



FAQ's

Why do we need workforce housing?

The short answer is supply and demand. There are not enough houses or apartments available in our area to house the people who work here year-round. Over the last several years, the cost of a home in the area has skyrocketed. Today, fewer than one out of every five homes is affordable to a worker earning the Franklin County median income of \$53,000.

Our businesses struggle to hire and retain quality staff, and many area workers commute more than 25 miles. These trends stunt the area's vitality, generational diversity, and economic growth.

How do the current Kingfield residents benefit from this project?

Think of all the services you access in our area. Now think of all the people who work at those businesses to keep them operating. If employers can't find people to hire, then the businesses cannot remain open.

One reason that it is difficult to fill year-round positions in our town is because people cannot find an affordable place to live. Only 4% of housing stock is available for year-round rentals. Most rentals available in Kingfield are in the form of Air B&Bs and seasonal rentals, at rates unheard of a few years ago.

Home ownership is equally challenging. In 2014 a home sold for an average of \$57.00 per square foot. In 2023 that had increased to an average of \$206.00 per square foot. That's an increase of 25%-40% in the last few years, driven by high demand from seasonal visitors and second home buyers. The 2021 median sale price in our area was \$380,000, which would require a household income of \$100,000 to afford (roughly double the current area median income of \$53,000.)

There simply are not enough places to rent or buy that people who work for minimum wage to \$20.40 an hour can afford. This has resulted in families leaving our area.

As for financial benefit, WMMH will pay an amount annually equivalent to 10% of the rents collected to the town of Kingfield. We anticipate that this will be approximately \$15,000 to \$20,000 annually.

The funds for this project have already been allocated by the state for the purpose of building workforce housing. By not using the funds for this project, we aren't saving money; we are missing out on using money that will go to another town to solve their problem with the workforce housing shortage.

See the tables below which demonstrate the demand for housing in our area. Total Housing Needed for Kingfield, Eustis/Stratton, and Carrabassett

Rental Units Needed:

Workforce Year-Round Rental Unit Need

Income Level	Attainable Rent Level	Demand (Units)
Less than \$20,000	Less than \$500	25-75
\$20,000 to \$34,999	\$500 to \$875	27-81
\$35,000 to \$49,999	\$875 to \$1,250	12-36
\$50,000 to \$74,999	\$1,250 to \$1,875	0-0
Total Income Qualified Capture Potential		64-192

Source: Camoin Associates

Homes for Purchase Needed:

Workforce Homeowner Unit Need

Income Level	Attainable Home Price	Demand (Units)
Less than \$20,000	Less than \$70,000	10-30
\$20,000 to \$34,999	\$70,000 to \$125,000	9-27
\$35,000 to \$49,999	\$125,000 to \$180,000	7-21
\$50,000 to \$74,999	\$180,000 to \$270,000	14-42
Total Income Qualified Capture Potential		40-120

Source: Camoin Associates

What will the workforce housing be like?

The first phase of the project we hope to build in Kingfield will be two nine-unit buildings, having a mix of one- and two-bedroom apartments. They will be located on a portion of a seven-acre lot adjacent to Dollar General on Rt.27. In later phases, we hope to build affordable single-family homes, with Planning Board review and approval.

Rent/Qualifications

Who qualifies?

People who earn 80% of the area median income (AMI) for Franklin County qualify to live in workforce housing. This qualification is set by MaineHousing. For 2023, 80% of the AMI for a one-person household was \$42,450; \$48,500 for a two-person household; \$54,550 for a three-person household; and \$60,600 for a four-person household. These numbers are adjusted every year and will likely be higher by the time the first buildings are completed. A person earning \$42,450 per year is paid about \$20.40 an hour.

The housing is for **year-round** workers, and not seasonal workers.

Renters will be vetted as active members of the area workforce. Advertising for the initial leasing and subsequent vacancies will be done through local employers. In other words, local employers will have the first opportunities to offer housing to their employees or potential employees. A renter must provide proof of employment and income. Nothing in the funding rules requires us to take tenants with poor references or lack of adequate income. The Kingfield Planning Board required WMMH to develop comprehensive rules and regulations for tenants, which can be viewed on our website, WesternMaineHousing.org

What is the median income for Franklin County?

\$53,060 for a one person household

\$60,640 for a two person household

\$75,800 for a family of four

So, how is this different from Section 8 Housing?

In order to qualify for Section 8 Housing, a household can only earn up to 60% of the area median income for that county, as set by MaineHousing. Again, renters will be vetted as active members of the area workforce. Also, to qualify for Section 8 Housing, a person does not have to show proof of employment.

How much will the rent be?

Though we don't know the exact dollar amounts we will follow the parameters established by MaineHousing. These rents, for 2023, are set at a maximum of \$1,136/month for a one-bedroom unit and \$1,363/month for a two-bedroom unit but may be lower depending on the data we gather about rental rates in town. These amounts must include utilities. If utilities are not included the rent must be decreased by \$168/month for a one-bedroom unit and \$205/month for two bedrooms. These numbers are adjusted annually. The total cost of utilities and rent must be no more than 30% of household income.

Which professions are paid at that rate?

- First year teachers
- EMTs
- Technicians employed at New England Wire Company
- Office workers
- Pharmacy technicians
- Service industry workers such as waitstaff, bartenders, and cooks
- Cashiers and other grocery store and convenience store employees

So, what if a person gets a better paying job, do they have to move?

MaineHousing rules allow a person to remain in the housing as their wages increase.

What if a person cannot pay their rent?

As with any rental, a person who does not pay their rent will be subject to eviction.

Will the workforce rent rate expire at any point?

Deed restrictions will be recorded in the Registry of Deeds requiring that the property remain affordable for 45 years. Rents may only increase by increases as the area median income (AMI).

How do we know these won't turn into seasonal rentals?

Renters must sign a year-long lease. Subletting is not permitted. The MaineHousing Rural Rental Program requires that "all residents must inhabit the units as their primary, permanent residence".

Is subletting permitted for people who sign a year long lease?

No, subletting will not be permitted.

Can the state take over this project and change the goal?

No, MaineHousing is allocating the funding, but it does not have the jurisdiction to claim the housing project for their own purposes. The purpose of the funding that has already been allocated is for workforce housing, at specified income levels, in rural areas of Maine.

What if you can't find enough renters to fill the units?

The economic development study that was completed in early 2022 found a need for between 100 and 300 new units of year-round housing. You can view the full report at WesternMaineHousing.org. Even at the lowest level of 100 units both phases of the Kingfield project will provide less than half of that need. Consequently, we have no concerns regarding our ability to rent these new apartments.

Town Finances and Infrastructure

How is this project being funded?

In the fall of 2022, the Franklin County Commissioners awarded WMMH \$308,275 in funding to get started. After our project was submitted by Senators Collins and King, the Senate Appropriations Committee Voted to include \$1.5 million in funding in the Department of Housing and Urban Development budget for the Kingfield project. This appropriation must still be approved by the full Senate. We also received a three-year grant from the Betterment Fund in the total amount of \$71,250 to support operations. We are in the process of applying for additional federal and state funds, and grants from public and private foundations. The primary funding for phase 1 of the project will come from MaineHousing through its Rural Rental Program.

Approximately how many PEOPLE (not units) will be housed in Phase 1?

Occupancy studies conducted throughout the country, including one by Rutgers University, have found that 1 bedroom units are occupied by 1 to 2 people with no children. Two-bedroom units are occupied by 2 people with .33 children per unit. We therefore expect phase 1 will have approximately 30-36 people.

What about property taxes, infrastructure, water/wastewater and traffic?

WMMH is a private not for profit organization that is exempt from property taxes. We do however recognize our responsibility to contribute to the costs of local Town services. The Select Board of Kingfield and WMMH have included in the contract zone documents

a requirement that WMMH pay an amount annually equivalent to 10% of the rents collected. We anticipate that this will be approximately \$15,000 to \$20,000 annually. The only town funded services will be police and fire protection. Potable water will be provided at prevailing Water District rates. Wastewater will be handled internally in accordance with State of Maine requirements. Maine DOT will require the Route 27 entrance road to meet all state laws and standards.

By voting in favor of the zoning contract, what exactly are we approving?

The contract zoning application from WMMH is seeking the following changes:

- 1) The setbacks remain the same at the boundaries of the seven-acre lot but are reduced internally.
- 2) The height for the townhouses that will have garages on the first floor is increased from 35' to 45'.
- 3) Forty-five living units will be allowed on the 7-acre lot of which approximately 60% will be multi-family and 40% single family.
- 4) Parking spaces can be 16'x8'. Phase 1 must have at least 1.5 spaces per dwelling unit and the combination of phases 1 and 2 must have not less than 1.25 spaces per unit.
- 5) Single Family units have a minimum lot size of 5,000 square feet and the two multi-family buildings in phase 1 must have a minimum lot size of 40,000 square feet.
- 6) The internal roads must be paved with 20 feet of traveled way and two 3-foot paved shoulders. The Planning Board may decrease the road/shoulder width if paved sidewalks are provided.

Does a "yes" vote automatically allow WMMH to build Phase 2?

The Kingfield Planning Board is required to hold a public hearing before Phase Two is started. This hearing will give the Town an opportunity to determine if WMMH has successfully completed Phase One and should continue with Phase Two.

How will this affect our mill rate?

Workforce housing will not affect our mill rate because WMMH is a non-profit organization, not subject to property taxes, and not added to town valuation. However, as noted above, WMMH will pay an amount annually equivalent to 10% of the rents collected for the two Phase 1 buildings. We anticipate that this will be approximately \$15,000 to \$20,000 annually.

Quality and Aesthetics

Who is responsible for the property management?

WMMH plans to hire a professional management company with a Kingfield presence to manage the two buildings in phase 1. We have developed an application that will require

the management company to thoroughly check references such as employment and previous landlords. They will also do a criminal background check. In addition, we have developed a list of rules regarding the use of the property that has been reviewed by the select and planning boards and will be part of the site plan review process. We want these properties to be an asset to the town and a pleasant, welcoming, and quality home for the people who will live there.

The MaineHousing funding we hope to receive requires that a capital reserve be set aside for long term maintenance of the property.

What if you do not receive the MaineHousing funding?

We will raise the needed funds privately and through foundations and other sources. As mentioned above we may receive \$1.5 million in congressionally directed spending. A Senate Committee has approved this funding but it is awaiting a vote of the full Congress.

Can you ensure the property will stay looking nice throughout the years? How?

We plan to hire a property management company with a Kingfield presence to provide day-to-day management of these two buildings. We are committed to maintaining attractive, well-managed properties that make living locally realistic for the families and individuals who help our towns thrive. We will budget for general maintenance and have monthly reserves for future capital improvements.

Are these built to last, or made of cheap materials?

These units will be built with high quality materials and are made to be efficient. MaineHousing has high construction standards which must be adhered to, which can be read here: [Maine State Housing Authority's Quality Standards and Procedure Manual](#) . Maine's building codes require us to build energy efficient high-quality buildings. Our buildings in Phase 1 will be super insulated and heated and cooled with an energy efficient heat pump. There will be no fossil fuels burned on site.

Where else has workforce housing been built in Maine?

Many towns with high property values and few rentals available have built workforce housing including Deer Isle, Westbrook, and York. The town of Madison has also recently broken ground on a workforce housing development. Below are a few websites where you can learn more about the projects.

<https://www.islandworkforcehousing.org/>

<https://highpinesvillage.com/work-force>

<https://www.yorkhousing.info/moorehouse-place/>

Other concerns

Okay, who is getting rich here? Somebody must be...

There are no investors making money from this project. The cost of the project includes the work of architects, civil engineers, contractors and builders, project managers, and of course, paying for materials.

Construction costs and the overall housing market make it impossible for private developers to build housing that is affordable for local workers, which is why we formed this coalition. The state has recognized this problem and created a program to help fund projects like ours. We are in the process of applying for federal and state funds, grants from public and private foundations, and will be engaging local communities in additional grassroots fundraising efforts.

Who is WMMH?

WMMH is a nonprofit organization dedicated to maintaining the economic and civic health of western Maine by creating permanently affordable, year-round workforce housing for individuals and families in Kingfield, Carrabassett Valley, Wyman Township, Coplin Plantation, and Stratton/Eustis. We are based in Kingfield with board members from each of the affected towns.

Is WMMH allowed to sell the property? If so, when?

For Phase 1, WMMH plans to apply for funding through The MaineHousing Rural Rental Program. This program places significant limits on the ability to sell and earn profits. The deed requires that the apartments remain workforce affordable housing for 45 years.

How do we know you are being responsible and not using tax dollars for inflated or unrelated costs?

It would be nearly impossible with funders' oversight to do so. The program we plan to apply to is administered by MaineHousing, is very competitive, and has strict requirements that we will have to comply with. Just as importantly, all of us that are involved have strong ties to Kingfield and surrounding communities. We want this to be model project that not only serves Kingfield well but will serve as a model for the many other Maine communities that are struggling with the lack of workforce housing,

Approval Process Thus Far

- WMMH worked with the Planning Board to create a contract zone ordinance that would allow the construction of both multi and single-family buildings at a density that would allow us to keep our per unit costs down.
- Kingfield voters approved that ordinance in June of 2023
- WMMH worked with the Select and Planning Boards to develop a contract zone that voters could consider.
- We have received a recommendation for approval of the contract zone from both the Planning and Select Boards.
- The Planning Board recommendation was unanimous. With the Select Board the vote was three in favor. (Kim Jordan whose family owns the parcel of land we want to buy was not able to be at the meeting and in a previous vote on the project abstained).

Next Steps

- Voters will be asked at a March 5th 2024 vote to approve the contract zone which will allow for phase 1 to move forward.
- Compete for MaineHousing funding which we anticipate will be sometime in May or June of 2024.
- If approved by MaineHousing we hope to be able to begin construction in the fall of 2024.

Phase 2

Many people who were raised here in Kingfield want to stay and raise their own families here or return to raise their families here. However, few people can afford to build a home or buy the few homes that are on the market. If approved, Phase 2 of the project will likely be 10 single family homes as shown in our concept plans. These homes will target a higher income level of about 120% of the area median income (AMI). In 2023 this ranged from \$63,672 for a single-family household increasing to \$90,960 for a four-person household.

These homes would be owned by families and must be their primary, year-round residence. They would pay property taxes like any other single-family home. There would be a deed restriction that limits the amount the home can increase in value to the annual increases in wages and requires that any future sale be to a qualifying family. This requirement will keep the homes affordable in the future and make sure they do not end up as vacation homes. A “yes” vote to approve the contract zone does not automatically approve Phase 2.