

Testimony of Workforce Housing Coalition – Western Maine Mountains

Mark Green

Maine Legislature

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My name is Mark Green. I am a resident of Carrabassett Valley and those of you who are skiers know that it takes an issue of great importance to draw a skier off the mountain on a beautiful early April day and this is one of them. The lack of workforce and family housing in our region and for that matter most of the State is keeping many businesses and communities from taking full advantage of the demand for the services and goods we offer and produce. Restaurants that were always open seven days a week are now closed two of those days and local sawmills are operating below capacity for lack of help.

Our Work Force Housing Coalition began its work in the Fall of 2021 when the Select Board in Carrabassett Valley became concerned that the lack of workforce housing in the region was one of the primary reasons that local employers were struggling to find employees. We used some of our ARPA funds, to hire, an economic development consulting service to study the problem and report back.

To no one's surprise the consult found that found that:

- Approximately 285 households in the region spend more than 30% of their income on housing.
- Recently home prices have increased between 25% and 40% pricing most local workers out of the housing market.
- The median sale price of a home in the region (CV, Eustis, Kingfield, Coplin, Wyman) in 2021 was \$380,000 requiring a household income of more than \$100,000, roughly double the \$53,000 area median income.
- Many local employers struggle to fill available positions, jeopardizing the long term economic and social well-being of the communities.
- There is a need for as many as 312 units of year-round housing in our region.

Once the study was complete and the problem clearly identified the municipalities of Kingfield, Carrabassett Valley, Eustis and Coplin Plantation, signed memoranda of understanding to work together and each made financial contributions to the effort.

In early November 2022, the Franklin County Commissioners, after several months of careful deliberation, voted to allocate \$308,275 of County ARPA funds to help the group hire staff, purchase land, and get the new organization up and running. This was the only group outside of County government to receive an allocation, indicating the importance and consensus surrounding the need for workforce housing.

Since the allocation of funding by the Franklin County Commissioners we have acquired an option on 7 acres of property in Kingfield and received our 501(c)(3) designation from the IRS. In addition, we are working with Kingfield and Carrabassett Valley to submit zoning amendments to their June Town Meetings that if approved would allow the housing density necessary to make affordable workforce housing possible in these communities.

We hope over the course of the next several years to build a mix of single and multi-family housing in all of our communities but to do this we need help with funding because without a subsidy its impossible to make housing affordable to people in our communities who earn entry level wages. For example, we think that our first project will be a 12 unit multi-family building with a mix of 1 and 2 bedroom units. This

will cost about \$3.5 million to build. If the rents are kept at about \$1100 for a 1 bedroom and \$1300 for a 2 bedroom which would be affordable for folks earning 80% of the adjusted median income we would need a subsidy of almost \$2 million just to break even. Please note that we are working to raise private funds but the real life saver for us is the proposed rural rental program which would provide funding for projects like we are proposing in rural areas of the State.

In closing I was thinking how it is different today than when I was young. I was able to buy my first house in Windham in 1983 for \$55,000. I remember that paying the mortgage was a struggle but at least I could get it financed for it and over time build equity. Unfortunately, that would not be possible in our region and much of the State today and at least in my opinion this need goes right to heart of maintaining strong and vibrant communities. Without housing for young people and the people who provide the services we all enjoy we will over time lose the strong communities that make Maine such a special place.

Thank you for your time and attention to this matter.