During Christmas week in 2009, JJ Zeph, Maureen Cosgrove, and their son Max moved into their new home on Sabah Woods Road in the Thomas Bay area of Bar Harbor. JJ and Maureen own and run Town Hill Bistro, and had been casually looking for a home for a year and a half. When the economy took a turn for the worse and mortgage rates dropped, the couple thought there would never be a better time to buy. For the first time, homeownership on MDI would be a real possibility. However, once they began looking at houses on the market, they realized a new home was still out of reach. With their restaurant and a history on MDI (JJ worked summers on MDI while he was in college, JJ and Maureen met on MDI, and their son Max was born here 4 ½ years ago), JJ and Maureen wanted to own their home here too. They have lived in three different rentals since they purchased the Town Hill Bistro in 2007. Debt from business ownership added to the challenge of purchasing a house.

Word got around that Maureen and JJ were looking for a house, and a friend of theirs knew Emily Sabah Maren, a long-time summer resident who has been developing a small subdivision on property she owns with houses that are affordable to MDI’s workforce. Ms. Maren contacted IHT Executive Director Chris Spruce and told him about JJ, Maureen, and Max. The couple submitted an application to IHT and were found to meet IHT’s qualification criteria. They subsequently were shown the two-bedroom cape, which is located on a 1.4-acre lot. By early September, JJ and Maureen had begun the process of seeking a mortgage loan. The couple really liked the house’s seclusion and proximity to Bar Harbor and Town Hill Bistro. They also liked the idea of having a brand new house with a full basement in a small subdivision. The first floor has two bedrooms and a bathroom, enough for the family, but the second floor is unfinished and the opportunity to personally develop that space also appealed to JJ.

When asked how owning (continued on page 4)
LAND DONATION AIDS ISLAND HOUSING TRUST’S EFFORTS

A small piece of property can make a big difference in creating homeownership opportunities for Mount Desert Island’s working families. A little over two years ago, a longtime summer family donated a small piece of property along the edge of their driveway to IHT that has resulted in a year-round home for a working couple.

In December of 2007, the Beatty family donated to IHT a 2.4-acre lot that was carved out of a very long parcel of land on their property in Mount Desert. The site, with an existing well, is a perfect example of an in-fill property for a single family home, and its location on Route 102 made it easily accessible. An old cottage was left on the property (now used as a shed), along with a usable well. IHT qualified a couple who subsequently purchased the land at a bargain price and proposed a house design that was accepted by Island Housing Trust’s Board of Directors. The couple hired Bill Chamberland and his crew to frame, side, and roof the house, Tom Dunn to install the radiant heat and plumbing, and Atom Electric to do the electrical work. The homeowners purchased most materials from EBS in Town Hill, and did a lot of finishing work themselves with help from experienced family and friends.

The Dutch Colonial style house is now part of the affordable workforce housing stock on Mount Desert Island. Thanks to a generous donation from a landowner, a working family was able to become homeowners and design and build a house that will remain affordable to future buyers. Island Housing Trust invested in legal work, tested the soils and well, confirmed property lines, found a qualified buyer, signed off on the design, and now holds the affordability covenants. The new owners acted as the general contractor and coordinated all efforts, in turn, developing a residential property for themselves and future qualified working individuals and families.

After the buyers closed on their land purchase and construction loan, they navigated the homebuilding process without direct involvement from IHT. The time and monetary costs to IHT were due diligence costs, and were covered in the purchase price when the couple bought the property at an affordable price.

The donation of a buildable lot gives IHT a sustainable way, in terms of time and money, to create homeownership opportunities. It also provides additional options for qualified applicants who may prefer to design and build their own house.

Island Housing Trust’s Mission
Island Housing Trust encourages viable year-round island communities by facilitating reasonably priced rental and purchasing opportunities for the workforce on Mount Desert Island.
VIEW FROM THE FRONT PORCH: ECONOMIC IMPACT STUDY BOLSTERS IHT’S MISSION

By Chris Spruce, Executive Director Island Housing Trust

The work that Island Housing Trust engages in to achieve its mission of preserving year-round community on Mount Desert Island is not only challenging, but also measured. By that I mean that we use deliberative processes to create the housing opportunities for MDI’s year-round workforce that take time. Unlike some other nonprofits where it is easy to measure outcomes and impacts on the community, IHT’s efforts to create homeownership opportunities for moderate income working individuals and families cannot be measured simply by counting the number of qualified applicants we have placed in homeownership situations.

Toward this end, IHT asked Professors Todd Gabe and Jim McConnon of the University of Maine’s School of Economics to look at the economic impact of year-round residents living on Mount Desert Island. Their report, which can be found on the department’s website (http://www.umaine.edu/soe/files/2009/06/Final-Report-Year-Round-Households-MDI.pdf), shows that each year-round household on MDI accounts for more than $16,700 in sales revenue and supports an additional .2 local jobs providing nearly $4,400 in annual income. Thus 10 year-round households would generate an estimated $167,700 in economic activity and support two local jobs providing $43,700 in wages and salaries.

Gabe and McConnon also found that year-round business and residents located on MDI share estimated benefits ranging from $8,500 to nearly $19,000 per year, by “avoiding a work-related commute to Ellsworth or Bangor or from not having to pay higher wages to attract a worker from outside of the area.”

We at IHT have long held that one of the important outcomes of our efforts to create housing opportunities affordable to the year-round workforce on MDI is a more vibrant community. Part of that vibrancy is the increase in economic activity that comes from families living in our towns and villages year round. While two full time local jobs and $167,000 in additional economic activity that would come from 10 new year-round households might not sound like the answer to all of our challenges, these estimates provided by Professors Gabe and McConnon underscore the critical importance of keeping working folks living and spending on MDI twelve months of the year. Imagine the economic impact of 50 or 100 new year-round households. Imagine not only the increase in economic activity, but also more children in our classrooms, more volunteers in our non-profit organizations and churches, fewer gallons of gasoline consumed getting people to and from work, and more quality time with friends and family. Viewed in this way, the impact of IHT’s work over time is neither minor nor insignificant for the future of the Island.

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In April, the fourth family moved into their new home in IHT’s Ripples Hill subdivision, and construction began on the fifth family’s home. One lot remains available in Phase I of the development.

Edward and Lesley Horvath, along with Philip, Nellie, and MaryBridget, visit their Ripples Hill house lot (above). Their house will be finished by fall, just as Nellie and MaryBridget prepare to begin the 4th and 3rd grades at Mount Desert Elementary School (MDES). Edward and Lesley both work for the MDI school system.

Megan Macauley and her daughter Madeleine (left) continue to settle into their new home. Megan works at Jackson Lab, and Madeleine will begin 7th grade this fall at MDES. Julia, Megan’s oldest daughter, will be a junior this fall at the University of Vermont and has a bedroom to return to when she comes home.

BUSINESS OWNERS (Continued from page 1)

the house has changed their lives, JJ said, “We like being here. It’s nice to know you don’t have to move again. We like that we have a functional yard, except for mowing the lawn.”

Congratulations to JJ, Maureen, and Max. And thank you to Emily Sabah Maren for her generosity in working with IHT to provide workforce housing opportunities to our community.

Ms. Maren worked with IHT to develop affordability covenants on the property so that it remains affordable to future qualified buyers. For more information on the second available house, call Island Housing Trust at 288-4496.