



2024 MDI HOUSING SOLUTIONS SUMMIT

SUMMARY REPORT

MARCH 29, 2024 • MDI BIOLOGICAL LABORATORY



Prepared by The Musson Group
Summer 2024



THANK YOU ACKNOWLEDGMENTS

Thanks to all who helped make the 2024 MDI Housing Solutions Summit a success. The Musson Group extends thanks to the MDI Biological Laboratory for use of their beautiful facility for the 2024 Summit. Additional thanks to the 2024 Summit Steering Committee, including our key partner Marla O'Byrne (Island Housing Trust), along with Weston Brehm (MDI & Ellsworth Housing Authorities), Dave Edson (Friends of Acadia), Misha Mytar (Maine Coast Heritage Trust), Tricia Blythe (The Knowles Company), and Michele Gagnon and Cali Martinez (Town of Bar Harbor), and the Maine Department of Economic and Community Development Housing Opportunity Program. Thank you to our volunteer facilitators and notetakers, including Jill Goldthwait and Misha Mytar; Ron Beard and Mollie Seyffer; Ruth Eveland and Cali Martinez; Kendra Rand and Eliza Worrick; and Weston Brehm and Dave Edson.

Cover imagery by Glenn Curtiss.



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INTRODUCTION

MDI HOUSING SOLUTIONS INITIATIVE

The MDI Housing Solutions Initiative brings together a wide cross-section of Mount Desert Island (MDI) and Acadia region leadership, businesses, organizations, and residents to address the shared challenges created by the shortage of available and attainable housing. The purpose of this initiative is to identify the unique aspects of the housing crisis on MDI, discuss housing needs and barriers, and increase housing opportunities through improved communication and collaboration, and strategic efforts to create solutions that make sense for the unique needs and barriers in this region.

Following on the outcomes of the 2023 MDI Housing Solutions Summit, the initiative focuses on three main Action Areas:

- **Funding Structures and Mechanisms;**
- **Coordination and Collaboration; and**
- **Education and Communication.**

BACKGROUND

Like many areas across the country, housing is increasingly expensive on MDI and in the Acadia region. This is due to a variety of factors, including market dynamics, regulatory forces, the high costs of construction, inflation, labor shortages, residual fallout from supply chain issues created during the COVID-19 pandemic, and low interest rates during the pandemic spurring a surge in purchases of additional homes.

Mount Desert Island faces additional pressures due to its desirable location, limited land availability, limited year-round rental options, limited public infrastructure, and a historically hot second-home market and, now, short-term rental market. Since 2022, rising interest rates have further exacerbated the issue, making available housing even more expensive.

The result is that housing on MDI is continually and increasingly unaffordable to year-round households and unavailable for seasonal workers. These issues are having ramifications for our on and off-island communities, and our island-wide and Acadia region economy. Major employers struggle to attract and retain employees, businesses are unable to stay open on a regular schedule, and delivery of municipal and healthcare services are strained.

Recognizing the need for increased collaboration and communication around this shared issue, a group of individuals representing different sectors on the island and across the Acadia region convened the 2023 MDI Housing Solutions Summit at the MDI Biological Laboratory. The 2023 Summit was an all-day facilitated workshop in which participants divided into groups to discuss and identify housing needs, barriers to meeting those needs, and potential solutions for overcoming those barriers. Building on the success of that March 2023 gathering, this effort was rebranded as the MDI Housing Solutions Initiative.

A key element of this initiative is recognition of and communication about the interconnectedness of housing with other aspects of planning and economic development.

Housing is a community economic development issue.

Can we hire and retain the people we need to keep our schools, businesses, town governments, organizations, and institutions running? Can we staff the hospitals, clinics, doctors offices, and EMS crews? Can we house families that will want to build or maintain roots? Can we sustain neighborhoods? Can entrepreneurs just starting out or looking to grow their business establish themselves in our communities?

Housing is a transportation issue.

Where do people live in relation to their jobs? How far are people willing to travel for work? What mode of transportation do they use to get to and from their place of employment? What does that commute feel like during peak tourism season for workers, residents, and visitors?

Housing is a climate issue.

What are the climate impacts of people traveling increasingly longer distances between their jobs and homes? Or between their homes, errands, and social or medical services?



STRUCTURE OF THE DAY

The 2024 MDI Housing Solutions Summit took place on March 29, 2024 at the MDI Biological Laboratory between 8:30am - 11:30am. The 2024 Summit included an opening session, small group work, and a closing session. This section provides an outline of the day,

OPENING SESSION

In the opening session, The Musson Group (TMG) welcomed participants back for another summit and opportunity to discuss and coordinate around housing challenges and opportunities. TMG went over the purpose of the day:

- Celebrate solutions planned or underway
- Examine barriers identified at the 2023 Summit
- Seek consensus around specific housing goals

The housing crisis was described through the metaphor of pushing a boulder up a mountain: that while the housing challenge feels insurmountable there are many projects and efforts underway to celebrate. Next, the MDI Housing Solutions Initiative was framed as an experiment with two hypotheses:

1. If we come together as an island with four separate towns and the surrounding communities to address this interconnected issue, we will come up with locally responsive solutions; and
2. If we create a collective understanding about the complexities and nuances of the housing crisis here, we can create a more constructive narrative about how we make progress.

Lastly, facilitators asked members of the audience to stand up and celebrate any housing related projects currently underway or completed since the 2023 Summit. Participants from area businesses, nonprofits, institutions, state, regional, and local government shared stories of new housing construction, policy frameworks, funding sources, land acquisition, and future efforts to address the housing crisis on and around Mount Desert Island.

INDIVIDUAL & SMALL GROUPS

For the next portion of the summit, participants were organized into breakout groups named for different bodies of water on the island. Each breakout group was managed by a facilitator and a notetaker. The breakout group time was divided into two parts: individual reflection time and small group work.

Individual Reflection

During individual reflection time, participants were asked to rank the seven main barriers identified at the 2023 MDI Housing Solutions Summit according to what they believe is the most and least significant barrier on that list. With those barriers in mind, participants were next asked to individually draft island-wide and Acadia region housing goals.

Small Group Work

Following the individual reflection time, facilitators called the group together to share which barriers participants ranked most significant and the goal statement ideas that people developed on their own. Small groups then discussed where there were overlaps in ideas and if there were goal statements to which the group could agree. Summit facilitators visited each small group during this discussion and collected the top ideas.

Lastly, small group facilitators asked their participants to brainstorm lists of contradictory ideas related to housing. Those responses, along with the barrier ranking, are provided in the Key Takeaways section of this report.



FINAL REGROUP & WRAP UP

For the final portion of the 2024 MDI Housing Solutions Summit, participants regrouped in Maren Auditorium. On the auditorium screen, facilitators displayed a list of the top goal statements developed by each small group during the breakout session. Using a keypad polling platform on their phones, participants live-ranked these statements in order of most critically important goals and watched as the goal statements shuffled into a ranked order. Next, facilitators asked the audience to reflect on and discuss how they ranked the goals statements as a group. Lastly, participants were asked to write themselves a postcard (provided in their summit materials and to be mailed later) in which they committed to one or two actions over the next year.



KEY TAKEAWAYS

CELEBRATE SUCCESS

The housing crisis feels insurmountable at times but it is important to celebrate successes and accomplishments. There are many noteworthy projects currently underway or in the planning stages. The opening session provided time for housing solutions partners to share updates about housing solutions projects and upcoming plans.



CONTINUE TO EXAMINE BARRIERS

As part of the individual reflection and small group work, participants were asked to reflect on and rank the following housing barriers identified by participants at the 2023 Summit. A full description of these barriers is provided in the 2023 MDI Housing Solutions Summit Summary Report.

BARRIERS TO MDI HOUSING AVAILABILITY AND AFFORDABILITY

Land limitations. As an island, Mount Desert Island has limited developable area. Several factors, such as environmental constraints (e.g. wetlands and ledge) and high amounts of conserved land limit what is developable on MDI.

Limited public water and sewer infrastructure. There are limited locations on MDI that have public water and sewer infrastructure. The high cost to construct this infrastructure makes it difficult to expand service areas. Given the limited availability of these services, it will be difficult to gain from the economies of scale and environmental benefits that they can provide.

MDI has a predominantly seasonal tourism economy. On MDI many jobs are low to mid-paying service economy jobs while housing is limited and costs have risen substantially in the last decade. In addition, given the predominance of the seasonal tourism economy, there are limited career opportunities for year-round residents to change jobs within their field, increase their income over time, and keep up with rising home values.

Vacation rentals. Year-round homes used as commercial vacation rentals impact the housing supply. The historically high demand for vacation rentals and the lucrative investment opportunity they present means that some of the island housing supply will always be tied up as vacation rentals. Vacation rentals will always be more desirable and profitable than year-round rentals and MDI residents can make a living out of buying and managing vacation rentals.

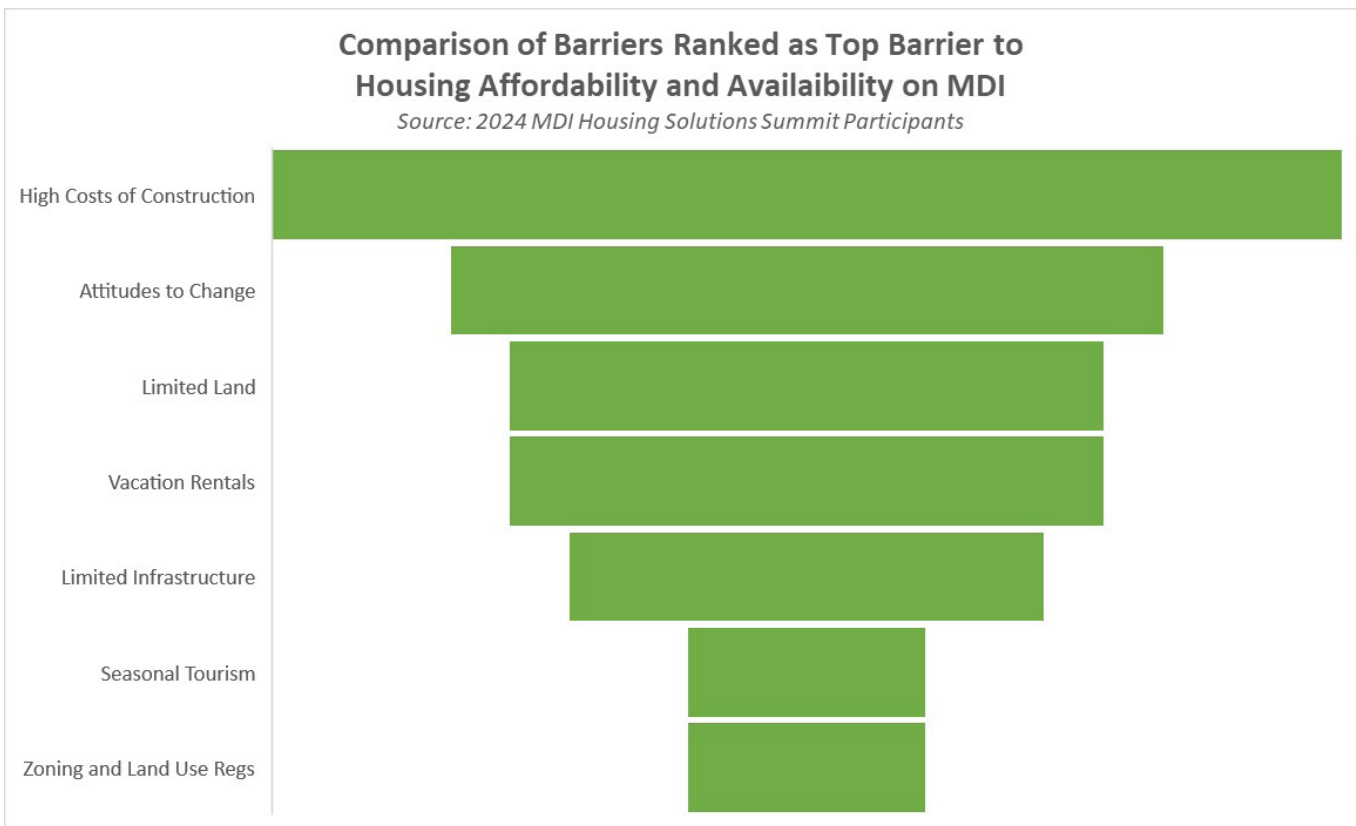
Change. Attitudes toward additional growth or change can deter progress. Each breakout group discussed how the barriers posed by opposition to change can slow down the development process and deter additional development (NIMBYism). They noted that this opposition occurs in village centers or rural areas, and the complex role that “character” plays in the island economy.

Regulation. Current zoning and land use regulations may not provide enough flexibility to create additional housing opportunities.

High cost of construction. During the COVID-19 pandemic and following inflation the cost of materials increased dramatically. This high cost has significant implications to new development. In addition, labor costs on MDI are typically higher, whether due to travel, scarcity of skilled labor, or other factors.

PRIORITIZE BARRIERS

During the individual reflection time participants ranked barriers identified in the 2023 MDI Housing Solutions Summit. Rankings were tallied and a relative comparison of the top ranked barriers is summarized in the chart below. The 2024 MDI Housing Solutions Summit participants ranked the high costs of construction and attitudes towards change as what they perceive as the highest barriers to housing affordability and availability on MDI. Limited developable land and vacation rentals tied for third as the perceived highest barrier to housing affordability and availability.



EXAMINE CONTRADICTIONS

In the discussion portion of the small group session, participants reflected on potential contradictions embedded in the housing crisis to encourage moving beyond either/or thinking, and then the possibility of finding consensus around housing goals. Facilitators asked participants to consider the idea of the MDI and Acadia Region housing crisis as a “wicked problem,” which can be defined as “complex social or cultural problems with an unknown number of potential solutions.” (Rittel, Horst W. J., Dilemmas in a General Theory of Planning, *Policy Sciences*, 4:2 (1973: June) p.155)

By asking participants to examine the contradictory or paradoxical thinking at play in the housing crisis, facilitators encouraged nuanced thinking and sought to reinforce the complex idea that two things can seem opposed but also be complementary. This type of thinking is important in policy-making around difficult and emotional issues. To tackle this, groups reflected on the question “What seemingly opposing yet complementary strategies do we need to pursue simultaneously to be successful?” and to fill in the blanks for the question “How is it that we can be ___ and simultaneously ___.” The following ideas were identified by groups. This table shows the wording provided by participants during this session:

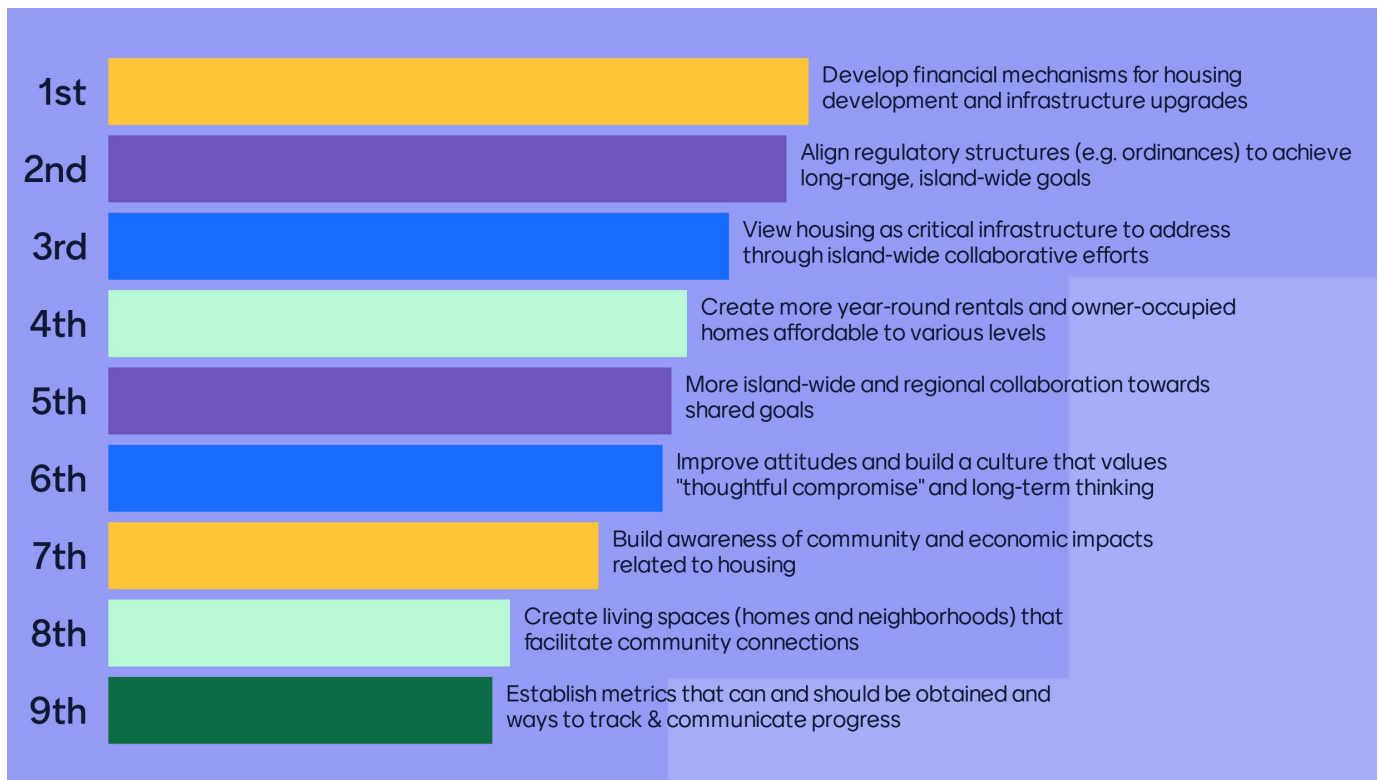
HOW IS IT THAT WE CAN...	AND SIMULTANEOUSLY...
Be a desirable seasonal destination	A thriving year-round community
Have cedar shingle & white picket fence aesthetics	Density
Profit off seasonal economy	Profit off year-round
Healthy year-round, sustainable community	Free market, capitalistic economy
Individual quality of life	Community quality of life
Keep taxes reasonable	Keep infrastructure costs down
Accommodate vehicles	Encourage density
Pay fair wages for construction	Maintain affordability
Continue to develop	Have an available local labor force
Have a year-round community	Have a seasonal economy
Have a thriving summer community	A thriving year-round community
Have vibrant neighborhoods	Maintain personal space
Encourage affordable / attainable housing for year-round and seasonal workforce community	Respect personal financial security and survival
Manage the impacts of existing growth	Accommodate more community economic growth
Have a community of uber-wealthy	A lack of support services
Allow for exclusivity	Support accessibility
Fear change	Make real progress
Value personal desires	Value collective needs and benefits
Support commercial interests	Support community interests
Provide more year-round housing	Maintain small-town quality of life

SEEK CONSENSUS

With those contradictory ideas and challenges in mind, small groups then brainstormed high level ideas for housing goals. After a period of discussion, each group was asked to pick their top two housing goal ideas to share with the larger group. Summit facilitators collected those ideas and entered them into an interactive polling platform. In cases where groups developed overlapping goal ideas those were combined into one statement. Upon returning to the auditorium for a closing discussion, participants reviewed the top housing goals from each group on the large screen and were asked to individually live rank those housing goals using the polling platform and their phones. This list consisted of the following goals:

- Improve attitudes and build a culture that values thoughtful compromise and long-term thinking
- Create living spaces (homes and neighborhoods) that facilitate community connections
- Build awareness of community and economic impacts related to housing
- View housing as critical infrastructure to address through island-wide collaborative efforts
- Align regulatory structures (e.g. ordinances) to achieve long-range, island-wide goals
- Create more year-round rentals and owner-occupied homes affordable to various income levels
- Establish metrics that can and should be obtained and ways to track and communicate progress
- Develop financial mechanisms for housing development and infrastructure upgrades
- More island-wide and regional collaboration towards shared goals

The image below shows the results of the keypad polling where participants ranked the nine goals:



The first goal “Develop financial mechanisms for housing development and infrastructure upgrades” logically follows from the identification of costs of construction as one of the top barriers identified and discussed by participants in their small groups. Notably, there is no clear gap in the ranking of the goals; the first two goals score relatively close together, as do the fourth, fifth, and sixth goals. In the larger wrap up discussion, participants noted that all nine goals are related to each other and each goal is important on its own for addressing different aspects of the housing crisis.

These participant-identified and ranked goals reinforce the three Action Areas of the MDI Housing Solutions Initiative of Funding Structures and Mechanisms; Island-wide Coordination and Collaboration; and Education and Communication:

ACTION AREA: FUNDING STRUCTURES AND MECHANISMS

Goal: Develop financial mechanisms for housing development and infrastructure upgrades

Goal: Create more year-round rentals and owner-occupied homes affordable to various income levels

ACTION AREA: ISLAND-WIDE COMMUNICATION AND COLLABORATION

Goal: More island-wide and regional collaboration towards shared goals

Goal: Align regulatory structures (e.g. ordinances) to achieve long-range, island-wide goals

Goal: Improve attitudes and build a culture that values thoughtful compromise and long-term thinking

Goal: Establish metrics that can and should be obtained and ways to track and communicate progress

Goal: Create living spaces (homes and neighborhoods) that facilitate community connections

ACTION AREA: EDUCATION AND COMMUNICATION

Goal: Establish metrics that can and should be obtained and ways to track and communicate progress

Goal: Build awareness of community and economic impacts related to housing

Goal: View housing as critical infrastructure to address through island-wide collaborative efforts

Goal: Improve attitudes and build a culture that values thoughtful compromise and long-term thinking

Goal: Create living spaces (homes and neighborhoods) that facilitate community connections

NEXT STEPS

Using grant funding from the Maine Department of Community and Economic Development (DECD) Housing Opportunity Program, the MDI Housing Solutions Initiative is working on a number of projects that range from facilitation of regional planning and community working group meetings to research and data analyses. Current and future projects are briefly outlined below.

CURRENT AND FUTURE PROJECTS

MDI Housing Solutions Initiative Website

Creation and maintenance of an online presence to provide information and materials about the MDI Housing Solutions Initiative, latest updates on project work, and local and regional housing resources.

Municipal Technical Assistance, Local and Regional Coordination

Technical assistance work on short-term rental ordinances, implementation of L.D. 2003, facilitating meetings with the League of Towns, and coordination with other MDI area planning and economic development staff.

Mapping Analysis of Island-wide Codes and Infrastructure

Development of a Geographic Information Systems (GIS) analysis of housing opportunities and constraints in partnership with College of the Atlantic, municipalities, and Hancock County Regional Planning Commission.

MDI Housing Solutions Summit

Continued planning and facilitation of the MDI Housing Solutions Summit event and public meetings to engage the public with key takeaways from past summits.

Facilitation of Peer Group Forums

Facilitated multiple discussions with the League of Towns, comprised of Town Managers and elected officials from MDI towns and surrounding communities. Organized and facilitated industry-focused discussion on the role of Realtors in the housing crisis with approximately 15 MDI-area real estate professionals participating in discussion.

Participation in Collaborative Speaker Forums

Collaboration with the MDI Historical Society to create a speaker series at each town library on historical perspectives on community decision-making.

Research of New Housing Models

Coordination with Acadia National Park and Island Housing Trust to scope out new housing models, particularly for rentals, such as an MDI Lease-to-Locals program in which vacation rental owners could receive incentives to rent their units year-round.

Island-wide and Acadia Region Housing Needs Assessment

Creation of a housing needs assessment that builds on the analysis of Bar Harbor's needs by examining the needs in the Acadia Region as a whole (Tremont, Southwest Harbor, Mount Desert, Bar Harbor, Trenton, Lamoine, and Ellsworth).

Coalition Building

Researching additional strategies for new partnerships and coalition building, including the scoping of a public relations campaign around the relationship between homes and sustainable community development.

Funding Structures and Mechanisms Discussions

Coordination of working group discussions to examine broader financial mechanisms for funding housing and infrastructure projects such as local option taxes, service fees, and other tourism and infrastructure revenue sources.

MDI Housing Solutions Initiative

A project of The Musson Group and Island Housing Trust



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