate but would be limited by multiple factors.

Tourism Trends

The primary tourist destination of the region, Acadia National Park, is accessible by automobile from the State's population centers exclusively via Bangor Road Route 1A through Ellsworth. The increase in visitors passing through Ellsworth has resulted in a greater impact on City roads and traffic and increased demand for local businesses. Visitor spending is concentrated on lodging and, dining, and retail, and these businesses are particularly impacted by seasonal changes. Visitation demonstrates a strong seasonality with activity peaking in July and August.

Growth in park visitation in recent years is a strong indicator of increased tourism in Ellsworth. Due to the pandemic, annual visits to the park decreased in 2020 to 2.7 million before rebounding in 2021 to over 4 million. In 2023, the park experienced 3.9 million visits, an increase of more than 10% over the pre-pandemic peak in 2017 of 3.5 million.

Figure 2.10: Monthly Visits, Acadia National Park, 2023



Source: National Park Service

HOUSING INVENTORY: Introduction

Regionally, the number of housing units in Hancock County has declined by roughly 3% since 2020. Ellsworth has seen a slight growth in its total number of homes over the same time. Compared to Hancock County, Ellsworth has a larger percentage of homes constructed since 2010, though the City's housing stock skews slightly older than the County.

Additionally, Maine's and Hancock County's housing units are comprised of mostly single-family, detached homes. Ellsworth's housing stock is slightly more diverse compared to the region. Ellsworth also has a smaller percentage of vacant homes for seasonal use than other communities in Hancock County, though the percentage is still high.

Ellsworth has also seen a larger percentage of residents who moved into their current homes in 2018 or later. Roughly 1 in 3 households in Ellsworth and Bangor moved into their homes in 2018 or later, including those moving within the City and from outside of the City. This figure is higher than that of other regional communities, the County, and the State.

The City has seen a change in demographics, including an aging population and smaller household sizes. The City's housing inventory has changed slightly in the past decade, with the total number of detached, single-family homes declining by roughly 7%. The number of multi-unit apartments with 3 to 9 units increased by roughly 7% over the same time.

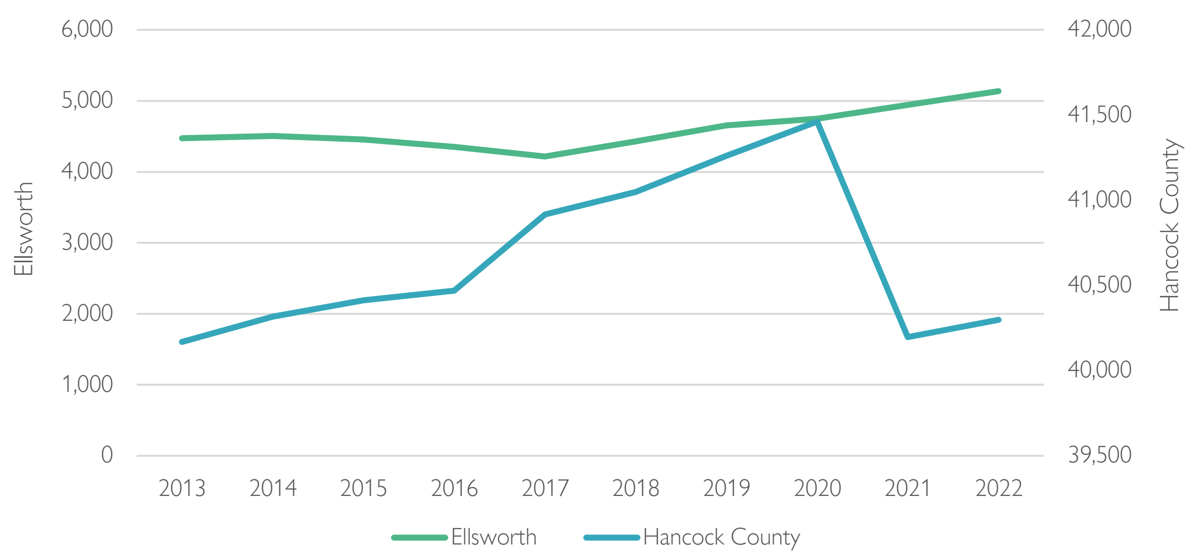
The current demand for housing in Ellsworth coupled with changing demographics may continue to change the make-up of the City's housing stock. The City has seen increased demand for a variety of housing types, and as the City's population continues to age, there will likely be additional demand to downsize or find housing that supports aging in place. Additionally, there is a demand for housing for the City's existing workforce, as employees have moved farther outside of Ellsworth to find housing. As the City looks to expand its economic base, an increase in jobs would likely lead to additional demand for housing that meets the needs of the City's workforce.

Housing Units

The U.S. Census American Community Survey data estimates that there were 5,138 housing units in Ellsworth in 2022. Ellsworth's population increased from 5,197 people in 1980 to 8,399 people in 2020 (a 62% increase). Over the same time, Ellsworth's total number of housing units increased from 2,515 units to 4,584 units (an 82% increase).

The number of housing units in Ellsworth has increased by roughly 15% since 2013 (4,472 units). By contrast, the number of housing units in Hancock County has increased by less than 1% since 2013 (40,169 units in 2013 and 40,298 units in 2022). Additionally, the total number of housing units in the County decreased by 1,163 units (roughly 3%) from 2020 (41,461 units) to 2022. There are several factors that could contribute to the decline in total housing stock in Hancock County, including the conversion of multifamily housing units to single family housing units or commercial uses, the conversion of single-family homes to other uses, loss of homes due to fire or other natural disaster that are not rebuilt, blighted or unhabitable homes, or the demolition of housing units. The underproduction of housing in Hancock County in the last decade, is likely contributing to growing demand for housing in Ellsworth, despite a steady increase in housing units in the City since 2017.

Figure 3.1: Total Housing Units



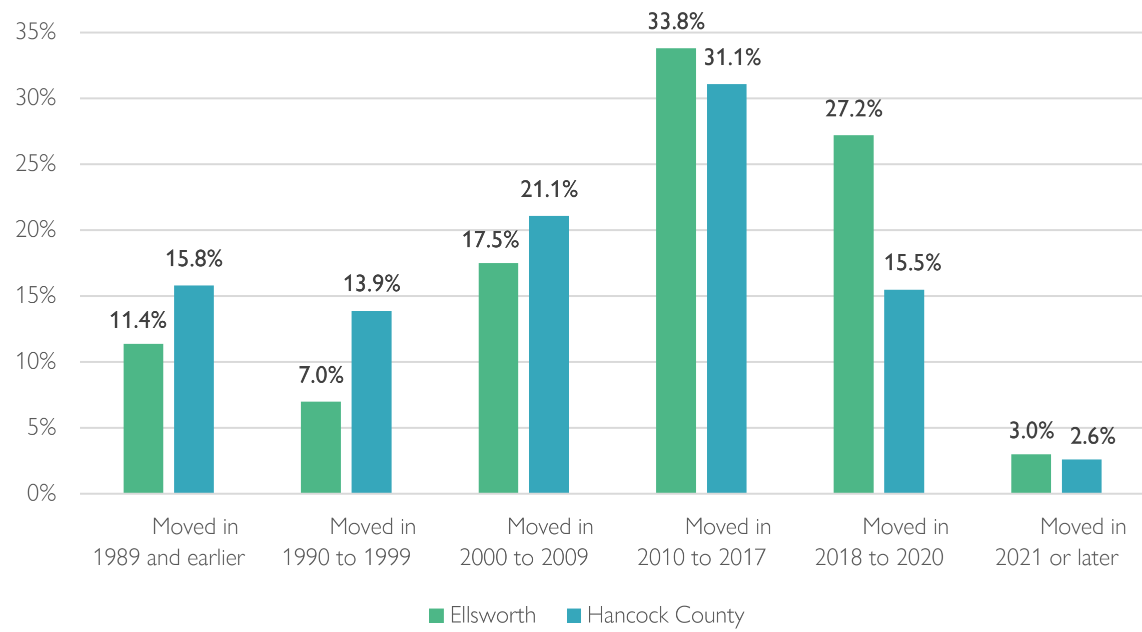
Source: 2013 – 2022 ACS 5-year estimates

Tenure

Housing tenure refers to how long a person or family has been living in their current home. Nationally, homeowner tenure had increased steadily from 2005 to 2020, with a slight decline since 2020.[2] Several factors have contributed to an increase in average homeowner tenure, including an aging population that is tending to age in place, higher home prices, and a lack of housing supply.

Most Ellsworth households moved into their current home between 2010 and 2020. Comparatively, in 2012, approximately 57% of households had moved into their current home in the 12 years prior (2000 – 2012). While limited supply and high housing costs are preventing some people from selling their home, other market factors (e.g., the City's desirability for remote workers and retirees, housing affordability and supply challenges on MDI) are also driving more people to relocate to Ellsworth. The "moved in 2021 or later" number of 117 households is likely lower than the actual number of new households because this data uses estimates from 2018 to 2022.

Figure 3.2: Tenure in Current Housing Unit



Source: 2022 ACS 5-year estimates

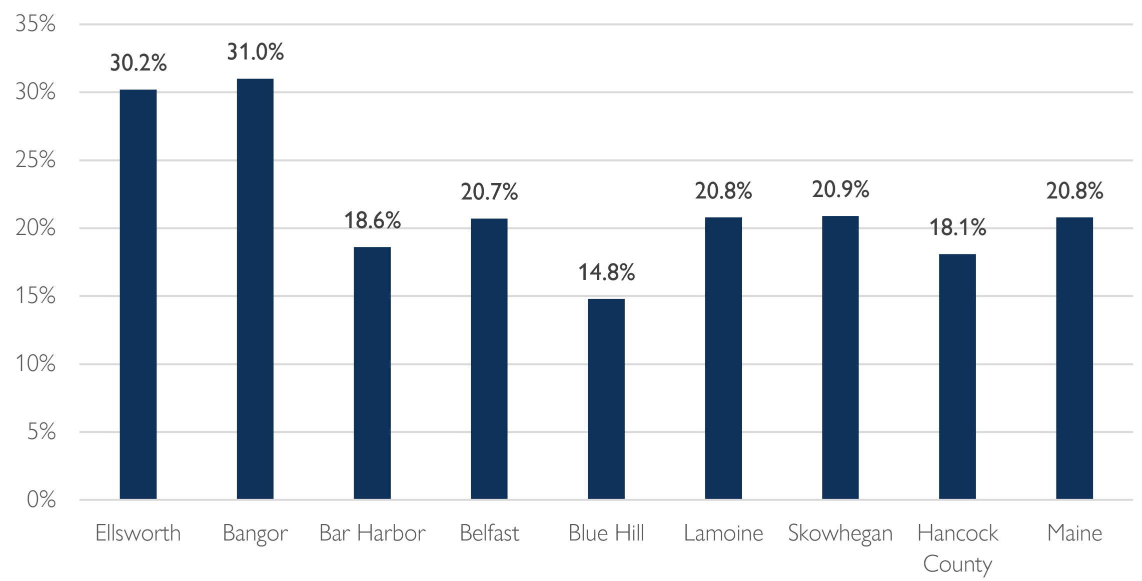
[2] Anderson, Dana and Bokhari, Sheharyar. March 1, 2023. "The Typical U.S. Home Changes Hands Every 12 Years, Down From 2020 Peak." Redfin News. Accessed May 16, 2024. https://www.redfin.com/news/homeowner-tenure-2022/

Tenure

A similar percentage of households in Hancock County moved into their current home between 2010 and 2017 (31%); however, a lower percent of households moved into their home between 2018 and 2020 (15.5%).

Ellsworth has a higher percentage of households who have lived in their current home since 2018 than comparable communities and the region, reflecting greater turnover in the City's housing market.

Figure 3.3: Moved in 2018 or Later (Percent of Households)



Source: 2022 ACS 5-year estimates

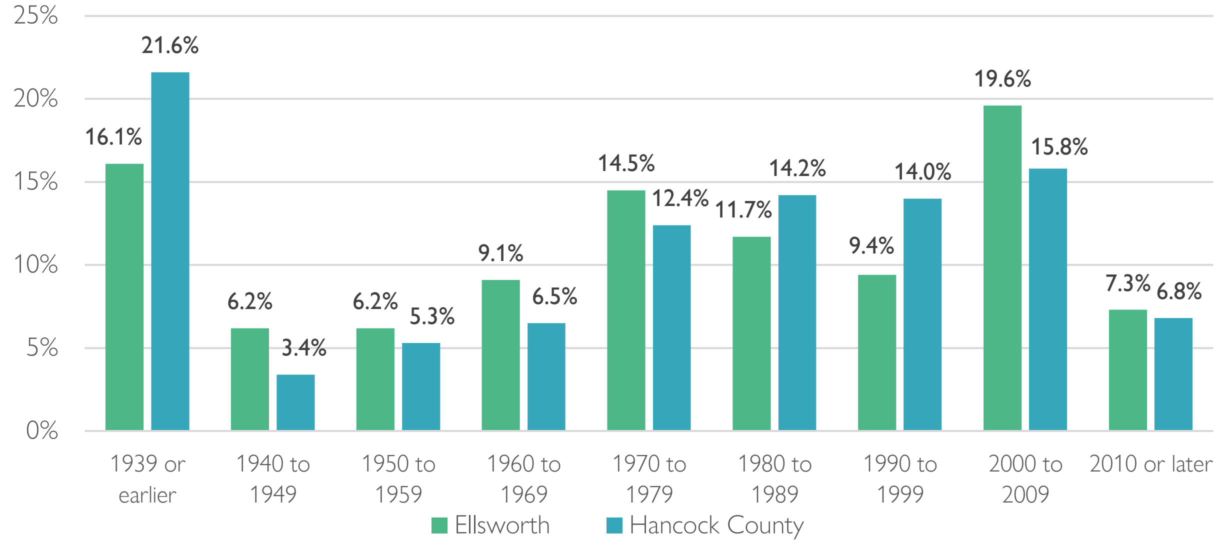
Housing Units

Ellsworth's housing stock is varied in age. A significant portion (16%) of Ellsworth's housing stock was built prior to 1939. Ellsworth saw slower rates of housing construction between 1940 and 1969. Over those three decades, roughly 20% of Ellsworth's housing stock was built. The rate of housing development increased between 1970 and 1989 before slowing again in the 1990s. Ellsworth saw its largest and most significant rate of housing development between 2000 and 2009, with roughly 20% of the City's housing stock constructed during this period. The rate of housing development has decreased since 2009, with only 7.3% of housing units being built since 2010.

Compared to Hancock County, Ellsworth has a larger percentage of homes constructed since 2010, though the City's housing stock skews slightly older than the County. The median year-built range for homes in Ellsworth is 1970 – 1979, while the County's median year-built range is 1980 – 1989. However, while the City's housing stock is slightly older, the County has a larger percent of homes built before 1940 (21.6%).

In the past few years, Ellsworth has seen an increase in new housing development project, despite a significant increase in housing construction costs, reflective of growing demand for housing in the region. While the average cost of construction per square foot for single-family homes in 2024 is lower in Maine ($141 per square foot) compared to the national average of $154 per square foot, overall construction costs have increased nearly 80% from $94 per square foot in 2013 to $168 per square foot in 2022.[4] [5] This increase in cost of construction is also contributing to overall higher housing prices.

Figure 3.4: Housing Units by Year Built



Source: 2022 ACS 5-year estimates

[4] Behere, Bhagyesh. Houzeo. February 19, 2024. "How Much Does it Cost to Build a House in 2024?" Accessed August 5, 2024. https://www.houzeo.com/blog/how-much-does-it-cost-to-build-a-house/

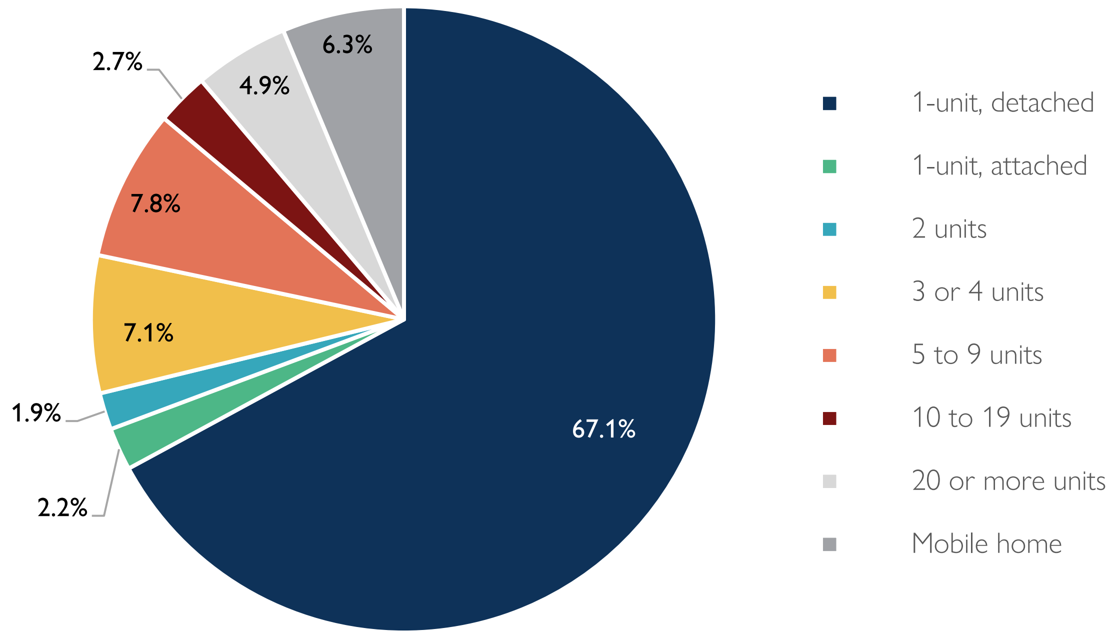
[5] Statista. "Average Price Per Square Foot of Floor Space in New Single-Family Homes in the US from 2000 to 2022." Accessed August 5, 2024. https://www.statista.com/statistics/682549/average-price-per-square-foot-in-new-single-family-houses-usa/

Housing Types

Roughly 67% of Ellsworth's housing stock is made up of detached, single-family homes. Attached single-family homes, like townhomes, and duplexes make up 4% of homes in Ellsworth. Mobile homes comprise 6% of homes in the City. Multi-family units, composed of three or more units, make up 22% of the City's housing stock.

Nearly one third (31%) of homes in Ellsworth are renter-occupied and two thirds are owner-occupied (69%). The proportion of renter- and owner-occupied homes in Ellsworth is roughly the same as it was in 2012. The composition of owner-occupied housing is largely made up of single-family units; however, Ellsworth has a larger percentage of multi-unit properties compared to the County and the State. Roughly 82% of Hancock County's housing stock is detached single-family homes. Hancock County also has a smaller percentage of properties with two or more units (10.4%) compared to Ellsworth (24.4%).

Figure 3.5: Housing Types in Ellsworth



Source: 2022 ACS 5-year estimates

Housing Types

Ellsworth has a slightly lower percentage of detached, single-family homes than some service centers in Hancock County, including Bar Harbor (71.9%) and Blue Hill (70.1%). However, Ellsworth has a slightly higher percentage of detached single-family homes compared to nearby service centers outside of Hancock County, including Bangor (39.2%), Belfast (55.6%), and Skowhegan (61.2%).

Table 3.1: Housing Units by Type

	Ellsworth		Hancock		Maine	
	Units	%	Units	%	Units	%
1-unit, detached	3,446	67.1%	32,936	81.7%	525,880	70.0%
1-unit, attached	115	2.2%	457	1.1%	19,129	2.4%
2 units	99	1.9%	1,120	2.8%	32,163	4.9%
3 or 4 units	364	7.1%	1,210	3.0%	39,785	5.5%
5 to 9 units	399	7.8%	881	2.2%	27,885	3.7%
10 to 19 units	137	2.7%	241	0.6%	12,503	1.6%
20 or more units	252	4.9%	729	1.8%	24,347	3.6%
Mobile home	326	6.3%	2,708	6.7%	62,501	8.3%
Boat, RV, van, etc.	-	0.0%	16	0.0%	427	0.1%
Total	5,138		40,298		741,803	

Source: 2022 ACS 5-year estimates

Table 3.2: Regional Housing Units by Type

	Ellsworth	Bangor	Bar Harbor	Belfast	Blue Hill	Bucksport	Skowhegan
1-unit, detached	67.1%	39.2%	71.9%	55.6%	70.1%	72%	61.2%
1-unit, attached	2.2%	4.6%	5.0%	4.5%	0.0%	0.0%	0.2%
2 units	1.9%	7.7%	5.5%	10.3%	3.7%	7.1%	6.9%
3 or 4 units	7.1%	19.2%	9.1%	5.4%	10.3%	2.9%	7.7%
5 to 9 units	7.8%	11.3%	3.2%	5.6%	4.7%	0.0%	6.7%
10 to 19 units	2.7%	3.1%	0.3%	0.9%	0.7%	0.7%	1.9%
20 or more units	4.9%	7.5%	4.5%	5.8%	1.9%	7.5%	2.6%
Mobile home	6.3%	7.5%	0.4%	11.9%	8.6%	9.8%	12.8%
Boat, RV, van, etc.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: 2022 ACS 5-year estimates

Size of Housing Units

Household size and household composition has significant implications for housing needs. With 38% of households being single-person households (up from 35% in 2012), there is a growing demand for smaller housing units. At the same time, only 21% of housing units are studio or one-bedroom units, with near half (47.2%) of occupied units having three or more bedrooms.

Table 3.3: Ellsworth Households by Size, 2022

	Housing Units	Percent of All Occupied Housing Units
Occupied Housing Units	3,839	
Household Size:		
1-person household	1,469	38.3%
2-person household	1,460	38.0%
3-person household	400	10.4%
4-or-more-person household	510	13.3%

Source: 2022 ACS 5-year estimates

Table 3.4: Ellsworth Housing Units by Bedroom Count, 2022

Bedroom Count	Housing Units	Percent of All Units
No bedrooms	277	5.4%
1 bedroom	829	16.1%
2 bedrooms	1,607	31.3%
3 bedrooms	1,877	36.5%
4 bedrooms	413	8.0%
5 or more bedrooms	135	2.6%

Source: 2022 ACS 5-year estimates

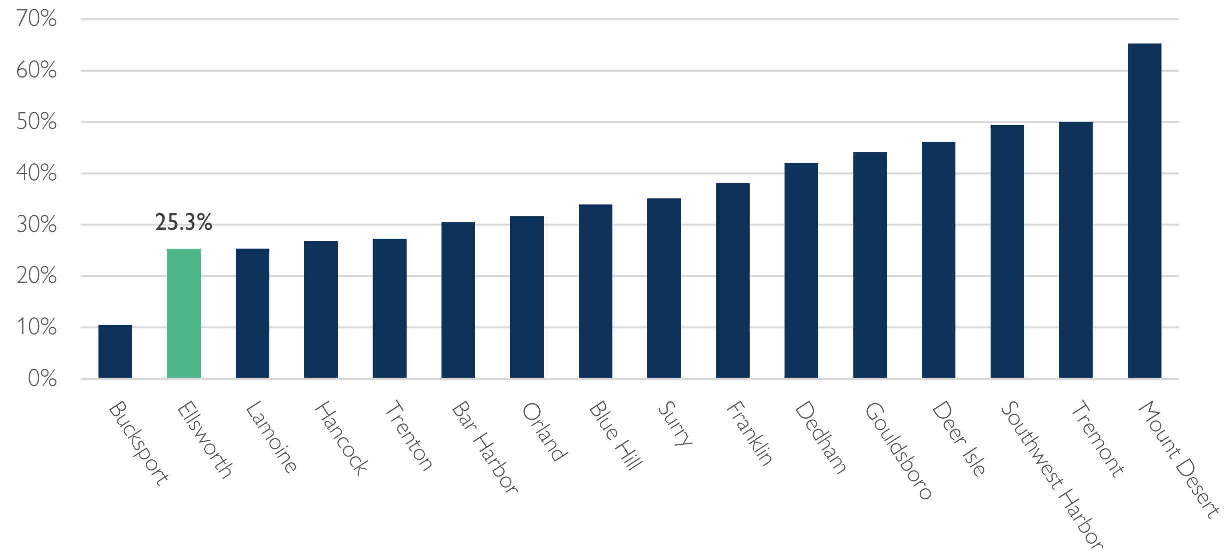
Vacant Housing Units

Roughly 25% (1,299) of housing units in Ellsworth are vacant. The rate of vacant housing units in Ellsworth has remained roughly the same over the past 10 years, fluctuating between 20% and 26%. Roughly 63% of vacant housing units are used for seasonal, recreational, or occasional use. Ellsworth has a higher proportion of vacant housing units than the State (21%) but a lower proportion compared to Hancock County (39%). In Hancock County, roughly 81% of vacant housing units are for seasonal, recreational, or occasional use. Compared to nearby communities, Ellsworth has a lower rate of vacant homes.

While there were an estimated 1,299 vacant units in Ellsworth in 2022, only 6.8% of the homes were vacant and for rent, and 0% of homes were estimated to be vacant and for sale.

Rentalscape estimates that there are roughly 340 short-term rental (STR) properties in Ellsworth, and AirDNA estimates that there are roughly 722 STR properties in the Ellsworth area, with 192 active listings currently within the City. Of the 192 active listings, 93% of properties are entire homes; just 7% are private rooms or accessory structures to an existing home. The total number of STR properties, estimated by Rentalscape, makes up roughly 26% of the City's vacant units that are for seasonal, recreational, or occasional use.

Figure 3.6: Vacancy Rate in Nearby Communities



Source: 2022 ACS 5-year estimates

HOUSING AFFORDABILITY: Introduction

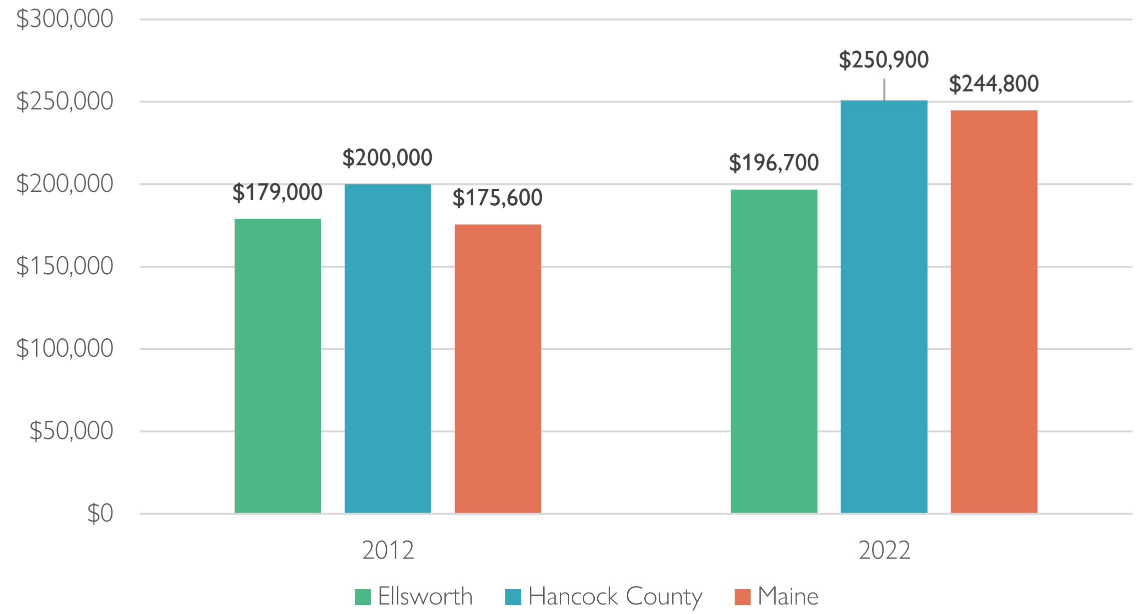
Ellsworth, like other communities in the State and region, has experienced a significant rise in housing costs in recent years. While the City's median home price remains slightly lower than the State's, the community has seen an increase of more than 100% in the median home price from 2012 to 2022. Median income has increased over the same period, but not as drastically, and there is a significant and growing gap between the median income and the income needed to afford the median home price. Housing affordability has been further challenged by a confluence of broader regional and national issues that have stalled supply and increased demand for housing in the region.

Photo credit: City of Ellsworth

Median Home Value

Median home values have increased in Ellsworth but to a lesser degree than home prices and less substantially than in other parts of the State. From 2012 to 2022, the median home value in Ellsworth increased approximately 10% from $179,000 to $196,700.

Figure 4.1: Median Home Value



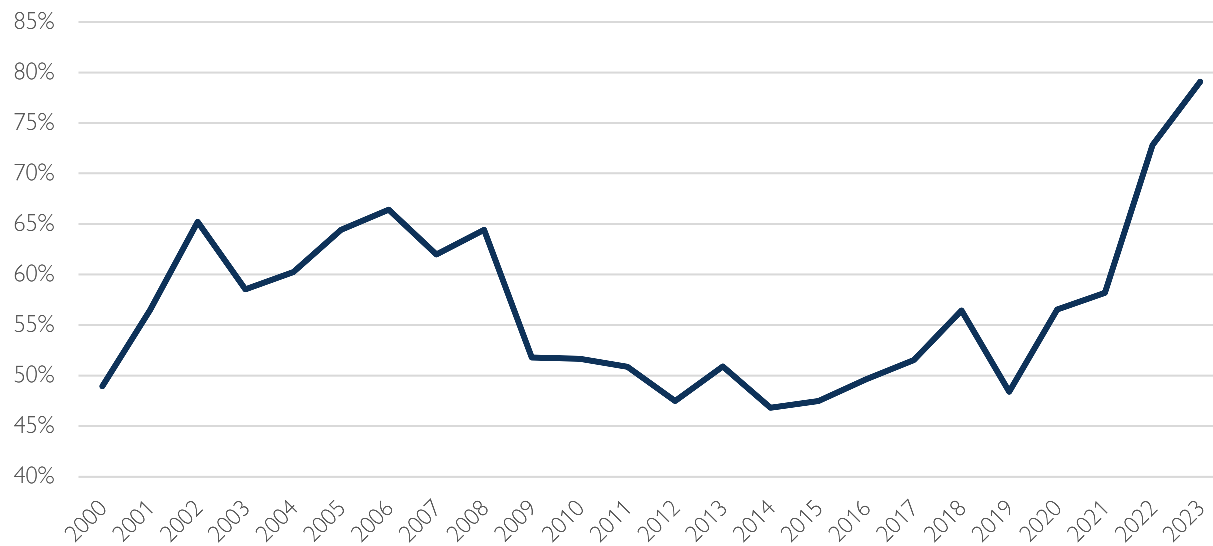
Source: 2012 and 2022 ACS 5-year estimates

Home Ownership Affordability

Since 2000, the median home price has increased 296%. During that same period, median income increased by 79%. Recent increases in housing costs have been more dramatic, with the greatest percent increase in median home price occurring from 2019 to 2020: a 33% increase from $185,000 to $246,000. Income, however, has not kept pace. In 2023, approximately 79% of households were unable to afford the median home price, up from 48% in 2019.

Historically, Ellsworth has been a more affordable community than many other coastal regions in southern and mid-coast Maine. While the City's median home price has continued to be lower than the State and County, Ellsworth has experienced a greater change in housing affordability in recent years relative to the median income of the population.

Figure 4.2: Ellsworth Households Unable to Afford Median Home Price (%)

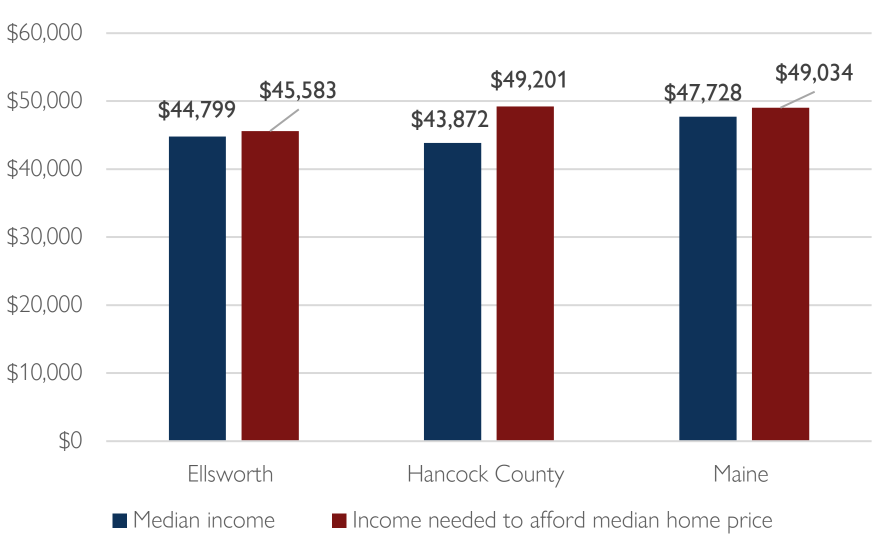


Source: MaineHousing

Home Ownership Affordability

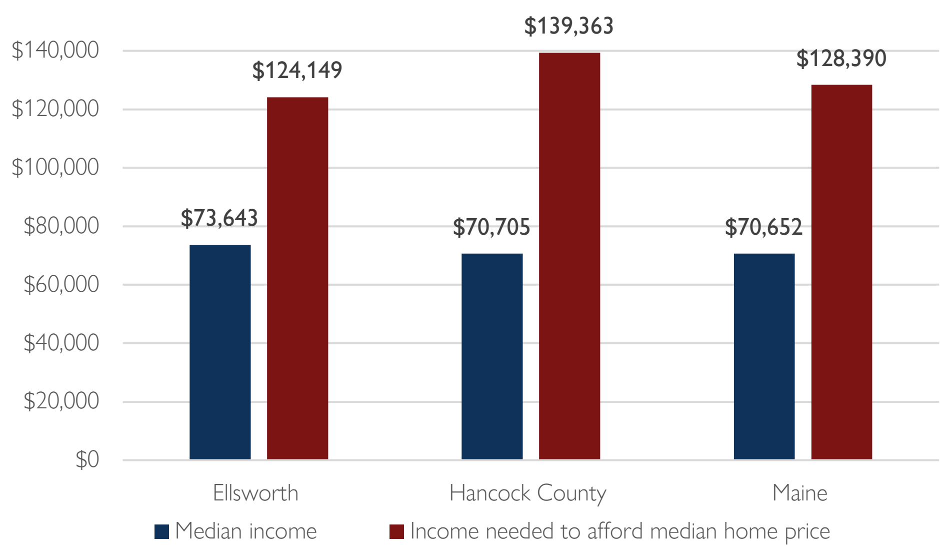
Figure 4.3 shows the relative affordability of Ellsworth in 2013, when the median income was nearly the same as the income needed to afford the median home price. At the same time, overall median housing costs for Hancock County and Maine were higher than median incomes, resulting in an affordability gap that has grown from 2013 to 2023. The current (2023) gap between the income needed to afford the median home price in Ellsworth and the median income is now similar to the affordability gap in the region and State.

Figure 4.3: Housing Affordability, 2013



Source: MaineHousing

Figure 4.4: Housing Affordability, 2023

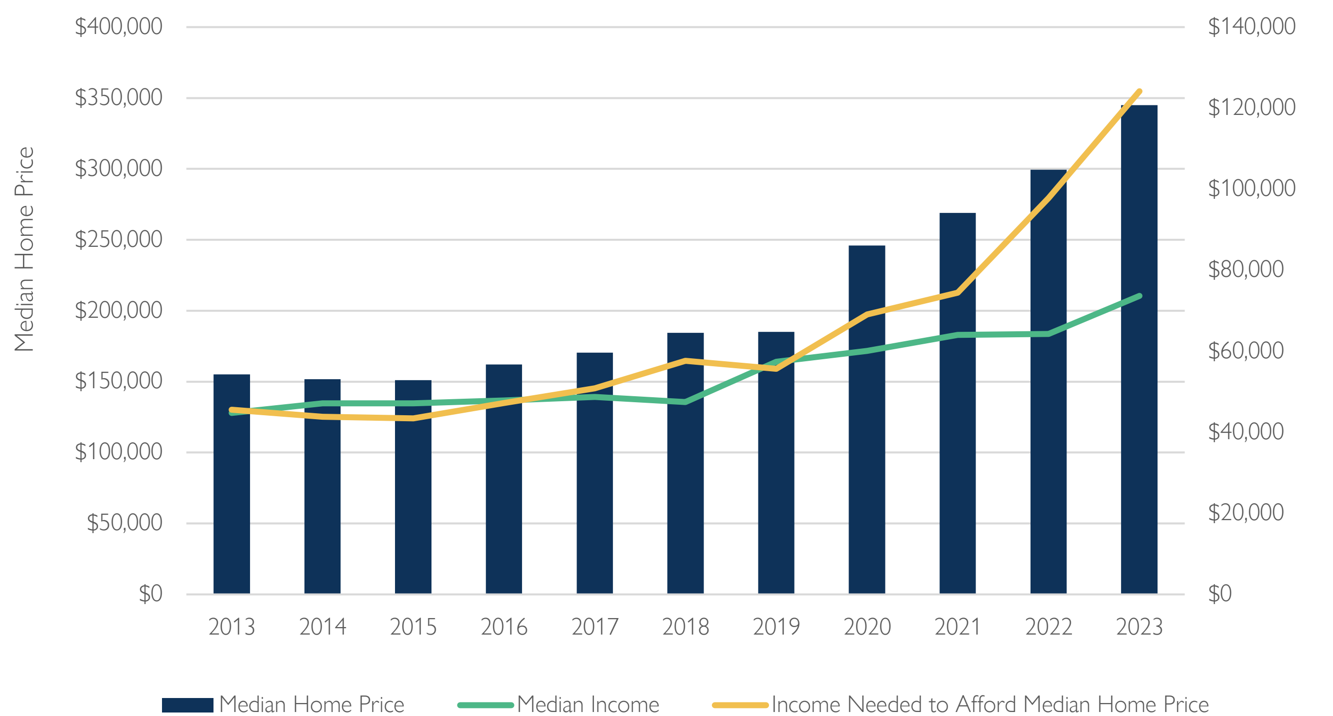


Source: MaineHousing

Home Ownership Affordability

Figure 4.5 show the change in median home price compared to the change in median income and the significant increase since 2019.

Figure 4.5: Ellsworth Median Home Price Compared to Median Income



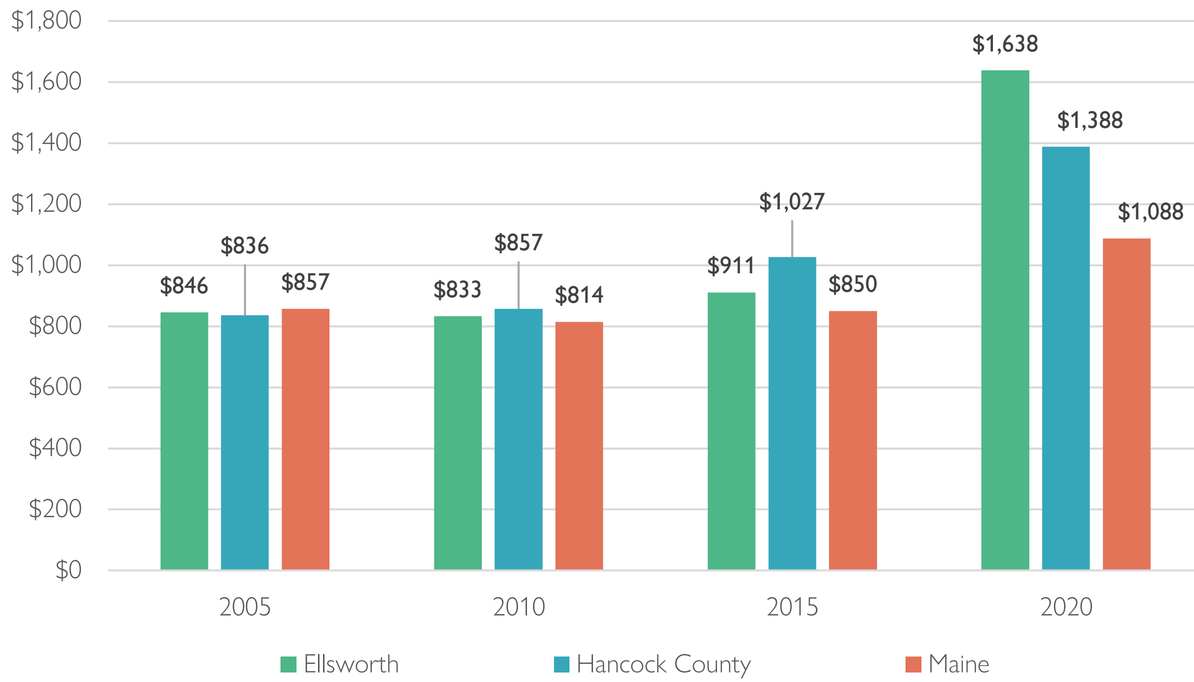
Source: MaineHousing

Rental Housing Affordability

Approximately 31% of all households in Ellsworth rent their home. Median rent in Ellsworth remained relatively steady from 2005 to 2015. After 2015, rent began to rise, with a nearly 80% increase in median rent for a two-bedroom apartment from 2015 ($911) to 2020 ($1,638). While rent increased throughout the region and State, rent in Ellsworth experienced a much steeper increase, likely influenced in part by the growing pressure on the housing market on MDI and lack of affordable housing for seasonal employees on the island. Rental affordability data includes figures up to 2020 and does not reflect the increased pressure on the rental housing market during and after the pandemic.

Anecdotally, in recent years, listed rental prices for new units (2-bedroom) typically range from $1,600 and $2,000 per month. In 2020, the median renter household had an income of $32,719. An affordable rent (30% of income) for the median renter household would be only $818 per month, leaving a significant gap between rental prices and what most renter households can afford. Likely since 2020, this gap has widened.

Figure 4.6: Median Rent (Two-Bedroom Unit With Utilities)



Source: MaineHousing

Rental Housing Affordability

Compared to Hancock County and the State, Ellsworth has experienced the most dramatic increase in rent. This is likely due to the growing desirability of the area as well as the increasingly tight housing market in Bar Harbor and other MDI communities, compelling people to find housing in Ellsworth. Similarly, the rise in rent in Ellsworth has been more extreme than other comparable communities in central and eastern Maine.

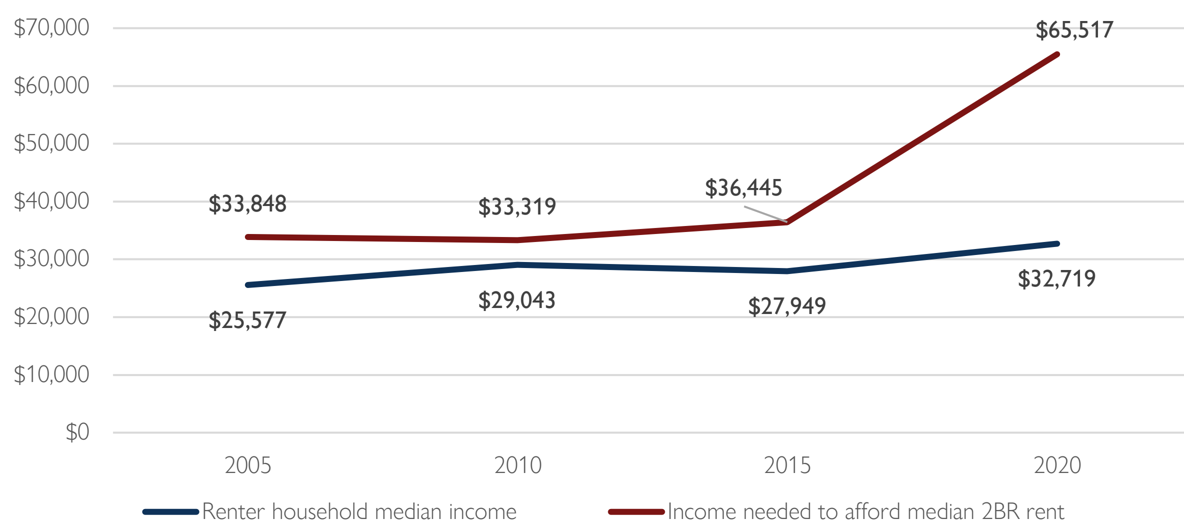
Following a broader regional and national trend, the rise of rental housing costs has outpaced wage growth in recent years. In Ellsworth, the median renter household income increased 17% from 2015 to 2020, while the income needed to afford the median rent increased nearly 80%.

Table 4.1: Median Two-Bedroom Rent (With Utilities)

	2010	2020	% Change 2010 – 2020
Bangor	$849	$1,112	31.0%
Belfast	$812	$1,228	51.2%
Ellsworth	$833	$1,638	96.6%
Skowhegan	$686	$916	33.5%

Source: MaineHousing

Figure 4.7: Median Renter Household Income and Income Needed to Afford Median Rent



Source: MaineHousing

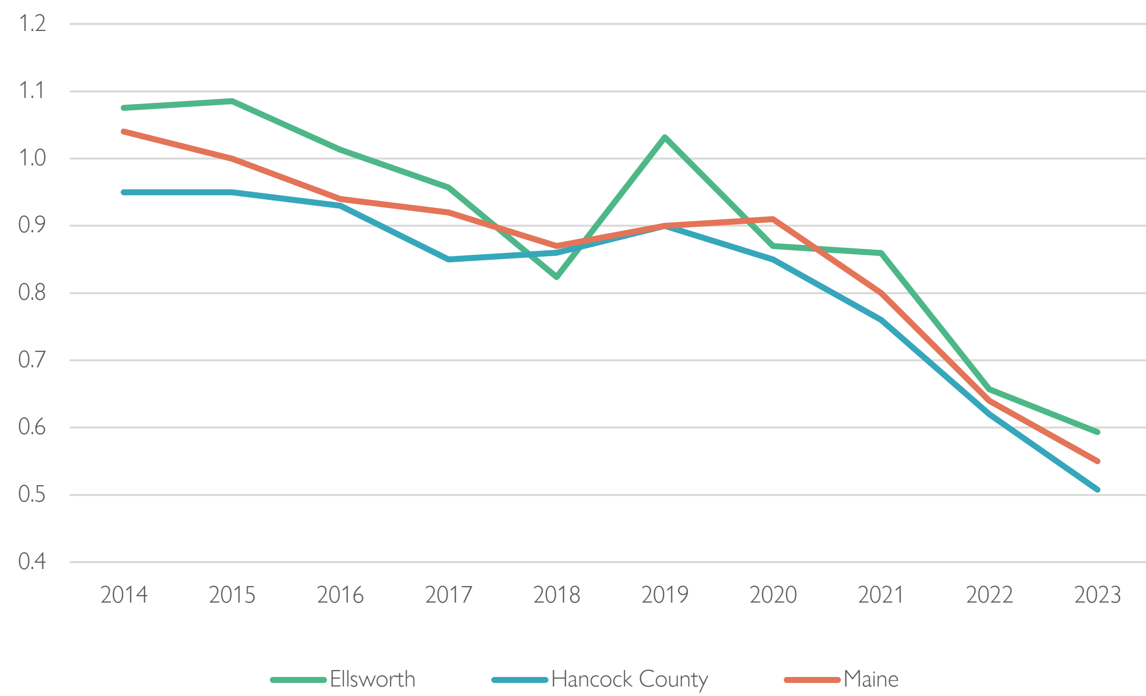
Regional Affordability Index

Maine Housing's Homeownership Affordability Index takes the ratio of home prices that are affordable to those making the median income compared to the median home price. An index of less than one means that the area is generally unaffordable. A household earning the area median income (AMI) could not afford payments for the median-priced home (30-year mortgage, taxes, and insurance) using up to 28% of gross income. The closer to zero the index is, the more unaffordable the community is.

Ellsworth is slightly more affordable than Hancock County (0.51) and the State (0.55) with an affordability index of 0.59.

Over time, Ellsworth, along with the County and the State, has become less affordable. Over the past decade, communities like Ellsworth, Bucksport, Lamoine, and Skowhegan went from being affordable to being unaffordable, while other communities, such as Belfast and Bar Harbor, have largely been unaffordable for the last decade.

Figure 4.8: Housing Affordability Index 2014 – 2023



Source: MaineHousing

Regional Affordability Index

While Ellsworth's affordability index has declined, it is still more affordable than the region. Ellsworth's relative affordability in the region can also be driving demand for people to move to Ellsworth, in turn causing housing in Ellsworth to become more expensive compared to previous years due to the increased demand.

Table 4.2: Housing Affordability Index

	Ellsworth	Bangor	Bar Harbor	Belfast	Blue Hill	Bucksport	Lamoine	Skowhegan	Trenton
2014	1.08	0.87	0.68	0.65	0.74	1.82	1.38	1.46	0.85
2015	1.09	0.88	0.59	0.66	0.68	1.51	1.30	1.26	0.81
2016	1.01	0.92	0.65	0.62	0.52	1.50	0.97	1.43	0.73
2017	0.96	0.82	0.55	0.57	0.53	1.18	0.95	1.21	0.91
2018	0.82	0.79	0.59	0.56	0.68	1.07	0.94	1.28	0.78
2019	1.03	0.87	0.48	0.67	0.76	0.92	0.82	0.93	0.79
2020	0.87	0.88	0.52	0.86	0.74	1.07	0.97	0.98	0.80
2021	0.86	0.74	0.47	0.68	0.70	0.86	0.66	0.96	0.76
2022	0.66	0.67	0.42	0.61	0.54	0.70	0.78	0.81	0.58
2023	0.59	0.53	0.39	0.47	0.34	0.59	0.56	0.69	0.51

Source: MaineHousing

Affordable Housing Development

According to MaineHousing data from 2020, Ellsworth has six income-based affordable housing developments and two rent-restricted developments, totaling 326 units.[3] Most of those units (247) have age restrictions for older adults (either 55 and over or 62 and over). Income-based rent means that tenants typically pay about one third of their income on rent; rent-restricted rent typically means that rent is based on a specified percentage of the area's median income and units are available to those making a certain percentage of the AMI.

Affordable housing developments have been developed and are managed by various entities including private developers, the MDI and Ellsworth Housing Authorities, and nonprofit organizations, such as Penquis. Bar Harbor and Bucksport each have four affordable housing developments. The remaining communities have one or two developments. According to MaineHousing's Housing Data Portal, there are 840 deed-restricted affordable housing units in Hancock County. Deed-restricted units have limitations on the use and transfer of the property to maintain long-term affordability.

More than 40% of the City's income-restricted housing units were constructed within the last decade, including Leonard Lake Senior Housing (26 units), Straw Way Family Housing (29 units), Oriole Way Apartments (50 units), and Oriole Way Senior Apartments (29 units). These projects have responded to the growing demand for affordable housing in Ellsworth and the aging population of the region and State.

In Hancock County, there are 26 income-based and two rent-restricted housing developments located in Bar Harbor, Blue Hill, Bucksport, Deer Isle, Ellsworth, Franklin, Mount Desert, Sedgewick, Southwest Harbor, Stonington, Swan's Island, and Winter Harbor. Of the 26 properties, 18 are age-restricted for adults 62 and older and people with disabilities. One property is open to both adults over 62 and families.

Since 2020, MaineHousing has helped finance two additional projects, composed of 31 affordable housing units, in Hancock County. This includes the Oriole Senior Housing Project in Ellsworth and the Cranberry Road Project on the Cranberry Isles.

[3] *Maine Housing Subsidized Housing List.* https://www.mainehousing.org/docs/default-source/rental/subsidized-housing-lists/hancock.pdf?sfvrsn=9728a215_20

HOUSING MARKET TRENDS: Introduction

Housing demand across Maine has increased sharply in recent years, and the housing market statewide has significantly changed. The housing market refers to the supply and demand for homes, including list and sale price, number of days on the market, and financing of home sales. Home prices in Ellsworth, Hancock County, and Maine grew relatively slowly from 2010 to 2020 and homes were listed on the market for significant periods of time.

Until recently, Ellsworth was considered an affordable place to live, with those earning the median income able to afford the median home price. Changes in the housing market have impacted residents, employees, and those looking to move to the region. In 2020, home values and prices rose significantly and continued to climb into 2023. The amount of time that homes were listed on the market also drastically decreased from 2020 to 2023 compared to the previous decade.

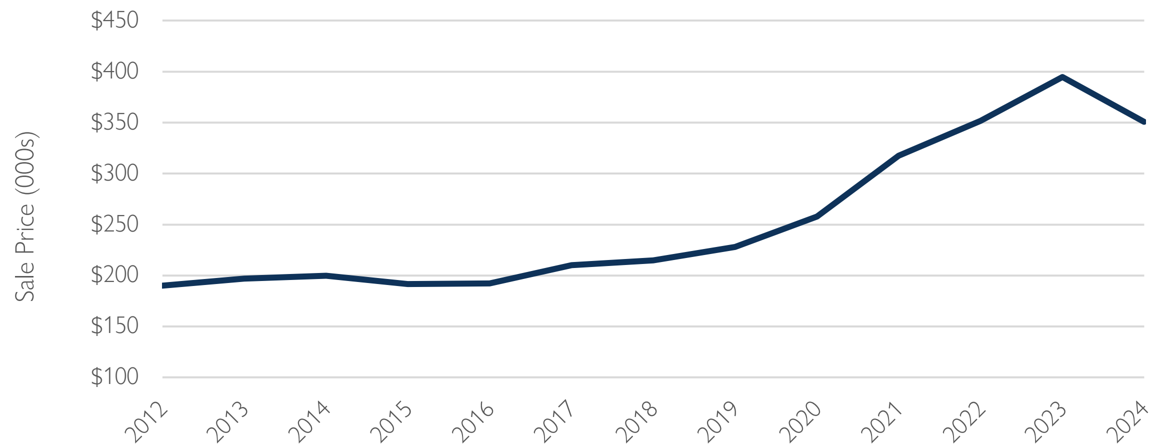
Local and regional data have shown a decline in the average home sale price in Hancock County so far in 2024, and homes are currently listed on the market for longer than in recent years. These changes may indicate that the housing market is cooling, however the City has seen continued demand for housing of all types.

Home Sale Price

Historically, the median sales price of homes in Hancock County was $190,000 in 2012 and did not rise above $200,000 until 2017. Averaging about $317,000 in 2017, the median sales price nearly reached $400,000 in 2023. Through March 2024, the median sales price is approximately $350,000.

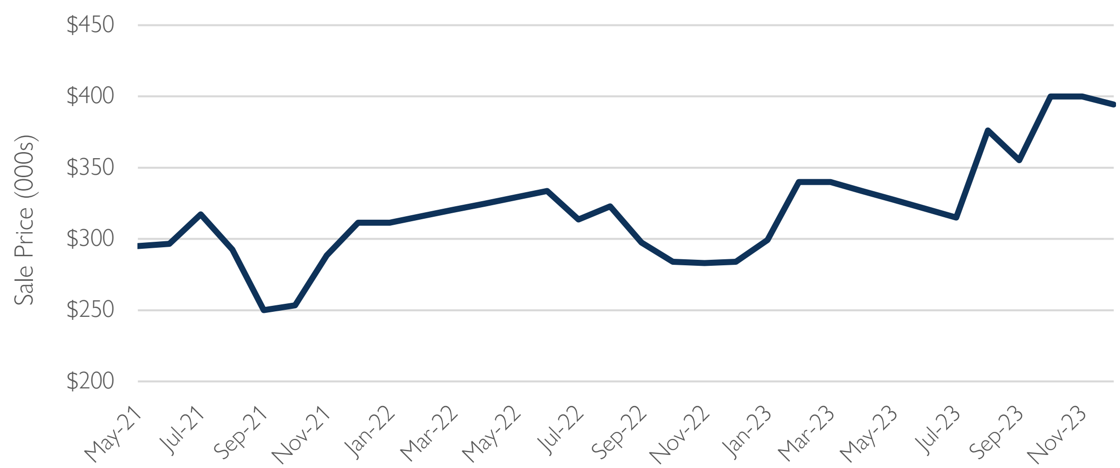
Median sales price provides an indication of the housing cost burden of new buyers. Median sales price in Ellsworth fluctuated between $250,000 and $300,000 from May 2021 to July 2023. In July 2023, the median sales price elevated above $350,000 and has remained above that level, hovering around $400,000 since October 2023.

Figure 5.1: Average Annual Home Sale Price, Hancock County, 2012 – 2024



Source: Realtor.com

Figure 5.2: Median Home Sale Price, Ellsworth, May 2021 – Nov 2023

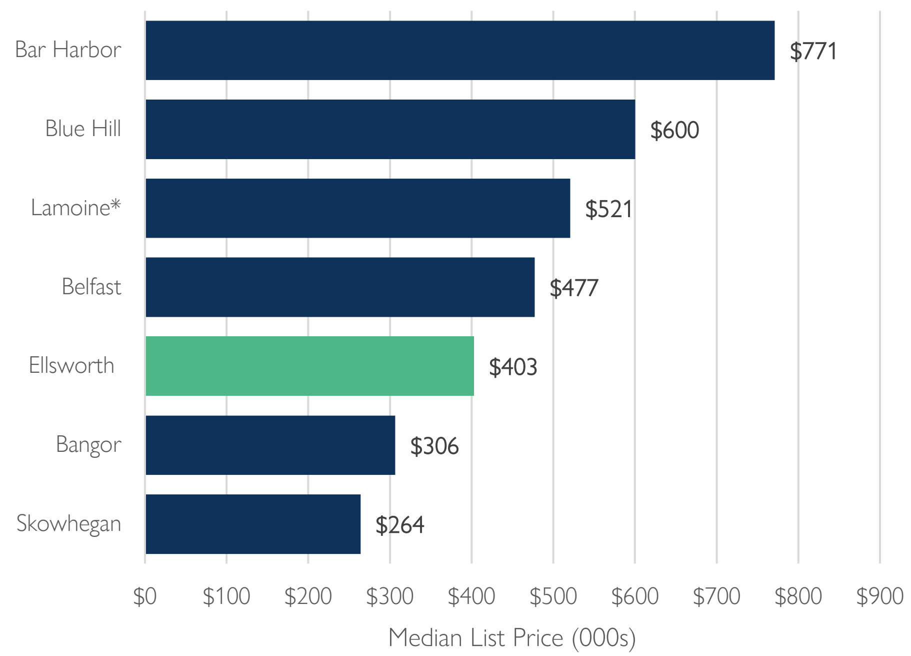


Source: Redfin.com

Home Sales Price

The median list price on average from July 2023 to June 2024 was just over $400,000. The median list price on average for homes in Bar Harbor was the highest in the area at nearly $772,000 and homes in Skowhegan lagged at a median list price on average of about $264,000.

Figure 5.3: Median Home List Price, May 2024

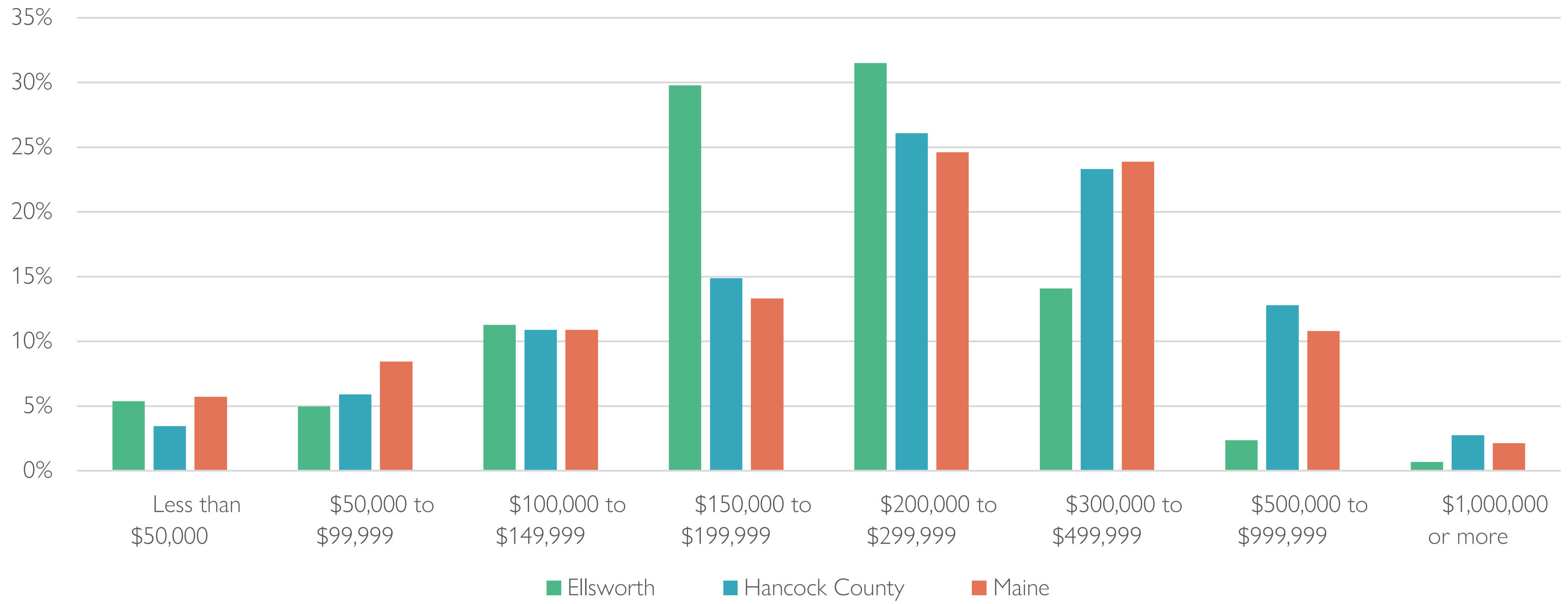


*Source: Realtor.com (*only 2023 data available for Lamoine)*

Home Value

Ellsworth has a significantly higher share of homes valued between $150,000 and $199,999 as compared to Hancock County and Maine. Ellsworth lags the larger geographies in the percentage of homes valued between $300,000 and $749,000. Less than 2% of homes in Ellsworth are valued at $750,000 or more, as compared to nearly 7% in Hancock County and nearly 5% in Maine.

Figure 5.4: Percent of Owner-Occupied Housing Units by Value

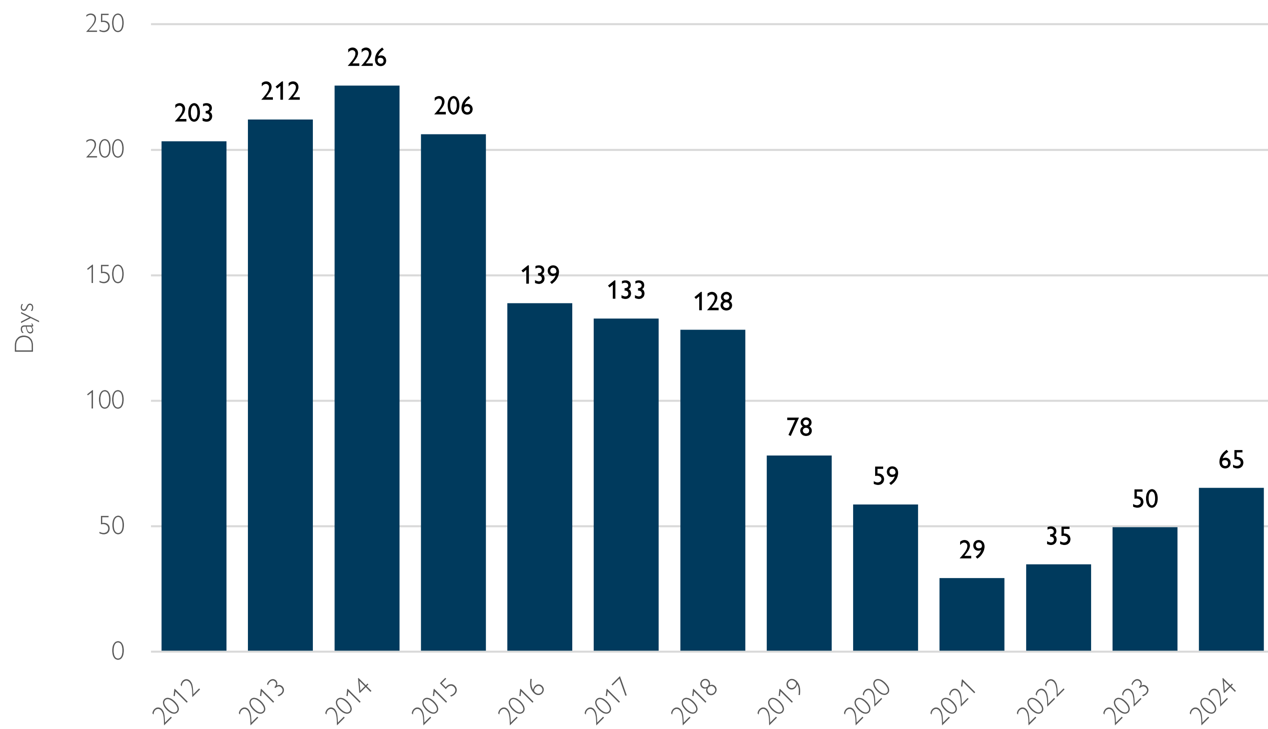


Source: 2022 ACS 5-year estimates

Days on the Market

Days on market is a metric that indicates demand for housing, with a shorter duration reflecting higher demand. The significant decrease in days on market across Hancock County from more than 200 in the mid-2010s to around 50 or fewer in the early 2020s represents a marked shift in demand for housing in the area. While the first quarter of 2024 shows a slight easing of the pressure, demand remains high in the region.

Figure 5.5: Average Annual Days on Market, Hancock County



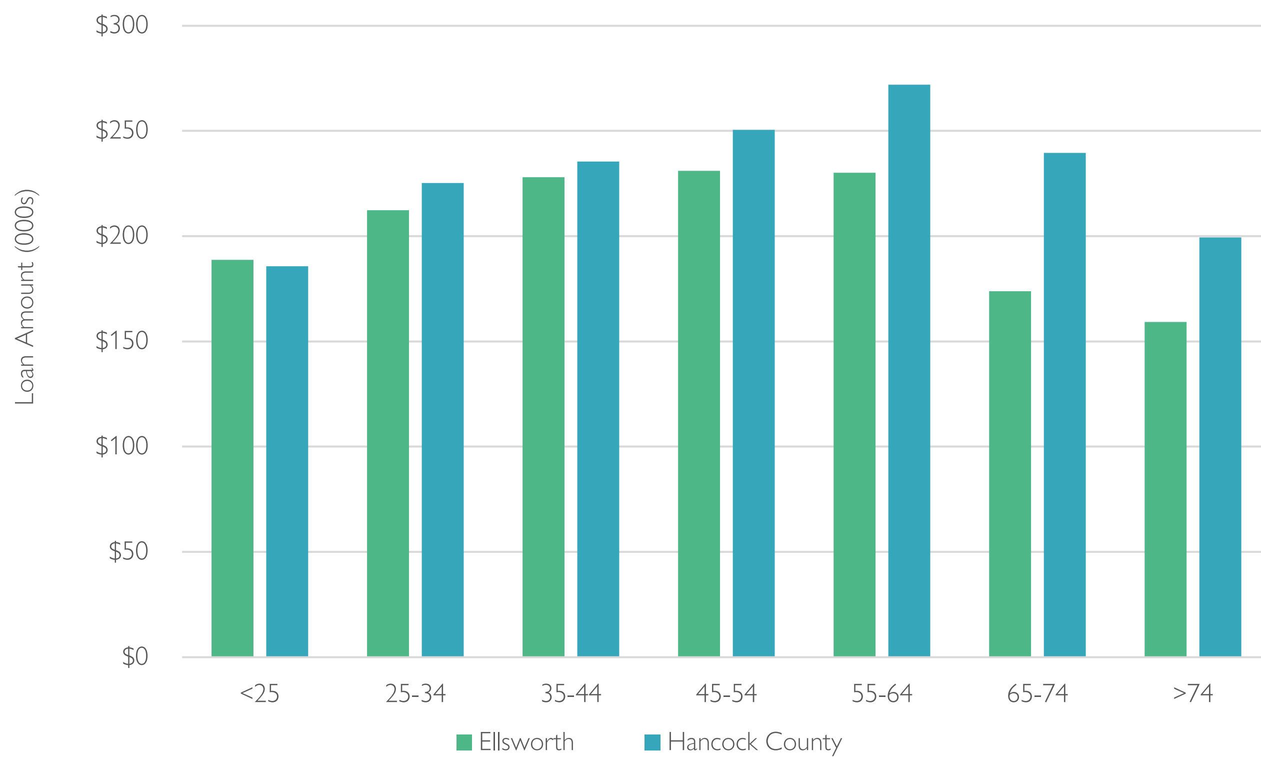
Source: Redfin.com

Home Buyer Age and Loan Amount

Average loan amounts by age offer an indication of the cost burden of housing across the array of life segments. Across Hancock County, home buyers aged 55 – 64 borrowed the largest average amount, about $272,000. Hancock County loan amounts exceeded Ellsworth loan amounts in every age category except borrowers below the age of 25.

In Ellsworth, loan amounts for older home buyers were markedly lower than those of younger borrowers, with 65 – 74-year-olds borrowing about $175,000 and those over 74 borrowing around $160,000. Ellsworth home buyers between the ages of 35 and 64 borrowed about $230,000 for their home purchases in 2022, with buyers 25 – 34 borrowing about $212,000.

Figure 5.6: Average Loan Amount by Age of Borrower, 2022



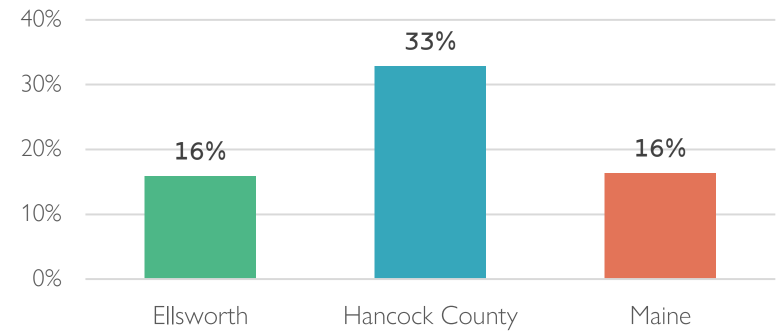
Source: Consumer Financial Protection Bureau

Seasonal and Investment Properties

Homes purchased in Ellsworth are categorized by their intended use: primary residences; secondary or seasonal/vacation homes; or investment properties. Primary home purchases increased by 170 between 2018 and 2019, a gain of 55%. Secondary home purchases increased by more than 70% from 2019 to 2020. With 37 sales, investment home purchases were higher in 2019 in comparison to the year prior and following years (2020 – 2022) when the average total was about 24.

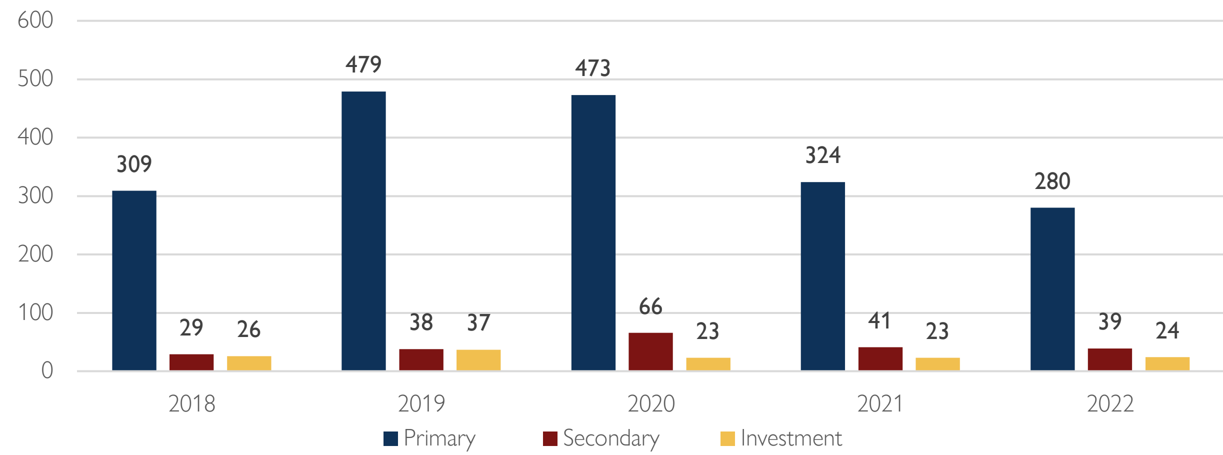
As of 2021, more than 15% of the housing units in Ellsworth were considered vacant due to seasonal, recreational, or occasional use. This percentage is comparable to Maine's share of seasonal housing units. In Hancock County as a whole, the share of housing units used seasonally is more than twice the share in Ellsworth.

Figure 5.7: Percentage of Housing Units in Seasonal Use



Source: ACS 2022 5-year estimates

Figure 5.8: Ellsworth Home Sales by Property Type



Source: Realtor.com

HOUSING NEEDS: Introduction

The need for housing in a community is influenced by several factors, including housing replacement, economic and employment growth, demographic changes, and housing affordability.

Periodically, housing inventory is lost or becomes obsolete. Some of the existing housing stock may become old or undermaintained, leaving a home that is no longer safe or habitable. Replacement needs reflect the need to replace units that will be lost over time. Additionally, an increase in STRs and seasonal or investment homes can lead to an increased need for housing units, as year-round housing options are lost.

Job creation and new employment opportunities within a community or region tend to attract new workers and their families. Another influence on housing demand that is a relatively new trend is the migration of remote workers from larger cities to communities that offer a high quality of life, especially Maine.

Demographic changes within an existing population base can stimulate the demand for new or different types of housing. An increase in older adult populations, influx of young families, or parents becoming “empty nesters” can all lead to a change in housing preferences or needs. Lifestyle preferences like walkability, access to amenities, preference for rural areas, or access to public transit can also influence housing preferences and needs.

A lack of affordable housing increases the need for a community to produce a variety of housing types that are affordable to different cohorts, including those with low incomes, seniors, or families.

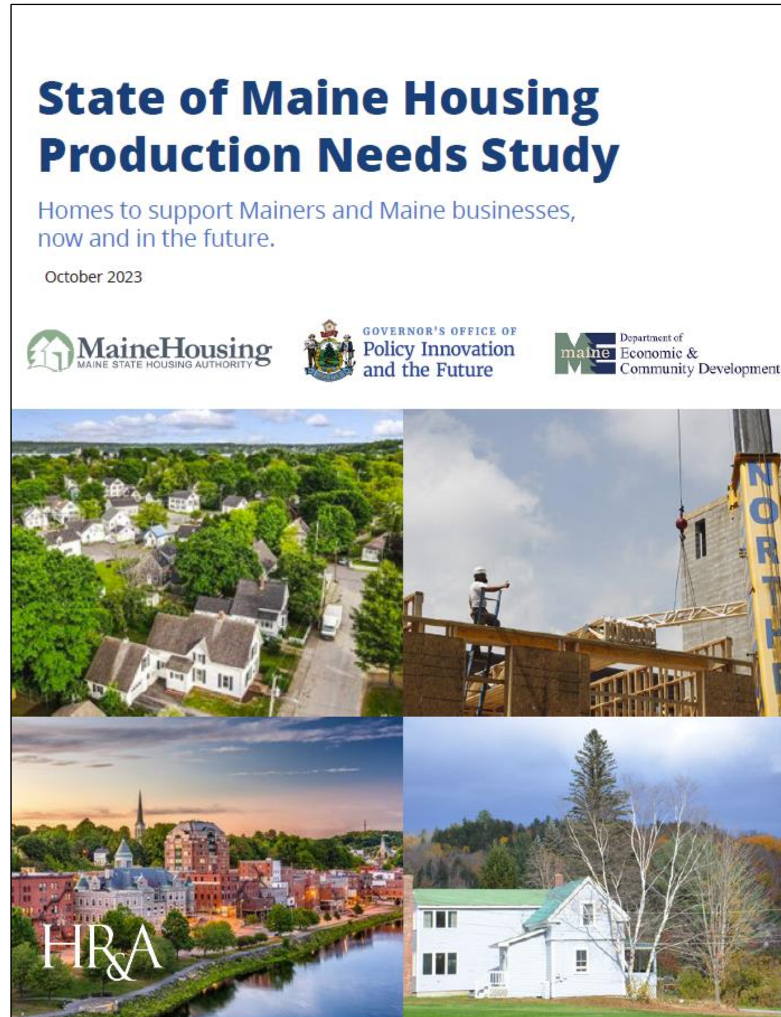
This section outlines how demographic, economic, and housing trends will likely impact Ellsworth over the next decade. This section highlights the need for housing interventions to meet the City’s anticipated housing needs. This includes new housing construction, as well as the creation of more affordable housing options, conversion of STRs to year-round units, or modifications to the City’s existing housing stock.

As mentioned in section 1 , Maine saw the highest percentage of inbound moves in the United States in 2023. Despite a slower rate of inbound moves compared to 2020 and 2021, Maine is still experiencing a significant amount of in-migration. Many communities, including Ellsworth, have already passed the State’s estimated population projections for 2025.

HOUSING NEEDS: Introduction

The State of Maine Housing Production Needs Study estimates that communities across the State will need to construct roughly 76,400 – 84,300 housing units to meet future needs and make up for historic underproduction. Because of historic underproduction of housing and significant inbound migration, the amount of growth in a community has been dependent on housing production. Communities that build housing will likely see sustained population growth due to the high level of demand and changing housing needs of the State's existing population.

The State projects that Hancock County will need between 1,900 and 2,200 new housing units by 2030 to accommodate population growth, plus another 1,500 units to accommodate historic underproduction. As a service and employment center and the largest municipality in Hancock County, it is likely that Ellsworth will see continued development pressure through the rest of the decade.



An Aging Population

Maine is the oldest state in the country with a median age of 44.8 in 2022, and the population of older adults is expected to increase. Statewide, more people are expected to retire than enter the workforce over the next decade. The increase in the dependency ratio and population demographics show a growing number of older adults. It is anticipated that Ellsworth's older adult population will continue to increase over the next five years, and, according to Esri, Ellsworth's median age is expected to increase to 46.7.

The demographic outlook predicted by Esri and the Maine State Economist points to continued increase in the City's older adult population.

Both sources also predict a consistent, though slowing, overall growth in population and the number of households. Age demographic expansion will remain strongest among the over-70 population, with additional expansion of the 40 – 59-age population. Both populations likely have a desire to own their own home, rather than rent.

Table 6.1: Ellsworth Age Cohort Projections

	2022		2028	
Under 5 years	355	4.2%	426	4.8%
5 to 9 years	440	5.2%	462	5.2%
10 to 14 years	493	5.8%	525	5.9%
15 to 19 years	414	4.9%	484	5.4%
20 to 24 years	380	4.5%	376	4.2%
25 to 29 years	413	4.9%	390	4.4%
30 to 34 years	765	9.0%	496	5.6%
35 to 39 years	683	8.1%	540	6.1%
40 to 44 years	473	5.6%	561	6.3%
45 to 49 years	437	5.2%	580	6.5%
50 to 54 years	507	6.0%	565	6.3%
55 to 59 years	542	6.4%	589	6.6%
60 to 64 years	755	8.9%	576	6.5%
65 to 69 years	692	8.2%	658	7.4%
70 to 74 years	374	4.4%	619	7.0%
75 to 79 years	272	3.2%	473	5.3%
80 to 84 years	227	2.7%	307	3.5%
85 years and over	256	3.0%	281	3.2%
Total	8,732		8,908	

Source: ACS 2022 5-year estimates; Esri

An Aging Population

At the same time, a portion of the City's older adult population will likely have interest in downsizing to a smaller home with lower costs and maintenance responsibilities. The number of children in Ellsworth is expected to increase slightly.

Additionally, Ellsworth's decline in household size and increase in the percent of the population living alone indicate a need for additional housing interventions. Increased family size, as well as projected increase in the population under 20 years old, also indicate the need for additional housing opportunities for families.

As Ellsworth's population ages, there will be a need for additional housing units, even if the City's population does not increase. There are currently limited opportunities to downsize or move into assisted living arrangements in Ellsworth. Providing opportunities for a variety of downsizing and assisted living options can help to free up single-family homes for families and adults to buy.

Housing Ellsworth's Workforce

It is projected that in the absence of in-migration, the labor force in Maine would drop by roughly 10% by 2030, and, consequently, income, employment, and tax revenues would also decline. As a result, the State has a goal of attracting 75,000 workers to Maine.

As discussed in section X 2, Ellsworth's workforce has been growing since 2021, and the City's Labor Force Participation Rate (LFPR) has indicated a robust local economy and job market compared to the surrounding region and State. Additionally, roughly 4,359 people commute into Ellsworth for work—about 77% of the City's workforce. Both factors can indicate a need for additional housing opportunities in Ellsworth. Anecdotal evidence suggests that employers in Ellsworth have struggled to hire employees due to a lack of affordable housing and housing options. Some employers, like Jackson Laboratory, have worked with local organizations and housing authorities to provide housing for their employees at their Bar Harbor campus.

According to 2018 – 2022 ACS estimates, Ellsworth's working-age population is composed of approximately 7,144 people over the age of 16. The City's LFPR is 63.3%. The City's total population in the workforce is 4,521 people, representing 0.6% of Maine's total working population of 670,000 people.

Based on the State's goal of attracting 75,000 additional employees by 2030, if the current percentages remain consistent, Ellsworth's workforce will need to grow by approximately 506 people. On average, there are approximately 1.5 – 1.9 people employed per household. Dividing the projected workforce increase of 506 people by 1.5 and 1.9 yields approximately 226 – 337 new households to accommodate the anticipated growth in Ellsworth's workforce.

Table 6.2: Housing Needs Estimate

	Total	Owner Households	Renter Households
High estimate	337	236	101
Low estimate	226	158	68

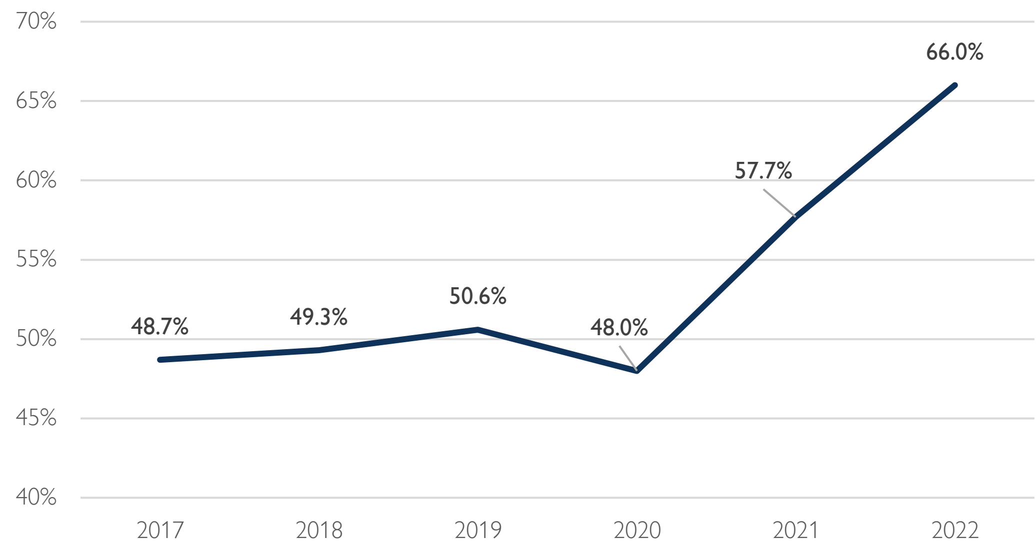
**Renter and owner estimates are based on historical trends in Ellsworth of about 70% of the population owning their home and 30% renting their home.*

Cost-Burdened Households

A household is considered cost burdened when 30% or more of household income is spent on gross housing costs. In Ellsworth, there is a higher percentage of renters considered housing cost burdened compared to homeowners. In Ellsworth, roughly one in five homeowners is considered cost burdened and roughly three in five renters are considered cost burdened. Citywide, roughly one in three households spends more than 30% of their income on housing costs.

The number of cost-burdened renter households has increased in recent years. In 2022, the American Community Survey estimated that 14% of renters spend between 30.0% and 34.9% of their gross income on rent. Additionally, approximately 52% of renters spent more than 35% of their gross income on rent. The share of cost-burdened renters was relatively consistent until 2020, when rent and housing costs began to increase. As housing costs have increased, people moving in to Ellsworth likely have higher incomes to be able to afford the median home price or increase in median rent. Additionally, as home prices have increased compared to wages, residents earning higher incomes are becoming housing cost burdened due to wages not keeping with housing costs.

Figure 6.1: Cost-Burdened Renters

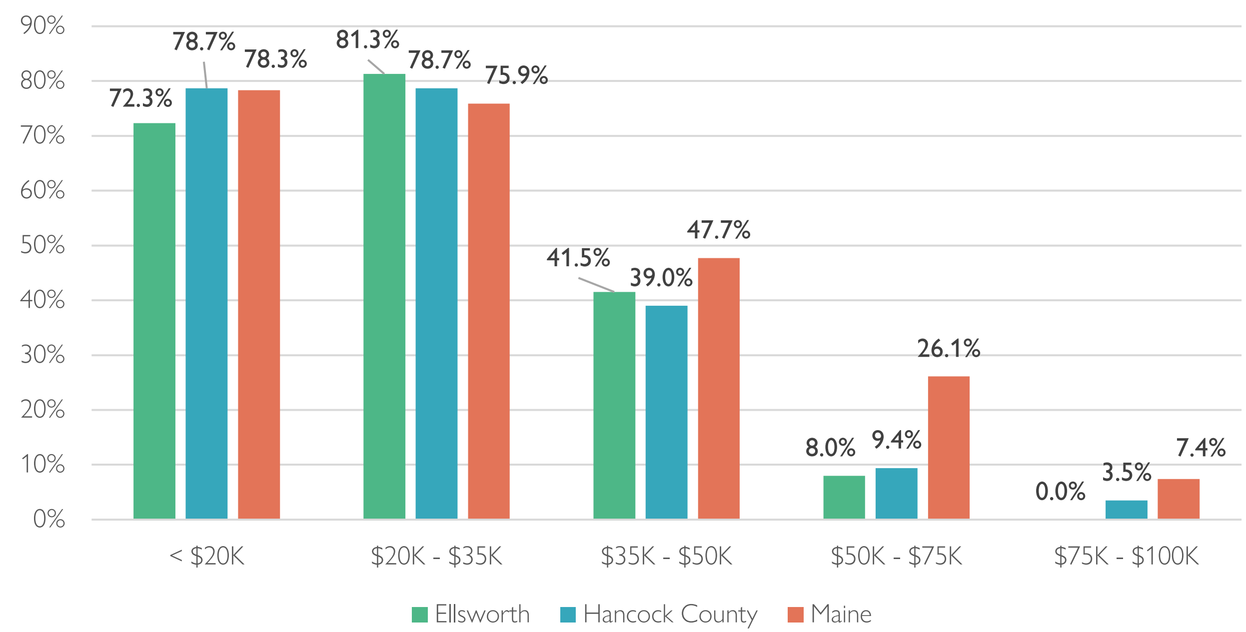


Source: ACS 2022 5-year estimates

Cost-Burdened Households

As the cost of rent has roughly doubled over the last 10 years, a significant portion of low-income households have been impacted. Over 70% of renters making less than $20,000 per year are considered cost burdened, and over 80% of renters making between $20,000 and $35,000 are considered cost burdened. This proportion is similar in Hancock County and across the State.

Figure 6.2: Cost-Burdened Renters by Income Level

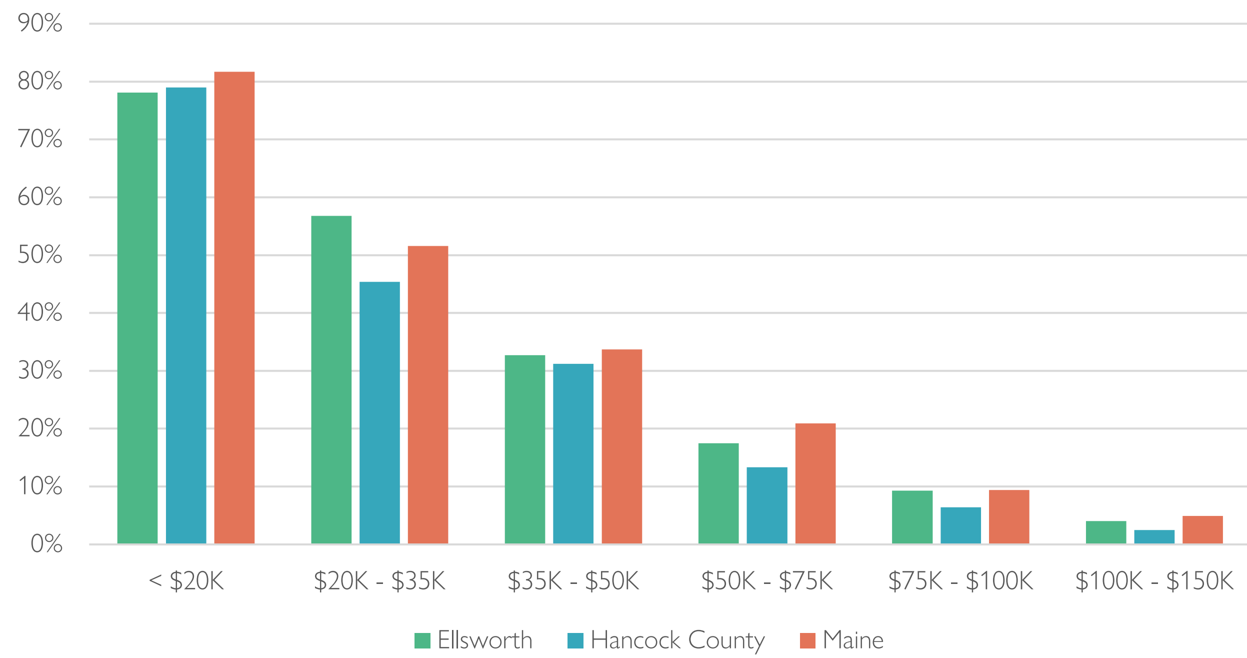


Source: Maine Housing Data Portal, Public Use Microdata Sample (PUMS), U.S. Census Bureau

Cost-Burdened Households

Similarly, a higher proportion of low-income homeowners are cost burdened; however, across income levels, a lower percent of homeowners are considered cost burdened compared to renters. Additionally, a slightly higher percent of seniors who own their home are housing cost burdened compared to all cost-burdened homeowners.

Figure 6.3: Cost-Burdened Homeowners by Income Level

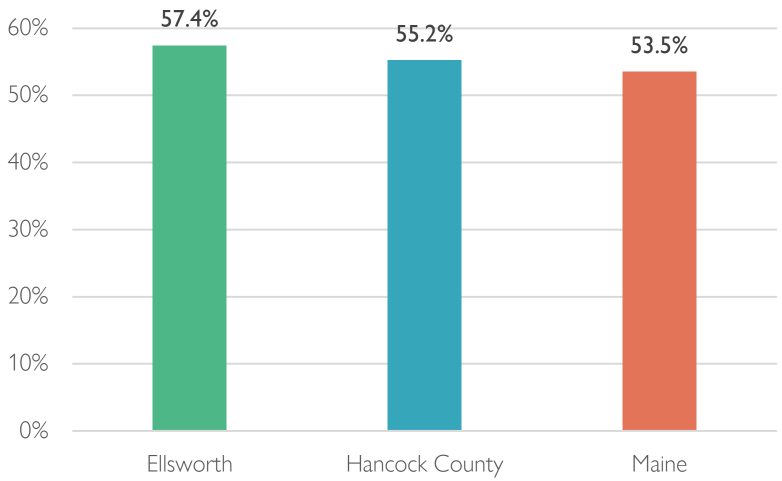


Source: Maine Housing Data Portal, Public Use Microdata Sample (PUMS), U.S. Census Bureau

Cost-Burdened Households

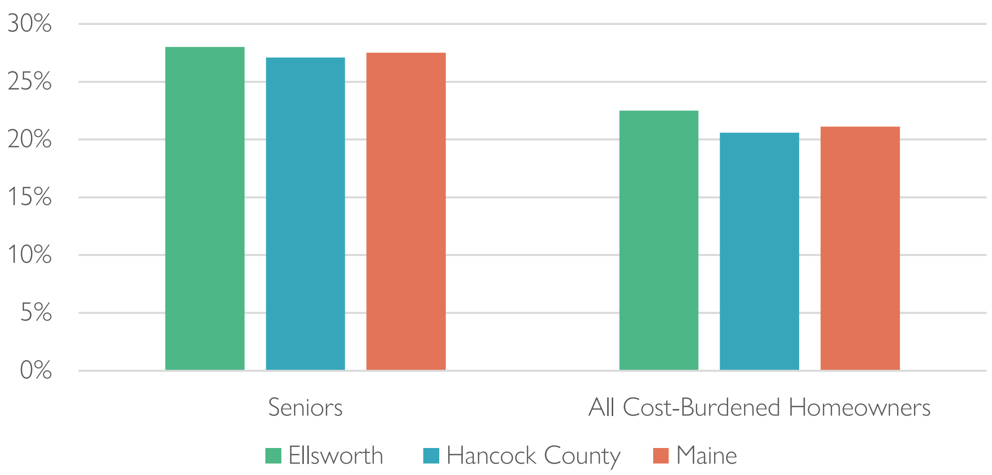
Rising rental and home costs impact different cohorts in different ways. As mentioned earlier in this section, Ellsworth's population is expected to age over the next several years. Seniors tend to be on fixed incomes and are more likely to be housing cost burdened than other homeowners. Additionally, 71% of single-parent households and 38% of households with children are housing cost burdened.Figures 6.4 and 6.5 show the percentage of seniors who are considered cost burdened.

Figure 6.4: Cost-Burdened Senior Renters



Source: Maine Housing Data Portal, Public Use Microdata Sample (PUMS), U.S. Census Bureau

Figure 6.5: Cost-Burdened Homeowners



Source: Maine Housing Data Portal, Public Use Microdata Sample (PUMS), U.S. Census Bureau

Total Cost-Burdened Households

Based on the total number of cost-burdened households, roughly 766 renters are cost burdened, with the majority making below $35,000 per year. Roughly 539 homeowners are cost burdened, with the majority also making less than $35,000 per year. The vast majority of the lowest income households are currently cost burdened.

Table 6.3: Cost-Burdened Households

	Homeowners	Renters	All Households
Cost-Burdened Households	539	766	1,305
Total Households	2,663	1,176	3,839
% Cost Burdened	20.2%	65.1%	34.0%

Source: Maine Housing Data Portal, Public Use Microdata Sample (PUMS), U.S. Census Bureau

Table 6.4: Ellsworth Total Cost-Burdened Households by Income Level

	< $20K	$20K – $35K	$35K – $50K	$50K – $75K	$75K – $100K	$100K – $150K	> $150k
Total Cost-Burdened Owners	122	164	91	109	29	24	8
Total Owner Households	156	289	278	626	312	590	412
% of Owners Who Are Cost Burdened	78.1%	56.8%	32.7%	17.5%	9.3%	4.0%	1.8%
Total Cost-Burdened Renters	331	307	99	27	12	0	-
Total Renter Households	371	350	189	140	73	53	-
% of Renters Who Are Cost Burdened	89.2%	87.7%	52.4%	19.3%	16.4%	0.0%	-
Total Cost Burdened	453	471	190	136	41	24	8
Attainable Monthly Housing Costs	$500	$500 - $875	$875 - $1,250	$1,250 - $1,875	$1,875 – $2,500	$2,500 - $3,750	>$3,750

Source: Maine Housing Data Portal, Public Use Microdata Sample (PUMS), U.S. Census Bureau

Unhoused and Other Vulnerable Populations

As mentioned in section 1, the percent of the City's population with a self-care or independent living difficulty has increased since 2012, indicating a growing demand for supportive housing, assisted living, and other types of residential care facilities or housing options. Just over 8% of the City's residents have a self-care or independent living difficultly, up from 6.7% in 2012.

As discussed in the previous section, most cost-burdened residents in Ellsworth are low-income residents. This further indicates the need for additional housing accommodations and interventions to support the City's most vulnerable residents. While clear data does not exist on the total number of unhoused residents in Ellsworth, anecdotal evidence suggests a rise in the City's and region's unhoused population.

Obsolete Housing

Over time, some housing units may become unhabitable or fall into disrepair. Over the next 10 years, it is anticipated that some of the City's housing stock will deteriorate and become obsolete. These housing units would need to be replaced if they are beyond repair.

It can be difficult to predict the total replacement need in Ellsworth accurately due to unpredictable factors like flooding and other natural disasters that can remove large amounts of housing in a short time; however, some amount of housing replacement is needed to account for the declining physical condition of the City's existing housing stock. Changing market dynamics can also lead to varying degrees of housing removal or addition, including combining lots or a change in the use of a structure.

The "American Housing Survey, Components of Inventory Change: 2015-2017" study analyzes additions and losses in the U.S. housing stock.[6] The study estimates a loss rate of 1.9% of housing units per year in New England. Based on this loss rate data, it is estimated that over a 10-year period, Ellsworth will need to replace approximately 925 housing units, including 479 owner-occupied and 212 renter-occupied units.

Table 6.5: Housing Need Due to Obsolescence

	Total Occupied	Owner-Occupied	Renter-Occupied
Total Units	3,839	2,663	1,176
Estimated Annual Obsolescence Rate	1.80%	1.80%	1.80%
Annual Units Becoming Obsolete	69	48	21
Estimated Replacement Need 2022 – 2030	553	383	169

Source: Components of Inventory Change: 2015 – 2017, HUD

[6] *U.S. Department of Housing and Urban Development, Office of Policy Research. June 2020. American Housing Survey, Components of Inventory Change: 2015-2017, Washington, D.C.: U.S. Department of Housing and Urban Development. Accessed May 17, 2024.* https://www.huduser.gov/portal/datasets/cinch/cinch15/National-Report.pdf

Population Growth

Maine State Economist estimates that Ellsworth's population will grow to 8,948 people in 2030. Ellsworth's population has grown faster than predicted by the State; however, the rate of growth and in-migration has slowed slightly in the City and State since 2020 and 2021. The State's population estimates likely provide a low-end estimate of the growth that Ellsworth will see over the coming decade. Esri estimates that the City's average household size will remain around 2.13 people per home. The City's ownership composition has largely remained 70% homeowners and 30% renters over the past decade. This estimated proportion and average household size was used to determine the breakdown of housing units needed to accommodate population growth.

Table 6.6: Housing Unit Estimates

Year	All Units	Owner-Occupied	Renter-Occupied
2020	3,506	2,383	1,123
2022	3,839	2,663	1,176
2030	4,201	2,941	1,260
Increase 2022 – 2030	362	278	84

Source: ACS 2018-2022 5-year estimates, Maine State Economist

Housing Need

There is a need for new housing interventions in Ellsworth to accommodate the City's projected population growth, alleviate housing cost burden, and replace obsolete housing units. This includes an overall need for new, improved, or alternative housing options. This estimate does not imply that the City will need to construct all new housing units. This study will consider a variety of housing policies, programs, and collaborations to address current and future housing needs and include opportunities to create new housing and preserve existing housing units. These numbers are based on conditions in Ellsworth today and available data to project future conditions.

As discussed earlier in this section, there is an anticipated growth in the City's workforce by 2030. For this study, the estimated 226 and 337 housing units to accommodate the growing workforce are factored into high and low estimates for future housing needs, as the need to attract a workforce to support adolescent and older adult populations will likely change over time.

The largest housing need in the City is for those who are burdened by housing costs. This includes owners and renters who spend more than 30% of their income on housing costs.

Roughly 1,350 households are considered housing cost burdened, and of those households, the majority make less than $35,000 per year. Table 6.7 below combines and summarizes the data discussed in previous sections of this chapter.

Table 6.7: Breakdown of Estimated Housing Needs

	All Households	Owner Households	Renter Households
Cost-Burdened Households*	1,305	539	766
Obsolete Housing**	553	383	169
Population Growth**	362	278	84
Workforce Growth – High Estimate**	337	236	101
Workforce Growth – Low Estimate**	266	158	68
High Estimate by 2030	2,557	1,436	1,120
Low Estimate by 2030	2,486	1,358	1,087
*** Current-cost burdened households ** Based on 2030 estimates**			

Source : ACS 2022 5-year estimates, Esri, Maine Housing Data Portal, Public Use Microdata Sample (PUMS), U.S. Census Bureau Components of Inventory Change: 2015 – 2017, HUD

Other Factors

As discussed in section 3, vacant housing for seasonal use and STRs make up roughly one in four houses in Ellsworth. This number has increased in recent years. Ellsworth has a seasonal population and is located near MDI and Acadia National Park. The City should thoughtfully look to balance its year-round and seasonal economies; however, the loss of year-round housing units has impacted the local housing market and taken formerly year-round housing options off the market.

Additionally, land and construction costs have increased significantly, impacting the feasibility of housing construction. Rising costs can impact the type of housing constructed and the location of construction. Additional information on the City's development and regulatory environment can be found in Section 7.

Housing-related challenges have been felt regionally and statewide. Regional communities, including Bar Harbor, have begun to analyze their future housing needs and capacity for future development, and the Hancock County Planning Commission has been examining housing affordability and need countywide. Additionally, State policies and legislation have aimed to increase housing production and increase the State's workforce.

Most recently, L.D. 2003 was passed by the legislature in 2023, with the intention of compelling communities to reduce barriers to housing development, including making it easier for homeowners to build accessory dwelling units (ADUs). The State and MaineHousing offer additional programs and strategies to support municipalities in increasing their available housing opportunities.

DEVELOPMENT ENVIRONMENT: Introduction

With nearly 80 square miles of land area, Ellsworth has significant undeveloped land area with development potential. While housing development regulations in Ellsworth are generally more permissive than in other comparable communities in the region, a more strategic approach to guiding development in targeted growth areas while helping to ensure protection of critical environmental areas.

Other factors, including transportation infrastructure, the location of existing utilities, access to services, and the historic and architectural character of neighborhoods also need to be addressed.

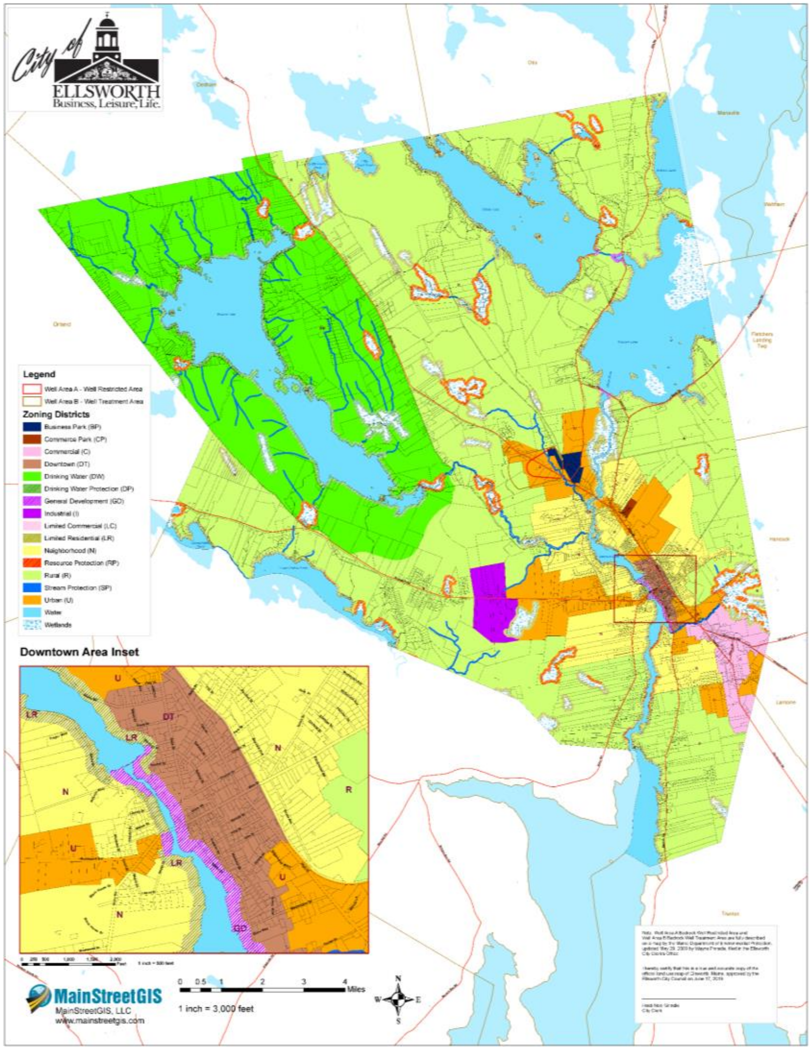
In addition, understanding existing and potential regulatory barriers to development, is essential to successfully encouraging the type of development that is desired by the community and that will support sustainable economic growth.

Growth Areas and Non-Growth Areas

The City's 2004 Comprehensive Plan designated a growth area, which included areas in and around the Urban Core. The plan proposed changes to enhance restrictions in rural zones (non-growth areas) and to encourage development in growth areas, including reducing minimum lot sizes.

Despite efforts to discourage development in non-growth areas, Ellsworth has experienced new residential development in rural areas. Lakefront property and the area between Green Lake and Graham Lake are experiencing the most development pressure, due to the desirability of the lakes for vacation home buyers and investors. Based on current land use regulations, there remains significant land area in the Rural and Drinking Water districts that is vulnerable to development.

City of Ellsworth Official Land Use Map



Land Use Regulations

Ellsworth's zoning regulations for residential development are generally more permissive than those of peer communities, both in urban and rural districts. Multi-family structures (with up to six dwelling units in Rural and Drinking Water districts) and ADUs are permitted in all residential districts in the City. In addition, the City allows for other housing facilities, such as boarding houses, congregate care, and assisted living facilities within all residential zones except for the Drinking Water district.

Table 7.1: Ellsworth Allowable Residential Uses by District

	Single-Family	Multi-Family (3 – 6 Units)	Multi-Family (7+ Units)	ADUs	Mobile Home	Mobile Home Park	Other
Downtown (DT)	Yes	Yes	Yes	Yes	No	No	Boarding house, congregate housing, assisted living
Urban (U)	Yes	Yes	Yes	Yes	Yes	Yes	Boarding house, congregate housing, assisted living
Neighborhood (N)	Yes	Yes	Yes	Yes	Yes	No	Boarding house, congregate housing, assisted living
Commercial (C)	No	Yes	Yes	Yes	Yes	No	
Commerce Park (CP)	No	No	No	No	No	No	
Industrial (I)	No	No	No	No	No	No	
Business Park (BP)	No	No	No	Yes	No	No	
Rural (R)	Yes	Yes	No	Yes	Yes	Yes	Boarding house, congregate housing, assisted living
Drinking Water (DW)	Yes	Yes	No	Yes	Yes	No	

Source: City of Ellsworth Unified Development Ordinance

Land Use Regulations

In growth areas, Ellsworth's Downtown district has no restrictions on lot size, frontage, density, building setbacks, or lot coverage. Ellsworth's Urban district is the least restrictive of urban/downtown residential districts of peer communities (Bar Harbor, Belfast, Caribou, and Skowhegan), with no density limit, a height limit of 60 feet, and minimal building setback requirements.

In non-growth areas, the City's Rural district is also more permissive than comparable rural residential districts in peer communities, which tend to have greater building setback and frontage requirements and more restrictive density limits. Broadly, Ellsworth's allows for taller buildings, greater density, and less restrictive setback requirements than peer communities.

Table 7.2: Zoning Regulation Comparison – Downtown Districts

Municipality	District	Min Lot Size	Density	Max Height	Min Frontage	Min Setback	Maximum Coverage	Residential Uses Permitted
Downtown Districts								
Ellsworth	Downtown	none	none	48 ft/60 ft	none	none	none	ADU, SF, MF
Belfast	Downtown Commercial (DC)	1,000 sf	none	60 ft	15 ft	0 ft	none	MF
Caribou	Downtown Commercial (C-1)	none	none	45 ft	none	0 ft	100%	MF
	General Commercial (C-2)	none	none	45 ft	none	Front/Side/Rear: 10 ft	50%	TF, MF
Bar Harbor	Downtown Village I	1,000 sf	750 sf/DU	35 ft/45 ft	20 ft	0 ft (25 ft abutting a residential or historic district)	100%	ADU, SF, TF, MF (3 or 4 DU)
	Downtown Village II	1,000 sf	750 sf/DU	35 ft/45 ft	20 ft	Front: 10 ft/ 20 ft; Side: 0 ft; Rear: 5 ft/20 ft	70 – 90%	ADU, SF, TF, MF (3 or 4 DU)

Source: City of Ellsworth Unified Development Ordinance, City of Belfast Code of Ordinances, City of Caribou Zoning Ordinance, Town of Skowhegan Shoreland Zoning Ordinance, Town of Bar Harbor Land Use Ordinance

Land Use Regulations

Table 7.3: Zoning Regulation Comparison – Urban Residential Districts

Municipality	District	Min Lot Size	Density	Max Height	Min Frontage	Min Setback	Maximum Coverage	Residential Uses Permitted
Urban Residential Districts								
Ellsworth	Urban	10,000 sf	none	60 ft	18 ft (100 ft min lot width)	Front: 0 ft; Side/Rear: 5 ft		ADU, SF, MF
	Neighborhood	20,000 sf	10 DU per acre	none	50 ft (100 ft min lot width)	Front/Rear: 20 ft; Side: 10 ft		ADU, SF, MF
Belfast	Residential Urban I	10,000 sf	1 dwelling structure per 10,000 sf	38 ft	60 ft	25 ft (front); 15 ft (rear/side)		SF, TF
Caribou	Residential Single-Family (R-1)	SF: 9,000 sf; TF: 10,500 sf	none	35 ft	SF: 85 ft; TF: 95 ft	Front: 20 ft; Side: 5 ft; Rear: 10 ft	30%	SF, TF
	Residential Mixed Housing (R-2)	SF: 9,000 sf; TF: 10,500 sf; MF: 12,000 sf plus 1,500 sf per add'l DU	none	35 ft	SF: 75 ft; TF: 85 ft; MF: 95 ft plus 10 ft for each additional DU	Front: 20 ft; Side: 5 ft; Rear: 10 ft	30%	SF, TF, MF
Skowhegan	(Lots on Public Sewer)	10,000 sf; MF - 10,000 sf plus 5,000 sf per add'l DU	none	none	100 ft; MF: 200 ft	none	none	N/A
Bar Harbor	Downtown Residential	5,000 sf	2,500 sf/DU	40 ft	50 ft	Front: 15 ft; Side: 5 ft; Rear: 15 ft	70%	ADU, SF, TF, MF (3 or 4 DU)
	Village Residential	10,000 sf	10,000 sf (with sewer); 20,000 sf (w/o sewer)	40 ft	100 ft	Front: 20 ft; Side: 10 ft; Rear: 10 ft	50% (with sewer); 20% w/o sewer)	ADU, SF, TF, MF (3 or 4 DU), employee living quarters, MF

Source: City of Ellsworth Unified Development Ordinance, City of Belfast Code of Ordinances, City of Caribou Zoning Ordinance, Town of Skowhegan Shoreland Zoning Ordinance, Town of Bar Harbor Land Use Ordinance

Land Use Regulations

Table 7.4: Zoning Regulation Comparison – Rural Residential Districts

Municipality	District	Min Lot Size	Density	Max Height	Min Frontage	Min Setback	Maximum Coverage	Residential Uses Permitted
Rural Residential Districts								
Ellsworth	Rural	40,000 sf	6 units per acre	35 ft	50 ft (100 ft min lot width)	Front: 20 ft; Side/Rear: 15 ft		ADU, SF, MF (up to 6 DU)
	Drinking Water	80,000 sf	0.5 units per acre	48 ft	50 ft (100 ft min lot width)	Front: 50 ft; Side: 15 ft; Rear: 20 ft		ADU, SF, MF (up to 6 DU)
Belfast	Residential/ Agricultural I		1 dwelling structure/acre (2 acres for subdivisions)		100 ft	30 ft (front); 15 ft (side/rear)		SF, TF
	Protection Rural	2 acres	1 dwelling structure/2 acres		200 ft	30 ft (front); 15 ft (rear)		SF, TF
Caribou	Rural Mixed Housing (R-3)	SF: 43,560 sf; TF: 65,000 sf; MF: 87,000 sf plus 10,000 sf per add'l DU	none	35 ft	SF: 150 ft; TF: 160 ft; MF: 175 ft plus 10 ft for each add'l DU	Front: 30 ft; Side/Rear: 15 ft	30%	SF, TF, MF
Skowhegan	(lots not connected to public sewer)	40,000 sf	none	none	200 ft	none	none	N/A
Bar Harbor	Town Hill Rural/ Salisbury Cove Rural/Hulls Cove Rural	40,000 sf	40,000 sf/DU	40 ft	200 ft	Front: 75 ft; Side/Rear: 25 ft	25%	ADU, SF, TF
	Indian Point Rural/ McFarland Hill Rural	80,000 sf	40,000 sf/DU	40 ft	200 ft	Front: 75 ft; Side/Rear: 25 ft	25%	ADU (not allowed in IPR), SF, TF

Development Potential and Infrastructure

Under the current ordinance, much of the City's rural and forested land area is vulnerable to development. The City's 2020 Ellsworth Build-Out Analysis, completed by Frenchman Bay Conservancy, determined that 52% (25,167 acres) of the City's total area is buildable with most of that buildable land lying within the Rural district (14,308 acres). The City has experienced more residential development in rural areas (outside of the growth area) in recent years as development pressure has increased in Ellsworth and the region, especially around Green Lake and Graham Lake. New development in rural areas has primarily been detached single-family homes, generally in planned subdivisions.

Infrastructure and Services

The City's water and wastewater service generally covers areas within the Urban Core east of the Union River and the area just north of West Main Street (west of the Union River). In 2012, the City completed construction of a new wastewater treatment facility. The water treatment plant needs replacement. The City has received funding from the Drinking Water State Revolving Fund to complete a conceptual design for a new treatment plant and will need to plan for construction funding is in the process of acquiring funding for construction of the new plant.

The City's Public Works Department has noted a significant increase in costs to repair and repave roads, along with costs of other maintenance and construction. The cost of long-term maintenance for public infrastructure including roads, sidewalks, utilities, and other facilities should be carefully considered in the context of directing growth and the financial and community impact of potential new development.

Downeast Transportation offers limited bus service from downtown Ellsworth to Bar Harbor, Bangor, and Blue Hill. It also provides limited transportation within the Ellsworth Urban Core area with stops at key locations downtown and along the High Street/Route 3 commercial corridor. Shopping, services, and other amenities are also concentrated in the Urban Core, including schools, restaurants, community centers, Maine Coast Hospital, and social and government services.

Critical Environmental Areas

Most of the City's critical environmental areas are outside of the Urban Core in relatively undeveloped areas. These critical environmental areas, as defined by the State, include wetlands, significant vernal pools, and endangered/threatened species habitat areas. In addition to these areas, the City's Shoreland Zoning defines areas around lakes and along streams and rivers and includes additional restrictions on land development. Much of the land along the Union River and Card Brook within the Urban Core is developed, and additional consideration should be given to potential development impacts on water quality in these areas and possible mitigation strategies. While additional development is a concern related to water quality protection, redevelopment of existing sites offers an opportunity to mitigate environmental impacts, including improvements to stormwater management in urban areas.

Housing for the Future of Ellsworth

Ellsworth's desirable location, numerous cultural and recreational assets, and historic character attract residents and visitors and position the City for continued population growth, job growth, and increased tourism. The City has seen a recent uptick in housing development in response to the growing demand; however, considerations for the type, location, and cost of housing that is being created is essential to addressing housing needs for residents, employees, and employers.

A large city in land area, Ellsworth has significant areas of undeveloped land with potential for commercial and residential development. Consideration for the long-term needs and impacts of development decisions on the community is essential for maintaining the quality of life that has drawn people to Ellsworth and for helping to ensure that development benefits people who live and work in the City and region.

Developing and implementing proactive housing policy provides an opportunity to support the City's vision and goals established in the 2024 Comprehensive Plan. Increasing housing opportunities in the urban core provides access to transportation and services, supports businesses, and contributes to the vibrancy of downtown Ellsworth. Creating opportunities for more people who work in Ellsworth to also live in the City, supports community building and reduces traffic congestion in and out of the City.

The State of Maine Housing Production Needs Study (completed in October 2023) identified a gap of 38,500 units statewide to meet current needs resulting from historic underproduction of housing, with 21,000 of those units needed in the Coastal Region, which includes Cumberland, Hancock, Knox, Lincoln, Sagadahoc, Waldo, and York Counties. In addition, the study indicated a future need for an additional 37,900 to 45,800 new units to support growth, up to 28,000 units in the Coastal Region.

While the production of new housing throughout the State is the most critical need and necessary to stabilize the housing market, this takes time. Long-term changes to the development environment are needed to overcome barriers to the cost and complexity of housing development in many Maine communities. At the same time, the critical nature of the housing crisis in the Ellsworth region warrants short-term solutions to address immediate housing needs and changing demographics of the City and region.

PART 2: HOUSING STRATEGY

Photo credit: City of Ellsworth

Introduction

As ascertained in the Needs Assessment (Part 1), there is a need for more housing at all levels in the City of Ellsworth (City), but especially to meet the needs of the City and region's workforce, which includes many service, hospitality, and healthcare workers. With current wages for these industries, it is nearly impossible for many households to find adequate housing near their places of employment. More rental housing and subsidized housing targeted to low- and middle-income households is critical to serve these populations. In addition, the seasonal workforce adds another layer of complexity to the region's housing crisis, with workers competing with visitors to find adequate housing at the busiest time of the year.

Drastic changes in the real estate market have adversely impacted residents, especially renters, who have been challenged to respond to rising rents and lack of inventory. This, in turn, stifles economic growth when businesses struggle to hire and retain employees. Ellsworth's location, amenities, and small-town charm make it a desirable place to live. The City has benefitted from the influx of new residents and visitors; however, the lack of affordable and appropriate housing options is becoming a barrier to economic growth.

The following strategies and initiatives provide a variety of tools and approaches to address the City's housing needs. With so many factors impacting housing supply and costs, a multi-pronged approach is necessary. These initiatives include both long-term regulatory changes to support housing development over the next decade, as well as short-term solutions, like home sharing, to help meet immediate needs of residents. Many of these initiatives involve incentives or indirect support to create a better development environment. Others call for more direct action to fund housing development. Collaboration and partnerships are other important elements to this plan. While some initiatives require direct action of the City Council or City staff, most require some collaboration among other organizations, agencies, or community groups to be successful. Building strong partnerships will be a key to the success of this plan, and has already begun with the collective work of the Ellsworth Housing Task Force and support through this planning effort from GrowSmart Maine and Hancock County Planning Commission.

Photo credit: City of Ellsworth

COMMUNITY PRIORITIES: Outreach and Engagement

Community members recognize the impact of the housing crisis on economic stability of the region, including the ability for small businesses to stay open, access to child care and education, and the ability to age in the community with adequate services and amenities.

From June 2023 through summer 2024, the City of Ellsworth conducted community outreach to gain feedback on challenges and priorities to support the Ellsworth 2035 Comprehensive Plan (Comprehensive Plan) effort and this housing study. More information on the community engagement efforts and the feedback received can be found in the Comprehensive Plan. A postcard inviting residents to take a visioning survey was mailed to each address in the City in the fall of 2023. The City received responses from 475 community members. In addition, the City held focus group meetings with the business community and service providers; Living and Working in Ellsworth public forums; and a visual preference land use survey. Much of the discussions at these events and through these engagement opportunities focused on housing, population and economic growth, and the future of the built environment in Ellsworth.

At the Living and Working in Ellsworth public forum held on July 18, 2023, breakout discussions centered around four primary issues facing residents, employees, and businesses in Ellsworth: housing, child care, transportation, and economic opportunity.

The housing and land use public forum, held on April 10, 2024, provided opportunities for more in-depth discussions on housing and desirable areas for development. The future land use visual preference survey, following this forum, invited community members to provide input on desired types and styles of housing and mixed-use development in specific areas of the City.

What is your vision for Ellsworth?

- *A variety of housing development including affordable housing, senior housing and veteran housing and also more shelter beds for the unhoused.*
- *Becoming an affordable and walkable city.*
- *Affordable housing, investments in traffic management, improve city facilities.*
- *A growing place with a small town charm.*
- *…a bustling small city, known for its scenic views along the Union River and access to recreational amenities, including parks and open space…. Residents can afford to both work and live in town, and amenities are accessible by foot.*

- Survey respondents

COMMUNITY PRIORITIES: Key Themes

The following key themes were identified throughout engagement efforts:

- Community members would like to see a variety of housing types, including housing for older adults, apartments, starter homes, small single-family homes, and more affordable housing.
- Community members are concerned about the impact of short-term rentals on the housing market and on quality of life in neighborhoods.
- Sprawl should be limited to further preserve open space and rural areas in Ellsworth.
- Employers are having difficulty hiring and retaining staff members due to a lack of available and affordable housing and access to child care.
- Employees are commuting further distances to work in and around Ellsworth.
- Infrastructure upgrades should be aligned with planned density of commercial and residential developments.
- The City's historic character should be preserved, and development should be promoted in a way that blends with existing size, scale, and architecture.

Photo credit: BerryDunn

HOUSING STRATEGIES AND INITIATIVES

The strategies and initiatives on the following were identified by the Housing Task Force, City staff, and consultant team, as priorities for addressing housing needs based on the City's vision and goals, resources available, and potential impact. These recommendations include a variety of approaches to decrease costs, leverage existing housing stock, and expand development opportunities. Initiatives range from short-term changes intended to have a more immediate impact to long-term capital investments and regulatory changes that will impact development in the community over the next decade and beyond. Details for implementing each initiative are provided in the following pages.

A multi-faceted approach is needed to address the scope and range of housing needs of the City and region for the long-term. Continuing to support and participate in regional efforts to understand housing needs and address the housing crisis is essential for Ellsworth. As the crossroad of Downeast Maine and regional commerce center, adequate housing is a critical issue to help ensure sustainable economic growth for the region.

All of the following strategies and initiatives either require, or would significantly benefit from, collaboration and coordination with other state or regional agencies, nonprofits, for-profit developers, the business community or other groups. Ongoing and proactive communication and outreach to these groups by the City will be necessary to help ensure that these initiatives are implemented. The City should continue work with these groups to build and strengthen partnerships to support the implementation of this plan.

Compared to other larger urban areas, the housing crisis in Ellsworth is a relatively new challenge. In 2019, home prices were considered affordable– meaning a household earning the median income could afford the median home price. That is no longer the case, and the affordability gap has continued to grow in the last five years. Because housing affordability is a relatively new challenge in the region, education around each of the initiatives and outreach to partners will be important components of this strategy. Finally, celebrating and promoting the work that the City and its partners are doing and have done to address housing needs is essential to continuing the momentum for implementing these initiatives and effecting change in the community.

Strategy 1: Decrease Development Costs

Rising construction costs and the unpredictability of pricing has become a major barrier to housing development.

As costs of construction materials, labor, and land have all increased in recent years, overall development cost has become a bigger barrier to creating more housing. The following initiatives aim to reduce development costs through three broad approaches: reducing development requirements, reducing soft costs related to permitting and design development, and directly subsidizing housing development through financial support.

Reducing development regulations (such as density, parking, and setback requirements) allows developers to create a project with a greater return on investment; this may mean more housing units on a property, or more commercial square footage. While relaxing site development requirements could also include landscaping, drainage, or other site improvements, the initiatives in this section focus on allowing for more units and overall higher density development downtown and in the Urban Core of Ellsworth.

Soft costs for construction projects include non-construction related expenses, such as design, permitting fees, project management, insurance, and construction loan fees. Individually, soft costs are generally a small percentage of the overall project cost; collectively, these costs account for 25% to 50% of a project budget. Reducing these soft costs or helping to provide some predictability and consistency in costs, especially for the development review process, can help to reduce risk for developers. While permit and development review fees are necessary to cover costs for municipal and board reviews, streamlining processes to reduce time spent in development review, minimizing costs for redesign, and reducing overhead costs for project management and site maintenance can all have a significant impact on a project budget.

Finally, directly subsidizing housing development is increasingly necessary for communities to achieve the type of development desired. Some type of subsidy is necessary for affordable housing development, much of which is funded through State and federal tax credits. Newer programs, such as the Rural Affordable Housing Rental Program, target specific housing types and locations. More municipalities are developing tools at the local level to directly fund housing development, including tax increment financing (TIF) districts, affordable housing trust funds, using public land, and being more proactive in moving development projects forward by seeking funding for these projects through partnerships and grants.

Initiative 1: Reduce or eliminate minimum parking requirements to lower development costs.

Parking requirements can limit the potential for housing development by requiring a certain number of parking spots based on the size or use of a building. Reducing or eliminating minimum parking requirements would not ban parking but would allow the developer to determine how much parking is needed based on the specific uses of the development, anticipated demographics of residents and visitors, and access to alternative transportation options. Minimizing these requirements can make way for more housing units and support a more walkable, vibrant downtown.

In Ellsworth, areas surrounding the downtown are predominantly detached single-family residential neighborhoods. Reducing parking requirements could allow for greater density in these areas, supporting walkability and accessibility to amenities, and benefiting downtown businesses. In addition, eliminating parking minimums in downtown will facilitate redevelopment of existing buildings.

Action Items:

A. Amend local zoning regulations in coordination with zoning updates for the Comprehensive Plan.

B. Work with developers to improve access to public transportation, ride or bike shares, sidewalks, and trails in new development projects during the review process.

C. Promote alternative solutions, such as shared parking agreements, availability of municipal lots, and potential private garages or parking options in downtown.

D. Improve wayfinding signage to help residents and visitors identify available parking.

BEST PRACTICE EXAMPLE:

Burlington, Vermont

The City of Burlington, Vermont, passed an ordinance that eliminates parking minimums and implements parking maximums, while requiring developers to promote alternative modes of transportation besides cars. For market-rate developments, the City is requiring developers to choose from several strategies to reduce reliance on cars, including subsidizing bus passes or offering free car or bike shares. Exceptions are made for affordable housing developments.

RESPONSIBLE AGENCY: City of Ellsworth – Planning

COLLLABORATORS: Developers, Ellsworth Chamber of Commerce, Heart of Ellsworth

Initiative 2: Create a library of pre-approved building construction plans.

Pre-approved plan sets are a resource that include building construction plans that have been reviewed and approved by the Code Enforcement Officer for code compliance. Typically, site plans are still required to be reviewed for compliance with specific site layout and design requirements for the specific parcel, such as setbacks, lot coverage, and site access. This is similar to a "Sears Catalog" of building plans that are available for property owners or developers to use when constructing new projects. Pre-approved plan sets are most effective when there are vacant lots of similar size and shape with minimal site constraints. Appropriate consideration can be given for the architecture and design of historic neighborhoods or districts.

In Ellsworth, pre-approved plans could facilitate development of accessory dwelling units (ADUs), where a similar design could fit on a variety of existing lots. Having a library of pre-approved plans would reduce the overall time and cost to receive a building permit and support homeowners who may not be familiar with the development review and approval process.

Action Items:

A. Identify building types for which pre-approved plans would be most applicable.

B. Solicit building design submissions from design professionals.

C. Establish a process for evaluating and approving designs for pre-approval.

BEST PRACTICE EXAMPLE:

South Bend, Indiana

The City of South Bend, Indiana developed a library of pre-approved building plan sets to support infill and economic opportunities. Plans come with contingent building and site development approval and gives consideration for a variety of lot sizes, shapes, and home types.

RESPONSIBLE AGENCIES: City of Ellsworth – Code Enforcement, Planning

COLLLABORATORS: Design professionals

Initiative 3: Improve organizational structure, clarity, and reliability of the permitting process.

Building codes are designed to help ensure the safety and quality of new construction and redevelopment, while site design and zoning reviews are designed to verify that a project complies with zoning, site, and design requirements. While these processes serve an essential service, they can often be complex and unclear to developers and homeowners. Lengthy and unpredictable processes can add costs to a housing project and impact the affordability of a development. Additionally, a long and complicated process can deter small-scale developers and homeowners from working in a municipality. Improving the consistency, structure, and clarity of the review process can reduce the overall risk of a project and lower soft costs for developers.

Action Items:

A. Evaluate and document development review processes, including organizational structure, staffing, business processes, regulations, and systems used.

B. Identify improvements to streamline permitting and review processes.

C. Identify tools or systems to be implemented to improve efficiency.

RESOURCES

The National Association of Homebuilders' *Development Process Efficiency: Cutting Through Red Tape* report outlines a menu of recommendations with examples to support municipalities and developers in improving the permitting process. One of these recommendations is implementing an online permitting process, which can help facilitate plan review, track progress, and issue permits electronically.

BEST PRACTICE EXAMPLE:

Auburn, Maine

The City of Auburn, Maine, has launched an online customer portal through which customers can apply for permits, access project information, and pay fees. The City's open data and information portal (AccessAuburn) also provides easy access to relevant information for developers, such as zoning information, flood maps, and City data dashboards.

Kittery, Maine

The Town of Kittery, Maine, has a similar online permitting platform and mapping application. The Town has also developed guidelines for using the portal and for certain processes, such as building a new home.

RESPONSIBLE AGENCIES: City of Ellsworth – Code Enforcement, Planning, City Manager's Office

COLLLABORATORS: Ellsworth Planning Board, developers, design professionals

Initiative 4: Establish a housing trust fund to support the funding of affordable housing development.

Housing trust funds are a flexible source of funding that can be used to support a variety of affordable housing initiatives. Housing trust funds can be used to support financing for affordable housing developments; create affordable, deed-restricted housing; purchase land for development; improve and rehabilitate homes; or provide grant and loan funding for projects, among other uses. Housing trusts can be funded through TIF funds, development fees like impact fees or in lieu fees, property tax allocation, or transfer taxes.

A housing trust fund could provide the City with funds to directly support projects or initiatives that are most important to meeting City goals, or that are otherwise not funded. Priorities may shift over time, and funds can be used for a variety of initiatives including home repairs, rent or down payment assistance, and subsidies for new development. Direct financial subsidy for development projects can help to make affordable housing or supportive housing projects financially feasible.

Action Items:

A. Define the purpose and scope of the trust fund related to specific housing needs of the community.

B. Determine the appropriate structure and establish a governing body to oversee the trust fund.

C. Identify and secure funding sources (e.g., City government allocations, grants, donations, dedicated fees).

D. Set up an administrative process and criteria for applying for funds, reviewing applications, monitoring projects, and evaluating the trust fund's impact.

RESOURCES

Local Housing Solutions' Housing Trust Fund brief provides a guide for ways to implement and fund a housing trust fund, and provides examples of potential projects that a trust could support.

BEST PRACTICE EXAMPLE:

Portland, Maine – Jill C. Duson Housing Trust Fund

In Maine, some municipalities have established or are establishing housing trust funds to support affordable housing development. The City of Portland, Maine's Jill C. Duson Housing Trust Fund identifies priorities and goals for housing creation, including long-term affordability requirements. The trust fund is financed through contributions from the City's housing replacement ordinance, in-lieu fees, grants, interest from funds and investments, and other contributions and appropriations. Each year the City Council adopts a plan for priorities for the use of funds.

RESPONSIBLE AGENCIES: Ellsworth City Council

COLLLABORATORS: City of Ellsworth – Economic Development, Planning, Finance, City Manger's Office; land use attorneys; Ellsworth Planning Board

Initiative 5: Foster public-private partnerships for affordable housing development.

Forming partnerships with private organizations, developers, and service providers can support housing development and housing for specific groups, including low-income households, adults living with a disability, and older adults. Public-private partnerships can take a variety of forms, including:

- Utilization of public land for housing development
- Supporting public and privately-owned infrastructure development
- Collaborations with local housing authorities and nonprofits
- Collaboration with community organizations to provide supportive services
- Affordable housing TIF districts

With fewer housing developers in the region compared to larger housing markets in southern and mid-coast Maine, proactive outreach by the City to potential development partners is necessary. In addition, providing financial incentives and strategic support through the process can be mutually beneficial to developers and the City by facilitating the type of housing desired by the community.

Action Items:

A. Identify and reach out to potential nonprofit and private sector housing development partners.

B. Work with local partners to develop an inventory of potential development and redevelopment sites.

C. Coordinate with partners to identify potential funding sources.

BEST PRACTICE EXAMPLE:

55 Weston Avenue – Madison, Maine

The Town of Madison, Maine, worked with local developers and the State to leverage funding from the Rural Affordable Rental Housing Program. The project at 55 Weston Avenue created 18 affordable rental units in the first phase of development, supporting new workers in the area and seniors looking to downsize.

RESPONSIBLE AGENCIES: City of Ellsworth – Economic Development

COLLLABORATORS: City of Ellsworth – Planning, City Manager's Office; developers; land use attorney; design professionals; MDI & Ellsworth Housing Authorities; MaineHousing; community organizations; Ellsworth City Council; Ellsworth Planning Board

Initiative 6: Leverage State and federal funding and build partnerships to maximize impacts of funding.

Partnering with other agencies, nonprofits, or municipalities can increase access to funding and can expand capacity for grant writing and management. As a relatively small community, Ellsworth has limited staff capacity to support housing and economic development initiatives. Grant writing and management can be time consuming and may prohibit a municipality from applying for additional grants to support its goals due to staff resourcing and availability. Partnering with local organizations or regional municipalities can support the City in accessing additional funding and strengthening grant applications.

Action Items:

A. Continue to connect with existing partners and build relationships with other organizations and municipalities.

B. Identify available and needed resources (e.g., capital, grant writing capacity, public land) and coordinate with partners to share resources.

RESOURCES

U.S. Department of Housing and Urban Development (HUD) funding opportunities:

HUD offers a variety of funding opportunities. Programs like the HOME Program and Housing Trust Fund support collaborative projects between local, regional, and State agencies and the private sector.

- Older Adult Home Modification Program
- HOME Program
- Housing Trust Fund

RESPONSIBLE AGENCIES: City of Ellsworth – Economic Development, City Manager's Office

COLLLABORATORS: City of Ellsworth – Planning, developers, land use attorney, design professionals, MDI & Ellsworth Housing Authorities, MaineHousing, community organizations, Ellsworth City Council, Ellsworth Planning Board

Initiative 7: Allow for increased density in walkable neighborhoods.

Allowing for increased density in walkable neighborhoods (areas in and around downtown and near commercial areas) enables more people to live near essential services, shops, jobs, and transportation. Higher density in walkable areas helps meet housing demand in areas with existing infrastructure, supports local businesses, and reduces dependencies on cars. In Ellsworth, this could look like decreased minimum lot sizes and setbacks to allow for the development of smaller homes on smaller lots in existing neighborhoods or for multifamily units in mixed-use areas. Higher density in walkable areas, including areas outside of the downtown district, can support existing businesses and reduce traffic in the downtown and along major corridors.

Action Items:

A. Amend the Unified Development Ordinance, in coordination with the Comprehensive Plan update, to allow for additional density in the Urban Core.

B. Evaluate and revise standards to reduce barriers to development in existing neighborhoods, including lot size, setback, and coverage requirements.

BEST PRACTICE EXAMPLE:

Camden, Maine – ordinance amendments

The Town of Camden, Maine, voted to amend its zoning ordinance to reduce minimum lot size requirements for multifamily dwellings and allow for an ADU without the need for additional lot area in its Traditional Village District and Village Extension District.

RESPONSIBLE AGENCIES: City of Ellsworth – Planning

COLLLABORATORS: City of Ellsworth – City of Ellsworth – Economic Development, Code Enforcement; developers; land use attorney; Ellsworth City Council; Ellsworth Planning Board

Strategy 2: Increase Utilization of Housing

Changing demographics—including smaller households, more single-person households, and fewer families with children—has resulted in a mismatch between housing stock and households.

One challenge with meeting current housing needs is the mismatch of existing housing units and households. Most the City's housing stock consists of detached single-family homes, many of which are older and larger homes. Nearly half (47%) of the City's housing units have three or more bedrooms, while only 24% of households include three or more people. Conversely, one and two-person households account for more than three quarters of all households, and only 53% of housing units have two or fewer bedrooms; less than 22% are studio or one-bedroom units. Shifting demographics mean that, even with no population growth, more housing units will be needed, as adult children leave their childhood homes and start their own households, and older adults look to downsize to a smaller home.

While there is no question that more housing must be built to meet current and future housing demands, capacity within the existing housing stock is an important opportunity that can help to more quickly address housing needs for some community members.

Underutilized housing includes larger homes occupied by one or two people, that could be used for shared housing or split into more than one unit to accommodate an additional household(s). Underutilized housing also includes seasonally vacant housing, some of which are used for short-term rentals and others used as vacation homes, seasonally occupied. Increasing utilization of existing housing can address more immediate housing needs for some, while also tackling more long-term issues of the impact of tourism and STRs on the housing market and the mismatch between housing needs and the current housing stock.

Photo credit: City of Ellsworth

Initiative 8: Encourage participation in Maine's home share program and/or support coordination of home share opportunities at the local level.

The State of Maine recently implemented a home share program via Nesterly, an online platform to conduct background checks and pair renters and homeowners based on needs and lifestyle. The home share program connects current homeowners to potential renters and includes flexible arrangements like help with yard work, housekeeping, or travel. The program can be implemented on a seasonal basis. Success of these programs is dependent on wide-spread participation. As Ellsworth's population ages, encouraging participation in the home share program can help seniors age in place by receiving some financial compensation and/or support in going to appointments, shopping, or cleaning up around the house. Employers in the region have experienced challenges recruiting new workers due to a lack of housing. Home share programs can provide opportunities for new workers, seasonal or year-round, to find housing options in the area.

Action Items:

A. Work with local partners to encourage homeowners or renters to sign up for the home share program.

B. Work with local organizations, like Friends in Action, to conduct outreach and share informational materials with older residents who may benefit from the home share program.

BEST PRACTICE EXAMPLES:

Homeshare Vermont

Homeshare Vermont was established in 1982 to help connect those looking to share their home with those seeking affordable housing. The program provides a thorough screening process, background and reference checks, and facilitated in-home introductions. In fiscal year 2024, the program supported 136 home share matches. The majority of participants (including hosts and guests) are low-income households.

Cape Cod J-1 Housing Program

The Cape Cod J-1 Housing Program connects foreign national students (working temporarily through a J-1 Visa) with host families to provide temporary housing. The J-1 Housing Program offers an opportunity for cultural exchange in addition to supporting the workforce and expanding housing opportunities for temporary workers.

RESPONSIBLE AGENCIES: City of Ellsworth – Economic Development, Planning

COLLLABORATORS: Friends in Action, Downeast Community Partners, Healthy Acadia, Maine Community Foundation, community organizations

Initiative 9: Regulate short-term rentals to limit impact on year-round housing supply.

Ellsworth and the surrounding region have many short-term rentals (STRs) impacting the year-round housing market and neighborhoods. STR regulations can address impacts to the housing market and neighborhoods (e.g., noise, traffic, safety). Implementing tracking or regulation mechanisms would allow the City to monitor and track STRs. There are a variety of approaches to addressing the impact of STRs on the housing market. These could include:

- Implementing different requirements for owner-occupied (OO) STRs and non-owner-occupied (NOO) STRs
- Licensing and inspections to help ensure safety of STR units
- Limiting STRs by zone, unit cap, and/or type of STR (OO vs. NOO)

Action Items:

A. Determine objectives of regulating STRs (e.g., preserving neighborhood character, safety, increasing year-round rental housing).

B. Work with staff to draft an ordinance and appropriate permitting/licensing, operational, safety, and enforcement standards based on the City's objectives related to STRs.

C. Solicit feedback from the public.

D. Adopt the ordinance and develop guidelines to facilitate implementation of new regulations.

E. Periodically evaluate the ordinance's effectiveness in achieving the stated objectives and consider changes in the housing market, STR market, and other issues that arise.

BEST PRACTICE EXAMPLES:

South Portland, Maine

South Portland's STR application process requires floor plans, parking plans, proof of insurance, and a self-inspection checklist. STRs are not allowed on any property with a newly created ADU. The City has different categories for STRs. Hosted home stays must be occupied by an owner during the rental period. Non-hosted home stays are prohibited in all residential zoning districts and a rental period must be at least seven consecutive days or vacant for the remaining days if less than seven days.

Stonington, Maine

Stonington has an annual registration process for all rental units. New or NOO STRs require conditional approval from the Planning Board. NOO STRs cannot be within 1,000 feet of another NOO STR. There is a limit on NOO STRs each year. Minimum stays of four nights are required.

RESPONSIBLE AGENCIES: Ellsworth City Council

COLLLABORATORS: City of Ellsworth – Planning, Economic Development, Code Enforcement, City Manager's Office; Ellsworth Planning Board

Initiative 10: Partner with community organizations to develop a housing navigator program to connect people to housing resources.

Housing navigator programs can help connect residents to housing opportunities through partnership with local agencies or providers. Navigator programs provide a centralized location for residents to go to for support in finding housing that meets their needs. This could include very low and low-income residents, people experiencing homelessness, or people looking for market rate housing in the region. These programs can help access State and federal funding for repairs, accessibility retrofits, or weatherization. Navigators can provide access to homebuyer education and resources and guidance for tenants.

A navigator program can serve a variety of needs. Since the scale of current housing challenges in Ellsworth is relatively new, with surging home prices in the last five years, many residents are not aware of available resources. Similarly, service providers may not be aware of new programs, funding, and other initiatives that could benefit their clients.

Coordinating efforts of agencies and helping to connect people to resources can have an immediate impact on those served.

Action Items:

A. Identify partner organizations that offer housing support and services.

B. Identify specific community housing needs and define program goals.

C. Develop a structure for coordination among organizations and operational procedures.

BEST PRACTICE EXAMPLES:

Baltimore Housing Navigator Program

Baltimore's housing navigator program works with community members who are at risk of losing their home or are experiencing homelessness, to understand their housing needs, develop plans for long-term housing stability, access programs and funding, and connect residents to vital services.

Kennebec Valley Community Action Program Resource Navigator

Kennebec Valley's Community Action Program Resource Navigator helps low-income residents with unmet medical, behavioral health, or human service needs through partnership with local agencies, providers, and community groups.

RESPONSIBLE AGENCIES: City of Ellsworth – Economic Development, Planning, General Assistance, City Manager's Office

COLLLABORATORS: Downeast Community Partners, MDI & Ellsworth Housing Authorities, Friends in Action, Healthy Acadia, Community Health & Counseling Services

Strategy 3: Increase Development Opportunities

The regulatory environment is often one of the biggest barrier to housing development. It is the barrier that can be most easily addressed at the local level through thoughtful zoning changes, elimination of unnecessary requirements, and added flexibility for development review.

Housing in Ellsworth has become increasingly unaffordable. Young adults are looking to enter the workforce and start a family, older adults are looking to remain in the community, and businesses are looking for employees to support economic growth. The City can play an important role in guiding the type, scale, and location of development that is needed and desired by the community through regulation, incentives, and education.

Promoting the development of specific housing types that fit into the City's current fabric will help meet community needs. As the City's population ages, allowing for smaller units, ADUs, and more affordable housing can support residents who are looking to downsize while remaining in the community. Additionally, these types of housing can support young adults in renting and buying their first home, while dormitory-style housing can help address the housing needs of seasonal workers.

Directing development to the City's downtown and Urban Core will support other goals outside of housing, including increased walkability, number of jobs, a more vibrant downtown, and open space preservation. Achieving these goals will also help improve livability for people of all ages and abilities. Transfer of development rights (TDR) is a tool that can encourage development where it is most appropriate (within the Urban Core), while also protecting open space. Increasing development potential for properties within the Urban Core through use of TDR will create more opportunities for larger-scale housing developments.

In addition, to encourage more walkable neighborhoods, Ellsworth needs a strong development ecosystem that supports small-scale development and makes it easy for property owners to develop the size and density of development needed to support the community. This includes educational resources and guidelines that support incremental development. Incremental development can take a variety of forms, including existing property owners building an ADU or infill development of vacant or underutilized lots. Supporting education and information around financing opportunities, development support, and the permitting process can help homeowners and developers of all project sizes in creating new housing units.

The City's draft Comprehensive Plan provides a framework for directing growth and higher density development to the Urban Core. To support this growth, the City will need to evaluate its infrastructure capacity and needs over time. This includes water and wastewater treatment capacity. The City has been pursuing grants to further invest in clean water and treatment capacity, which can support further investment in the Urban Core.

Initiative 11: Allow for and encourage the development of dormitories or boarding houses for seasonal workers.

Dormitory-style housing and boarding houses can provide needed housing to seasonal workers. This type of housing is often more affordable and flexible than traditional rentals. Dormitory-style housing is ideal for temporary accommodations during peak seasons and can help stabilize the local workforce by reducing community distances.

As housing has become scarcer and more expensive on MDI, more seasonal workers have sought housing in Ellsworth. In addition, Ellsworth also has many seasonal businesses and businesses that have a greater workforce demand during the peak season. Creative solutions are needed to address the region's seasonal workforce needs. While some employers, including Witham Family Hotels and Acadia National Park, have created their own housing for seasonal workers, employers cannot provide enough housing for all their employees, and smaller businesses may not be able to afford or have the capacity to engage in housing development.

Action Items:

A. Review and update the definition for boarding homes within the Unified Development Ordinance.

B. Incorporate design standards to help ensure that boarding homes fit into existing development and design patterns.

C. Establish operational guidelines or performance standards for this use type.

D. Provide technical support to employers and developers who may be interested in developing dormitory-style housing.

BEST PRACTICE EXAMPLES:

Nantucket, Massachusetts

The Select Board in Nantucket, Massachusetts signed a contract for the construction of a 52-bedroom modular dormitory for seasonal employees. This contract allows for maximum flexibility of bedroom arrangements to meet the needs of workers at a given time.

Cape Cod Model Seasonal Worker Dormitory Bylaw

The Cape Cod Model Seasonal Worker Dormitory Bylaw provides guidance to local officials and advocates who want to implement seasonal worker dormitory zoning locally. This bylaw is designed to be a starting point for municipalities to implement.

RESPONSIBLE AGENCIES: City of Ellsworth – Planning, Code Enforcement

COLLLABORATORS: City of Ellsworth – Economic Development, developers, employers

Initiative 12: Educate homeowners and builders on incremental development, permitting, and financing opportunities, and help connect potential developers to technical resources.

Supporting residents and community members in accessing information related to planning initiatives, housing opportunities, and financing opportunities can help improve the small-scale development and home improvement environment. Incremental development refers to building homes in stages over time, from smaller, more affordable structures that can later expanded as finances allow. This allows for additional housing development while respecting the scale and density of existing neighborhoods.

While large development projects are important to help the City meet its housing needs, there is significant potential for small development and redevelopment projects within existing neighborhoods. This could include projects such as developing a vacant infill lot, converting a single-family home to a two- or three-family home, or constructing an ADU. These types of projects add to the housing stock with less impact to existing neighborhoods. Empowering small-scale developers can also help to build wealth within a community and help to support property owners in leveraging assets to be able to stay in the community and create new housing opportunities for others.

Action Items:

A. Work with local providers and MaineHousing to provide workshops for homeowners.

B. Work with local partners and technical schools to develop trainings for the development community.

C. Develop outreach materials and consistent communications for interested homeowners and developers.

BEST PRACTICE EXAMPLE:

IncDev Alliance

The IncDev Alliance offers training and mentorship for aspiring developers to help them toward their first small-scale real estate development project. IncDev also works with municipal and community leaders to foster patient, healthy real estate developments at an accessible scale to existing developments.

RESPONSIBLE AGENCIES: City of Ellsworth – Economic Development, Planning

COLLLABORATORS: MaineHousing, developers, community organizations, financial lending institutions

Initiative 13: Encourage ADUs through education and outreach.

ADUs can provide a variety of flexible housing opportunities, including aging in place, flexible multifamily housing options, and homeowners looking to supplement their monthly income. Educational materials could include explanations of ADUs and their benefits; guidelines and support through the permitting, zoning, and construction process; and information about finance options. Formats vary and could include a guidebook, video explanations, webinars or in-person information sessions, or one-on-one technical assistance.

Many residential lots in Ellsworth are large enough to accommodate an ADU. These units can fit within the existing fabric of neighborhoods. Being smaller in size, they can offer more affordable rental opportunities. ADUs can address certain specific housing needs in Ellsworth including rental housing, housing for older adults, smaller homes for one- and two-person households, and temporary housing for the seasonal workforce.

Action Items:

A. Review requirements and processes for developing an ADU and develop documentation.

B. Identify tools to support homeowners in funding and building ADUs.

BEST PRACTICE EXAMPLES:

South Portland, Maine

Yarmouth, Maine

ADU guidebooks have been developed in South Portland and Yarmouth. These documents provide interested homeowners with information to determine if an ADU might be appropriate for their life and property, development resources, financing resources, and tools to navigate the permitting process.

RESPONSIBLE AGENCIES: City of Ellsworth – Planning

COLLLABORATORS: City of Ellsworth – Economic Development, developers, employers

Initiative 14: Facilitate cottage court/pocket neighborhood development.

Cottage court or pocket neighborhood developments are small clusters of compact homes arranged around shared open space that prioritize community living and efficient land use. This style of development provides smaller homes, which can support older residents looking to downsize or young adults looking for starter homes. These neighborhoods can also support open space preservation and natural resource protection in rural areas by shrinking the footprint of development and leaving more land undeveloped.

While larger multifamily structures provide housing for certain demographic groups, there is also demand in Ellsworth for smaller-scale detached homes. Current cluster subdivision regulations do not allow for the density or arrangement of homes that are typical in a cottage court development. These developments typically have minimal setbacks, smaller home size (often a maximum area) and are oriented around a shared green space with parking at the periphery of the site or to one side. This site design requires smaller homes and encourages social interaction with a focus on communal spaces.

Action Items:

A. Determine the appropriate regulatory approach (e.g., creating a specific use or development type, establishing an overlay district).

B. Amend the Unified Development Ordinance as determined in Action A and solicit feedback from developers to help ensure the feasibility of development aligned with proposed regulations.

C. Streamline the permitting process for cottage courts by offering pre-approved designs.

D. Reduce parking requirements in favor of promoting walkability or provide shared parking to make efficient use of limited land.

BEST PRACTICE EXAMPLES:

Keene, New Hampshire

The City of Keene, New Hampshire, has developed a cottage court overlay district in their zoning ordinances to outline requirements and facilitate the development of cottage court neighborhoods.

Heritage Sands, Dennis Port, Massachusetts

Heritage Sands in Dennis Port, Massachusetts, was awarded National Association of Home Builders' Community of the Year. This development provides some common open spaces, shared parking, and walkability.

RESPONSIBLE AGENCIES: City of Ellsworth – Planning

COLLLABORATORS: City of Ellsworth – Code Enforcement, Economic Development; Ellsworth Planning Board; developers, land use attorney

Initiative 15: Facilitate transfer of development rights (TDR).

TDR is a voluntary program that allows the transfer of development rights from one property to another, allowing higher intensity development in designated "receiving areas" in exchange for preserving land and natural resources in designated "sending areas". This tool allows communities to shift potential development from rural or conservation areas to designated growth areas or commercial centers, where development may be more appropriate and compatible. This approach preserves open space and farmland while directing future growth to areas that have existing infrastructure to support higher density development. TDR is a voluntary program that is market-driven and flexible in its implementation. Development incentives to receiving areas could include increased density limits or other relaxed site development regulations, such as height limitations, setbacks, lot area, or parking requirements.

In Ellsworth, TDR could be used to encourage conservation of private land, especially land in proximity to the City's lakes and rivers. In exchange, development encouraged in areas within the Urban Core. The City could target properties that are desirable for development due to proximity to services, infrastructure, and transportation, but which may be overlooked by developers due to other site development challenges.

Action Items:

A. Determine goals for a TDR program, including target areas for land conservation and higher density development.

B. Evaluate market conditions and zoning regulations to develop a strategy for TDR that will incentivize desired development.

C. Promote the program as an option for developers.

D. Monitor progress and success of the program as well as enforcement of policies.

BEST PRACTICE EXAMPLE:

Scarborough, Maine

The Town of Scarborough, Maine, uses TDR to preserve open spaces and natural resources. The Town's zoning ordinance establishes that one dwelling unit credit allows one additional dwelling unit in a receiving area. A fee is applied proportionately to every unit in a receiving site and the development transfer fee must be paid prior to building permit issuance.

RESPONSIBLE AGENCIES: City of Ellsworth – Planning

COLLLABORATORS: Ellsworth Planning Board, land use attorney, developers, property owners, Frenchman Bay Conservancy

Initiative 16: Establish tax increment financing (TIF) districts for affordable housing.

A TIF district is a flexible finance tool that is used to leverage the new property taxes generated by a specific project or area. A municipality can define the district size, the amount of new taxes to be captured, and public or private projects that will be funded by the revenue. Incremental taxes can be used to fund economic development initiatives, public infrastructure or services to support development, or to reimburse developers for development project costs through a credit enhancement agreement.

Maine's Affordable Housing TIF (AHTIF) Program allows municipalities to use the TIF tool to assist affordable housing projects by designating a specific area as an affordable housing development district and adopting an affordable housing development program. Incremental tax revenues can subsidize the project and pay for related costs for infrastructure and facilities.

Action Items:

A. Identify appropriate areas for TIF or AHTIF designation based on State criteria and potential for economic development.

B. Create a TIF plan to outline goals and appropriate projects.

C. Obtain necessary local approvals for the plan.

D. Monitor the success or progress on the TIF and report results publicly.

BEST PRACTICE EXAMPLE:

Lewiston, Maine

The City of Lewiston, Maine, approved a TIF for the redevelopment of a vacant mill into housing. The TIF is a 23-year agreement. The project is estimated to bring in $880,000 in tax revenue over the 23-year period, compared to the roughly $55,000 the building would have brought in over the same period without improvements. Rents in the building are expected to range from $629 to $862 for renters earning up to 50% of the area median income, and $762 to $1,047 for individuals making up to 60% of the area median income.

RESPONSIBLE AGENCIES: Ellsworth City Council

COLLLABORATORS: City of Ellsworth – Economic Development, Planning, Finance, City Manager's Office; Ellsworth Planning Board; developers

Initiative 17: Add wastewater treatment capacity in designated growth areas.

Improving wastewater infrastructure supports smart growth by concentrating development in growth areas, preserving the surrounding rural landscape. The City has obtained grants and plans to improve its water and wastewater infrastructure. By investing in infrastructure in growth areas outlined in the Comprehensive Plan, the City can guide development into areas with existing roads, water and sewer lines, and sidewalks. While most of the Urban Core is developed, many of these areas are underdeveloped, based on what is currently allowed by zoning and what is desired by the community, as detailed in the Comprehensive Plan. Wastewater capacity should accommodate the density and location of growth that is recommended and anticipated in the Comprehensive Plan and that will support a variety of housing types and densities in accessible and walkable neighborhoods.

Action Items:

A. Continue to assess wastewater capacity and plan for future needs in a capital improvement plan.

B. Secure additional grant funding and State-level partnerships to support infrastructure maintenance or additions.

C. Revisit zoning and land use as needed to verify that growth-related capital investments are supporting the correct type of development in the City.

BEST PRACTICE EXAMPLE:

Freeport, Maine

The Town of Freeport, Maine, was awarded nearly $15 million to upgrade its wastewater facility through a grant and loan through the U.S. Department of Agriculture Rural Development's Water and Waste Disposal Loan and Grant Program. Funding will be used to repair and replace the Town's water treatment plant and collection system.

RESPONSIBLE AGENCIES: Ellsworth City Council

COLLLABORATORS: City of Ellsworth – Public Works, Wastewater, Planning, Finance, City Manager's Office

Initiative 18: Extend water and sewer lines to accommodate higher density development in growth areas.

Like growth-related investments for wastewater treatment capacity, extending water and sewer lines to accommodate higher density in growth areas can support smart growth in the City. New sewer lines would be shorter and could connect to the existing network. Planning for infrastructure expansion in alignment with the City's Comprehensive Plan will be critical in helping to ensure that new development occurs in a way that is fiscally sustainable and compatible with the City's goals, including improving walkability and connectivity, enhancing the vibrancy of downtown, and supporting the development of diverse and affordable housing options. There are several areas within the Urban Core that are not currently served by water and wastewater systems, but that are walkable to downtown and other commercial centers and could otherwise support more dense development.

Action Items:

A. In coordination with the Comprehensive Plan, identify desirable locations for infrastructure expansion.

B. Identify funding opportunities and secure funding through bonds, grants, or public-private partnerships.

C. Work closely with local utility providers to help ensure infrastructure is properly planned and implemented to meet future demand.

BEST PRACTICE EXAMPLE:

Bridgton, Maine

The Town of Bridgton, Maine, was awarded grant funding and secured bonds to expand its wastewater capacity and add additional sewer and water mains in and around the downtown, allowing for additional infill development and housing types and supporting environmental health by reducing reliance on septic systems.

RESPONSIBLE AGENCIES: Ellsworth City Council

COLLLABORATORS: City of Ellsworth – Public Works, Water, Wastewater, Planning, Finance, City Manager's Office

HOUSING STRATEGIES AND INITIATIVES: Implementation

The following table includes the complete list of strategies and initiatives with guidance for implementation (refer to the key on page 114). This table can be used to prioritize initiatives, in coordination with the City's capital planning and budgeting process, and implementation of the Comprehensive Plan. The listed collaborators are suggestions based on current responsibilities or priorities of different organizations and is not a comprehensive list. Additionally, the anticipated cost and timeline may change depending on availability of funding, resources, and changing priorities of the community. As new collaborators are identified and as resources and priorities change, this table should be updated accordingly.

Housing Strategies and Initiatives

Strategy	Number	Initiative	Action Type	Responsible Agency and Collaborators	Cost Resources	Timeline	Related Comprehensive Plan Action(s)
Decrease Development Costs	1	Reduce or eliminate minimum parking requirements to lower development costs.	Land Use & Regulatory	**PLN**, DEV, ECOC, HE	$ staff time	Short	H.2-a, H.2-f, LU.3-a
	2	Create a library of pre-approved plans.	Land Use & Regulatory	**CED**, **PLN**, DP	$$ grants	Medium	LU.1-b, LU.3-d
	3	Improve organizational structure, clarity, and reliability of the permitting process.	Land Use & Regulatory	**CED**, **PLN**, **CMO**, DEV, DP	$$ staff time, general fund	Short	LU.3-d
	4	Establish a housing trust fund to support the funding of affordable housing development.	Financing	**ECC**, EDD, PLN, FD, CMO, LU, PB	$$ staff time, general fund	Medium	H.4-a, FC.1-a
	5	Foster public-private partnerships for affordable housing development.	Collaboration & Partnerships	**EDD**, PLN, CMO, DEV, LU, DP, MDIEHA, MH, CBO, ECC, PB	$ staff time	Ongoing	H.1-f, H.1-g, H.4-a, FC.3-b, LU.2-e
	6	Leverage State and federal funding and build partnerships to maximize impacts of funding.	Financing	**EDD**, **CMO**, PLN, DEV, LU, DP, MDIEHA, MH, CBO, ECC, PB	$ staff time	Ongoing	FC.1-a
	7	Allow for increased density in walkable neighborhoods.	Land Use & Regulatory	**PLN**, EDD, CED, DEV, LU, ECC, PB	$ staff time	Short	LU.2-c, LU.2-f, LU.3-a, LU.3-b

*Bold indicates suggested primary responsible agency.

HOUSING STRATEGIES AND INITIATIVES

Housing Strategies and Initiatives (continued)

Strategy	Number	Initiative	Action Type	Responsible Agency and Collaborators	Cost Resources	Timeline	Related Comprehensive Plan Action(s)
Increase Utilization of Housing	8	Encourage participation in Maine's home share program and/or support coordination of home share opportunities at the local level.	Land Use & Regulatory	**EDD**, **PLN**, FIA, DECP, HA, MCF, CBO	$ staff time	Short/ Ongoing	H.1-d, H.1-e
	9	Regulate short-term rentals to limit impact on year-round housing supply.	Land Use & Regulatory	**ECC**, PLN, EDD, CED, CMO, PB	$$ staff time*	Short	H.2-c
	10	Partner with community organizations to develop a housing navigator program to connect people to housing resources.	Municipal Program	**EDD**, **PLN**, **GA**, **CMO**, MDIEHA, DECP, FIA, HA, CHCS, CBO	$$ staff time*	Short	H.1-e
Increase Development Opportunities	11	Allow for and encourage the development of dormitories or boarding houses for seasonal workers.	Land Use & Regulatory	**PLN**, **CED**, EDD, DEV, EMP	$ staff time	Medium	H.2-e
	12	Educate homeowners and builders on incremental development, permitting, and financing opportunities and help connect potential developers to technical resources.	Municipal Program	**EDD**, **PLN**, MH, DEV, CBO, FLI	$$ staff time, general fund	Short/ Ongoing	H.1-g
	13	Encourage ADUs through education and outreach.	Land Use & Regulatory	**PLN**, CED, EDD, DEV	$ staff time	Short/ Ongoing	H.1-g, H.2-a
	14	Facilitate cottage court/pocket neighborhood development.	Land Use & Regulatory	**PLN**, CED, EDD, PB, DEV, LU	$ staff time	Short	H.2-d
	15	Facilitate transfer of development rights (TDR).	Land Use & Regulatory	**PLN**, PB, LU, DEV, PO, FBC	$ staff time	Medium	NR.2-b
	16	Establish tax increment financing (TIF) districts for affordable housing.	Land Use & Regulatory	**ECC**, EDD, PLN, FD, PB, DEV, CMO	$ staff time	Short	H.2-f, H.1-a, H.1-c
	17	Add wastewater treatment capacity in designated growth areas.	Capital Investment	**ECC**, PWD, WWD, PLN, FD, CMO	$$$ capital budget	Long	H.1-a, PF.1-a, PF.1-d, PF.6-a
	18	Extend water and sewer lines to accommodate higher density development in growth areas.	Capital Investment	**ECC**, PWD, EWD, WWD, PLN, FD, CMO, PB	$$$ capital budget	Long	PF.8-a, FC.1-a, FC.1-b

*Additional staffing may be required to support this initiative.

Implementation Key

Responsible Agencies/Collaborators

City of Ellsworth Departments and Entities

ECC	City Council
CMO	City Manager's Office
CED	Code Enforcement Department
EDD	Economic Development Department
FD	Finance Department
GA	General Assistance
PLN	Planning Department
PWD	Public Works Department
WWD	Wastewater Department
EWD	Water Department
PB	Planning Board

External Organizations

CHCS	Community Health and Counseling Services
DECP	Downeast Community Partners
ECOC	Ellsworth Chamber of Commerce
FBC	Frenchman Bay Conservancy
FIA	Friends in Action
HE	Heart of Ellsworth
MCF	Maine Community Foundation
MH	Maine Housing
MDIEHA	Mount Desert Island & Ellsworth Housing Authorities

General Stakeholder Categories

CBO	Community-based organizations and service providers
DP	Design professionals
DEV	Developers
EMP	Employers
FLI	Financial lending institutions
LU	Land use attorneys
PO	Property owners

Cost/Resources

$	Can be achieved substantially with current operating and/or capital budget or resources from collaborating organizations.
$$	Some new or increased funding and/or staffing will be required for implementation.
$$$	Substantial new funding or grant support will be needed for implementation.

Timeline

Short	0 – 2 years
Medium	3 to 5 years
Long	6 to 10 years
Ongoing	Efforts will continue throughout the duration of the implementation period.

CASE STUDIES

The following case studies provide insight around addressing housing needs from other communities facing similar challenges. These communities were selected based on similarities in either size, location, and/or seasonal or tourism impacts, and the relative success in implementing relevant housing strategies.

Photo credit: City of Traverse City, Michigan

CASE STUDY: Traverse City, Michigan

COMMUNITY COLLABORATION: SAFE HARBOR OF GRAND TRAVERSE AND GOODWILL INDUSTRIES

Community:

- **Population:** 15,678 (2020 US Census)
- **Land area:** 8.3 square miles
- **Geography:** located at the head of the east and west arms of Grand Traverse Bay

Challenge:

Traverse City, Michigan, faces a significant housing shortage and affordability crisis. High demand, limited land, and rising home and rental prices have made it hard for middle-income and service workers to find affordable housing. The area's tourism-based economy and an increase in STRs have further pushed up prices, displacing local workers and increasing homelessness.

Strategy:

To tackle the housing crisis, Traverse City has implemented zoning reforms, affordable housing incentives, and partnerships with nonprofits. Zoning changes now allow duplexes, ADUs, and higher-density multifamily housing, broadening housing options in residential neighborhoods. The city has also used payment in lieu of taxes (PILOT) agreements to support affordable housing, creating hundreds of units since 2019. It has transformed underused commercial spaces into housing and is developing city-owned land for affordable units. Collaborations with nonprofits like Safe Harbor and Goodwill Industries have helped expand homeless services and provide supportive housing. These efforts are part of a strategic plan to meet housing needs across income levels and support the local workforce.

Outcomes:

In 2022, a Michigan state law was passed enabling local governments more leeway to enter into agreements with developers aiming to build workforce housing. Traverse City's embrace of this opportunity resulted in the approval of 381 inclusive housing units the following year, including 35 permanent units for the chronically unhoused.

The City's partnership with Goodwill Industries resulted in the approval of funding to develop permanent supportive housing for an additional 27 local individuals. Efforts to find more solutions to housing issues in a comprehensive approach continue. This effort included a community forum in June 2024.

STR reform has largely occurred in the past two years, resulting in mandatory annual licensing and the narrowing of districts in which STRs can be located. Debates about an overall cap on licenses continued throughout 2024.

Overall, Traverse City has taken critical steps toward progress in the coming years. Zoning reforms and reduced parking requirements have lowered development costs, making affordable housing more feasible. While housing demand remains high, these steps are moving the city toward a more inclusive and resilient community with better housing access for all.

CASE STUDY: Conway, New Hampshire

IMPLEMENTING REGULATORY CHANGES

Community:

- **Population:** 9,822 (2020 US Census)
- **Land area:** 69.5 square miles
- **Geography:** located on the southeastern edge of the White Mountain National Forest and serving as the main economic hub for Carroll County

Challenge:

Conway has experienced an increase in housing prices, making it increasingly difficult for current residents to afford their rent or achieve homeownership. As the gateway to many of New Hampshire's ski towns, Conway has a significant seasonal population, which has led to an increased demand for second homes or STRs. The Town is balancing the need to house it's year-round and seasonal workforce in addition to its aging population.

Strategy:

The Town's approach has been largely regulatory in supporting the production and availability of affordable housing. Since the update of the Conway Forward Master Plan, the Town commissioned a Housing and Community Development Opportunities Report to outline additional actions to support housing development. The Town has undergone zoning ordinance revisions to allow for additional density and requirements for affordable housing. The ordinance outlines inclusionary zoning practices, density bonuses, reduction in parking requirements, and cluster subdivision ordinances in residential, village, and commercial districts. Ordinances also outline the Community Revitalization Tax Relief Incentive. An owner of a proposed, qualifying structure who intends to substantially rehabilitate, replace such structure, or create new affordable housing units may apply to the Selectmen for community revitalization tax relief. Additionally, the projects that leverage the affordable housing bonuses outlined in the code cannot be used for STRs (including market-rate apartments). All affordable units require a restrictive covenant and rent increases are limited to the percentage increase in the area median income.

Outcomes:

The Town has several low-income and subsidized rental units to support older adults, families, and individuals in finding affordable housing. The Town has started to see additional investment in market-rate and affordable housing projects leveraging bonuses outlined in the Town's code. These projects include River Turn Woods, developed by Avesta Housing, and Ridgeline Community, which aims to provide a mix of housing types for people of all ages and abilities.

CASE STUDY: Bourne, Massachusetts

AFFORDABLE HOUSING TRUST FUND AND HOUSING PARTNERSHIP

Community:

- **Population:** 20,452 (2020 US Census)
- **Land area:** 40.7 square miles
- **Geography:** located at the western end of Cape Cod, with the Cape Cod Canal cutting through the town

Challenge:

The Town of Bourne straddles the Cape Cod Canal, where two vehicle bridges form the iconic gateway to Cape Cod. Bourne is challenged by seasonal traffic, but is also an employment center and tourist destination. With the popularity of Cape Cod as a summer retreat, Bourne and other Cape Cod towns have struggled with maintaining housing affordability for year-round residents and employees for many decades. Involvement in affordable housing development has been a strategy of the Town for many years.

Strategy:

The Bourne Housing Partnership is a Town committee, appointed in 1989 to promote and develop affordable housing. Early actions of the Housing Partnership included supporting efforts of Habitat for Humanity, encouraging voluntary participation by private developers, and creating an Affordable Housing Plan.

In 2009, the Bourne Affordable Housing Trust Fund was established, providing the Town with a variety of tools to create and preserve affordable housing. The trust fund is guided by five Trustees appointed by the Select Board, and shares staff with the Housing Partnership. Funds are acquired through the Community Preservation Act program, which allows municipalities in the Commonwealth to add a small property tax surcharge through referendum to support community preservation initiatives, including improving outdoor recreation, open space protection, affordable housing development, and historic preservation. Communities are provided with matching funds from the statewide Community Preservation Act Trust Fund. Funds have been used to acquire, sell, lease out, and rent properties for affordable housing, and to provide programs and assistance to preserve and develop affordable units.

Outcomes:

The Affordable Housing Trust Fund has provided financial assistance to several projects, including many smaller single-family home developments that have created home ownership opportunities. In FY22, a Critical Repair Program was established using housing trust funds to provide loans to support emergency home repairs. In FY23, six homeowners were assisted through the Critical Repair Program. In addition, housing trust funds supported the Connect 55 active senior living project, which includes 12 affordable units, and supported Habitat for Humanity to construct a new affordable single-family home.

FUNDING SOURCES: Federal Resources

The following is a partial list of potential federal funding sources for housing development and to support housing programs. This is not a comprehensive list, as funding programs and availability of funds continue to change.

Federal Low-Income Housing Tax Credits (LIHTC)

The LIHTC program is an indirect federal subsidy used to finance the construction and rehabilitation of low-income affordable rental housing. LIHTC gives developers a dollar-for-dollar reduction in their federal tax liability in exchange for providing financing to develop affordable rental housing.

Financed projects must meet eligibility requirements for at least 30 years after project completion. Owners must keep the units rent restricted and available to low-income tenants. At the end of the period, the properties remain under the control of the owner.

The LIHTC program provides tax incentives, written into the Internal Revenue Code, to encourage developers to create affordable housing. These tax credits are provided to states based on population and are distributed to the state's designated tax credit allocating agency.

National Housing Trust Fund

The National Low-Income Housing Coalition's (NLIHC) National Housing Trust Fund (HTF) is a new housing resource targeted to building, rehabilitating, preserving, and operating rental housing for extremely-low-income households. In 2023, approximately $3 million was allocated to projects in Maine. The HTF has $214 million allocated for projects in 2024. The HTF is the only federal housing program exclusively focused on providing states with resources targeted to serve households with the clearest, most acute housing needs.

Community Development Block Grant (CDBG) Program

Each year the State receives a formula allocation of funding from HUD to be distributed to eligible Maine communities under the Community Development Block Grant Program. Municipalities can apply for these funds, which can help to fund affordable housing development, economic development initiatives, or community programs, or pay for roads, water, and sewer to support development.

HOME Investment Partnerships Program (HOME)

The HOME Investment Partnerships Program (HOME) provides formula grants to states and localities that communities use—often in partnership with local nonprofit groups—to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership, or providing direct rental assistance to low-income people. HOME is the largest federal block grant to state and local governments designed exclusively to create affordable housing for low-income households. HOME funds are awarded annually as formula grants to participating jurisdictions. The program's flexibility allows states and local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancements, or rental assistance or security deposits.

FUNDING SOURCES: State Resources

The following is a partial list of potential State funding sources for housing development and to support housing programs. This is not a comprehensive list, as funding programs and availability of funds continue to change.

Affordable Housing Tax Increment Financing (AHTIF)

The Affordable Housing Tax Increment Financing (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.

Communities using AHTIF also avoid the decreases in state revenue sharing and state education subsidy and increases in county taxes that otherwise would occur with increased property values from the AHTIF district. 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.

Maine State Low-Income Housing Tax Credit Program

Maine State Low-Income Housing Tax Credit (SLIHTC) was enacted by the 129th Maine Legislature in 2019. The program provides $80,000,000 in affordable housing tax credits, available for allocation in the amount of $10,000,000 per year over eight years. The first allocations under the program were made in 2021.

The intent of this tax credit is to provide a State-level financing instrument that can be paired with the federal 4% low-income housing tax credit which is used in the production of affordable housing. Combining the 4% federal credit with this State credit provides a financing option that can pay for nearly 60% of the cost of constructing a housing development project. In this way, the State credit almost doubles the amount of tax credit subsidy that MaineHousing can make available to certain projects each year. The SLIHTC is a one-time credit that is used at the end of a project's construction, whereas the federal credits are spread out over 10 years.

FUNDING SOURCES: State Resources

Affordable Homeownership Program

In an ongoing effort to increase the supply of moderately-priced homes available to Mainers, the State is making $10 million available to facilitate the development of subdivisions with affordable single-family homes. The Affordable Homeownership Program is intended to help lower the costs to developers building single-family subdivisions by providing zero percent interest forgivable loans. This funding will help to offset the rising costs to developers for land acquisitions, labor, and materials.

Developers receiving Affordable Homeownership Program funding will be required to set aside homes in the subdivision as Affordable Homeownership Units. An Affordable Homeownership Unit is a lot with a new (not previously occupied), single-family home that will be sold to homebuyers who earn up to 120% of area median income (AMI) and meet other criteria outlined in the program guide, including owner-occupancy of the unit.

Housing Opportunity Program

The Housing Opportunity Program was established within the State Department of Economic and Community Development to encourage and support the development of additional housing units in the State, including housing units that are affordable for low-income and moderate-income individuals.

Rural Affordable Housing Rental Program

MaineHousing is providing funding to developers for the development of smaller (5 to 18 unit) affordable rental housing projects in areas and at a size where traditional LIHTC projects are not generally feasible. Funding for this program is, in part, through the Maine Jobs and Recovery Plan, Governor Mills' plan approved by the Legislature to invest nearly $1 billion in Federal American Rescue Plan funds to improve the lives of Maine people and families, help businesses create good-paying jobs, and build an economy poised for future prosperity.