

APPENDICES

With information about current Conditions and Trends and an accompanying Analysis for each topic that leads to the Issues identified in Chapter 5 and for which the Plan makes Recommendations for Action. These contain the data upon which we have based our Recommendations.

1. Population and Demographics
2. Economics
3. Housing
4. Historical & Archaeological Resources
5. Water Resources
6. Critical Natural Resources
7. - 8. Agriculture and Forestry
9. Marine Resources
10. Recreation
11. Public Facilities and Services
12. Transportation
13. Land Use
14. Fiscal Capacity and Capital Improvement Plan
15. Capital Improvement Plan
16. Regional Coordination
17. State Growth Management Goals & Coastal Management Policies
18. Public Participation and Acknowledgments
19. List of Maps

Appendix 1. POPULATION & DEMOGRAPHICS

Introduction

Recognizing the inherent flaws of using estimates and projections, we nonetheless can identify certain trends that are likely to continue (even if later modified by census data for 2010) - revised 5-year projections of population, and additional year-to-year reports from the SPO). The magnitude of these trends and shifts in data may be evaluated in light of additional information that may have an impact on them. In effect, the database we create is a work-in-progress as more (and more accurate) data are received, interpreted and projections are modified.

Population Trends

US Census Bureau Data* & Projections

	1990*	2000*	2005	2010	2015	2020	2025	2030
State	1,227,928	1,274,923	1,321,501	1,362,938	1,401,553	1,434,404	1,454,813	1,470,869
County	47,160	51,869	53,660	55,380	56,873	58,006	58,717	58,891
Ellsworth	6,002	6,473	7,021	7,312	7,681	8,014	8,286	8,543
Bar								
Harbor	4,476	4,833	5,118	5,332	5,571	5,782	5,947	6,099
SW								
Harbor	1,952	1,966	1,983	1,979	1,956	1,914	1,851	1,778
Mount								
Desert	1,891	2,115	2,197	2,319	2,424	2,516	2,588	2,655
Tremont	1,321	1,535	1,643	1,785	1,918	2,045	2,159	2,271

Rate of Change

	2000	2005	2010	2015	2020	2025	2030
State	3.83%	3.65%	3.14%	2.83%	2.34%	1.42%	1.10%
County	9.99%	3.45%	3.21%	2.70%	2.70%	1.99%	1.23%
Ellsworth	7.85%	8.47%	4.15%	5.05%	4.34%	3.39%	3.10%
Bar							
Harbor	7.98%	5.90%	4.19%	4.48%	3.78%	2.85%	2.57%
SW							
Harbor	0.72%	0.86%	-0.19%	-1.19%	-2.13%	-3.31%	-3.92%
Mount							
Desert	11.85%	3.88%	5.57%	4.50%	3.80%	2.86%	2.58%
Tremont	16.20%	7.04%	8.66%	7.44%	6.62%	5.57%	5.19%

US Census data from 1990 and 2000, and 5-year projections thereafter show a decline in population for SWH – even while the State, County, Ellsworth and the other MDI communities are growing. Note that Tremont’s population is expected to surpass SWH’s shortly after 2015.

Annual population data can be used to compare to the natural population change (as derived from annual Birth/Death records). We can then infer a net migration of residents. We have to wait until the 2010 census to get the “actual” Out-migration and In-migration data. Hancock County PC population estimates for 2000-2020 are the most recent figures available; for Southwest Harbor they show an annual population of 1,980 in 2009 declining slightly through 2020 to 1,939 – a 2% decline

Natural Population & Migration

Natural Population	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Births	19	15	19	23	22	22	13	15	25	16
Deaths	(32)	(23)	(23)	(19)	(26)	(28)	(27)	(15)	(25)	(17)
Natural Population Change	(13)	(8)	(4)	4	(4)	(6)	(14)	0	0	(1)

The natural population change over the past 10 years has averaged a decrease of 5 per year; however note that natural population change has been flat from 2007 through 2009.

Our Aging Population: comparing 1990 and 2000 US census data

	SWH Population	1,952	2000 1,966	Change since 1990
Age Cohort Breakdown				
under 5 years- Pre-School Age		143	85	-40.56%
% of Total Population(Under 5)		7.33%	4.32%	
Ages 5-14 (Elementary/Middle School Age)		254	245	-3.54%
% of Total Population(5-14)		13.01%	12.46%	
15-19 Years (High School Age)		106	116	9.43%
% of Total Population(15-19)		5.43%	5.90%	
Ages 20-44 (Est. Prime Child-bearing Age)		727	622	-14.44%
% of Total Population (20-45)		37.24%	31.64%	
Ages 45-64 (Est. Peak Earning Age)		385	512	32.99%
% of Total Population (45-64)		19.72%	26.04%	
Total 65 Years and over		337	386	14.54%
% of Total Population		17.26%	19.63%	
		100.00%	100.00%	

From 1990 to 2000 the fastest growing segment was the group aged 45-64 which *grew* at a 33% rate, and there was an equally large *decrease* in the preschool age group. The adult population was ageing and the school population was dropping. Compare these trends with the Hancock County projections for changes from 2009 to 2020 in the table below.

		State Estimates		
		2009	2020	
SWH Population		1,980	1,939	
				Change since 2009
Ages				
0-4		78	72	-8.06%
% Total Population		3.95%	3.71%	
5-17		255	235	-7.73%
% Total Population		12.88%	12.13%	
18-29		274	202	-26.20%
% Total Population		13.83%	10.42%	
30-44		333	347	4.12%
% Total Population		16.83%	17.89%	
45-64		629	575	-8.47%
% Total Population		31.75%	29.66%	
65-79		283	373	31.85%
% Total Population		14.28%	19.22%	
80+		128	135	5.56%
% Total Population		6.47%	6.97%	

Now, almost 10 years later, those aged 65 and over represent 20.75% of our population. The current projections through 2020 show the 65-79 year cohort group as the fastest growing (at almost a 32% growth rate); together with the 80+ group, our 65 and over residents will be over 26 % of our population by 2020.

While there is a significant projected decrease from 2009 through 2020 in the total of the 3 cohort groups beyond high school age, the reasons for the changes are not yet clear. Certainly there is some projected negative economic influence (jobs, housing, etc), but the net loss is about equivalent to the net gain in the older cohort groups. More details will become available with the 2010 Census results.

Discussion

These three groups can have significant impact on Town services and expense.

The elementary school population is declining at Pemetic; the decade from 1996 to 2006 saw a decrease in enrollment from 264 to 194 students, whereas the School District had projected 254 pupils by 2006. The school district projects enrollment at Pemetic to level off at 140 students in 3 years. This change is straining the Town's resources as cost per pupil exceeds State averages and low in-migration of families with school age children will likely continue due to high home prices and fewer jobs. Fewer students being educated without a substantial reduction in fixed costs means an increasing burden on the existing homeowners via the property tax.

Further, as our population of retired and elderly persons increases, the portion of their tax dollars that goes to education may be perceived by them (and others) as unfair. We should investigate comparative data from Tremont to better make a case for consolidation or reallocation of grade levels and reducing the overall cost/student.

The increasing size of our 65 and older population has two additional implications for the Town. One is the ever-increasing need for ambulance, social and nursing services. The other is the transition to alternative living arrangements that need to be considered as people become less mobile or infirm and as their current homes become expensive and/or too burdensome to maintain.

The cost of ambulance, social and nursing services is also increasing and is likely to continue upward as demand for these services increase. This is another opportunity for consolidation/sharing of services with other towns on the island.

Further, as housing prices continue on a relative basis to be high coupled with a decline in local population of likely candidates for home purchases, the demand for housing must come primarily from new residents (in-migration) or from seasonal residents. At the high end of housing prices, this will likely mean more retirees; at more moderate prices, a robust economic recovery and its affect on job creation will be the key factor.

We really won't know how the economy and shifts in work/living patterns since 2000 have altered the above until early 2012, the anticipated publishing date of the final 2010 Census data.

The current economic climate and anticipated 2-3 year recovery may influence the working patterns more than the living patterns. While we may not know the extent, we can assume the hunt for jobs off island will increase and eventually lead to more out-migration, particularly among younger workers.

SWH has a significant seasonal population:

- 1996 Plan estimated an increased number of summer dwellings; it is now estimated that there are about 1100. The recent Village at Oceans End subdivision will probably add to this number.
- SWH/Tremont Chamber of Commerce figures for transient tourist accommodations: approximately 1880 beds + 25% additional nonmember accommodations at 75% occupancy suggests approximately 1700 summer visitors who stay in SWH.

- People who live on boats + “day-trippers” estimated at 300 persons
- Thus, the Town year-round population of 1,966 is augmented during the two summer months by an additional 3,100 persons, for a total of 5,066 persons – 1.5 times the number who live here. These numbers will have an increased impact upon the Town, as the services required to meet the needs of the summer population have to be provided by the residents.

Working and Living on MDI (As of the 2000 Census)

Where Do MDI Residents Work?

Live in:	Work in:			Total
	MDI	E/T	Other	
Bar Harbor	1941	215	220	2376
Mount Desert	829	118	118	1065
Southwest Harbor	807	54	87	948
Tremont	663	64	73	800
Totals	4240	451	498	5189
	81.71%	8.69%	9.60%	100.00%

Where do MDI Workers Live?

Work In:	Live In:			Total
	MDI	E/T	Other	
Bar Harbor	2335	473	901	3709
Mount Desert	662	73	230	965
Southwest Harbor	962	111	367	1440
Tremont	281	45	74	400
Totals	4240	702	1572	6514
	65.09%	10.78%	24.13%	100.00%

Where Do SWH Residents Work?

SWH	553	58.33%
MDI	254	26.79%
Work On Island	807	85.13%
Ells./Tren.	54	5.70%
Other	87	9.18%
Work Elsewhere	141	14.87%
Total	948	100.00%

Where do SWH Workers Live?

SWH	553	38.40%
MDI	409	28.40%
Live On Island	962	66.81%
Ells./Tren.	111	7.71%
Other	367	25.49%
Live Elsewhere	478	33.19%
Total	1440	100.00%

85% of SWH resident working population work on MDI; 60% work in SWH.
 6% commute to Ellsworth/Trenton; 9% to elsewhere.
 67% of people who work in SWH, live on MDI (39% in SWH)
 8% Commute from Ellsworth/Trenton; 25% from elsewhere.

Discussion

In 2000, SWH “imported” 887 workers and “exported” 395 SWH working residents who work elsewhere; SWH in 2000 had a total workforce of 1440 of whom 62% lived elsewhere. With the move of the Hinckley and Morris production facilities to Trenton soon after 2000 and the recent economic downturn, there are fewer jobs in SWH, and SWH residents who work in these two businesses may now be commuting to Trenton.

Based on a very small increase in population and number of families, the economy was expected to grow at a low level in the decade following the 1996 plan. In 2005, the unemployment rate continued to fluctuate monthly from 8.6% to 2.8%, compared with the State’s fairly constant rate of 4.8%. This is however much less fluctuation than in 1994 (20.5% to 1.8%), perhaps indicating a shift in the type of employment. The 1996 Plan projected that the growth sectors of the economy would be in services, retail and construction. This was shown to be true in the 2000 census - marking the trend toward a tourism-based economy. SWH also has a large number of people who are self-employed or who have home occupations. Specific data are hard to get, and it is hard to predict how this may or may not change in the next decade.

Our two major “industries” – boatbuilding and tourism – are both subject to nationwide economic conditions. The economic recession of 2008-09 saw major layoffs in the boatbuilding and related businesses. Shifting priorities and business locations will have a negative effect on SWH short- to intermediate-term. Whether jobs/businesses will be replaced during an eventual recovery is still in question. Also yet to be determined is the impact on tourism as a result of increased sales taxes in 2010 on lodging and dining and the potential impact of any spike in gasoline prices.

Appendix 2. THE ECONOMY

A. HISTORICAL PERSPECTIVE

For the first 200 years of its history, Southwest Harbor's economy was based on fishing and boat building, supplemented by subsistence farming. Seasonal residents and tourists began arriving in the late 19th century, drawn by the beauty and fame of Acadia National Park and the example of wealthy families traveling from the metropolitan areas of Boston, New York and Philadelphia, to their summer "cottages" in Bar Harbor and Northeast Harbor. These visitors continue to have an increasing impact on the local economy. Increasingly Southwest Harbor's community is made up of retirees who, having visited at one time or another in the past, have now made Southwest Harbor their permanent residence after their working careers are through. To the extent that these newcomers are living on fixed incomes and/or investments (which lately have been volatile) the tax base, which is largely residential, may be constrained.

Through the 1980's and most of the 1990's, fishing and boatbuilding continued to flourish. At the writing of the previous Plan in 1997, Southwest Harbor saw significant landings of scallops, lobsters, sea urchins, crab, groundfish, clams, shrimp, and bait. Today, only the lobster fishery remains viable. Boat building has diminished as well. The world famous Hinckley Company has moved its main production facilities off Island to be nearer its work force. It continues to provide boat maintenance, launching and charter services at its traditional location on the Manset shore. Morris Yachts has also removed production of its luxury sailboats off Island.

Tourism has become increasingly important as the season has expanded from 10 weeks to five months bracketed by Memorial Day in the spring and Columbus Day in the fall. Many small, self-employed business owners provide lodgings, meals and recreational services such as boat charters and tours, canoe, kayak and bicycle rentals, and on Main Street, gift shops and galleries have replaced the shoe store and the several small grocers. The hardware store and the drugstore are important anchor stores providing convenient service to the year round community as well as seasonal visitors. A few storefronts remain empty year round. Many people do their shopping out of town in Ellsworth in the big box stores and online shopping has likely diminished the viability of small, traditional service shops. Still, the traditional downtown seems secure for the immediate future with services such as the library and community recreation building located in the center of town along with the town offices, police station, elementary school, banks and post office – all within easy walking distance of each other and much of the residential neighborhoods as well. The small, walkable downtown is one of the most often mentioned and valued assets.

Home construction services have traditionally thrived as immigrating retirees build or renovate their new homes. In addition to the beauty of the area and the attractive small town, working community feel that Southwest Harbor projects, land values in town continue to be much lower than in much of the rest of the country, making retirement here economically affordable.

Coastal land is particularly valuable which has resulted in tax assessments for some long-time residents that have forced them to sell their homes and move inland or off Island.

Medical care and elder care services are expanding to care for the ageing population. The recently built Straus Center provides adult daycare and the demand for this type of service is likely to grow.

B. ECONOMIC DEVELOPMENT

Southwest Harbor has no economic development plan and does not participate in any regional plan. The local chamber of commerce is an effective agent for businesses in the seasonal lodgings and restaurant businesses. Its annual Oktoberfest showcases local brewers and crafters and is one of the largest on the east coast. Recently local retailers have begun their own merchants' association but there appears to be no community support for attracting industry or commercial activities to the town.

Southwest Harbor has a relatively high percentage of self-employed and home based businesses, including crafters, food processors, property maintenance workers and housekeepers, fishermen, and professional services. It is likely that the income from some of this work is underreported. Support for home-based businesses was one of the defining issues in developing a mixed-use zoning ordinance in 1988 and will likely remain an important issue in the future. There are no major employers in town except the Coast Guard, which although having undergone a reduction in workforce with the consolidation of some administration functions in Portland, should continue as an important member of the community. Jackson Laboratory in Bar Harbor, the largest employer in Hancock County, employs many SWH people, and its future here seems secure even as it expands its activities in other parts of the country. The College of the Atlantic, in Bar Harbor, founded in 1969, is also a major employer with an expanding community presence. The Hinckley Company once the biggest employer in Southwest Harbor as well as one of the major employers in the region, has moved its production operations off island leaving only its boat servicing and launching business in town. The economic downturn of 2008 has diminished production operations in Trenton, but that is expected to recover.

Notwithstanding the recent economic downturn, Hancock County is growing with Ellsworth, the shire town and major service center, undergoing an expansion in retail services and investments in infrastructure.

The economy of Southwest Harbor with its proximity to the ocean and Acadia National Park, should continue to enjoy a healthy and increasing tourist business and while boat building is diminishing, boat service, storage and brokerage should continue as defining economic activities. No other significant changes are anticipated for this planning period. The harbor's three public town docks are busy and there is a waiting list for moorings. Recreational boats have long since outnumbered the fishing boats. The lobster fishery appears to remain healthy,

while other types of commercial fish landings have ceased. More and more the fishermen are using the town docks rather than private piers to unload their catch. There is a real question about the continued viability of private piers, neither of which participates in the state's Working Waterfront program. The town's citizens have always indicated their support for maintaining the working harbor both to help preserve the fishing industry and to preserve the traditional character of Southwest Harbor. The Town has applied for and received two SHlp Grants, one in 1998 and the second in 2008 for improvements to two of its three public town docks to support fishing activities and general water access.

This working harbor is also a draw for tourists who use it for recreation and travel to the outer islands. This dual use of the harbor, both for fishing and recreation sometimes causes tension when disputes occur about the primacy or legitimacy of an activity. Recreational uses have not replaced fishing activities so much as overtaken them. On land, the seasonal doubling of the population with its accompanying traffic congestion and lack of parking can feel like an "invasion" and some maintain that the Town would be better off without it, so it is hard to garner general, coordinated support for expanding the tourism business. It is very difficult, however, to imagine how the area would do without the income it produces.

Southwest Harbor does not have a Tax Increment Financing District, but it has placed 70 acres in the Pine Tree Development Zone program. The land covered is entirely involved in marine related activities and almost exclusively in boatbuilding. To date, only one business has taken advantage of the program.

C. WORKFORCE

The majority of Southwest Harbor residents are employed locally and/or on the Island, but workers do travel further in Hancock County to Ellsworth and occasionally beyond. As of 2000, 85% of SWH's working residents work on MDI, 60% in SWH itself.

By the same token, the labor force in town is local: 67% of people who work in SWH live on MDI (39% live in SWH), and 33% commute from elsewhere in Hancock County including Trenton and Lamoine and as far downeast as Sullivan and north to Bangor. Southwest Harbor has its share of laborers, skilled tradesmen and professional workers, but land values make housing starts difficult for new families and workers entering the region. Many property owners prefer to rent out their homes on a weekly or monthly basis at seasonal rates, leaving them vacant in winter.

Data also show that 23% of SWH residents work in education, health care and social services.

With the expanding of the tourist season, it is sometimes difficult to find staff to work. More and more, seasonal labor is imported from countries such as the Czech Republic, Slovakia and Russia. Housing for seasonal workers is difficult to come by.

D. ZONING

Southwest Harbor has a mixed-use zoning ordinance. When it was enacted in 1988, the feeling was that the Town should not encumber home occupations, the entrepreneurial spirit and potential new business startups. This was in keeping with traditional development patterns. Still, the ordinance rendered much of the properties and uses non-conforming. Development pressure, such as it is, is moving toward residential and second home development. There are few performance standards regulating commercial and industrial uses, but nor is there much prospect of commercial and industrial expansion.

E. PUBLIC FACILITIES

During the following planning period capital improvements to public facilities will be focused on repairing existing services rather than expansion. Roads and sidewalks, water and sewer delivery and storm water run-off will be upgraded. Retailers have long requested installation of decent, handicapped accessible, year round public toilets in the downtown. The latter would be most needed during the tourist season, which has expanded in recent years.

*** THE LOCAL ECONOMY: THE WAGE-INCOME DISPARITY**

One of the challenges Hancock County faces is that it is difficult for many towns to qualify for many grants since our income levels are too high. At the same time our wages are low. In 2007, the Maine Department of Labor reported that the average annual wage in Hancock County was \$31,410, which is less than the livable wage. According to the Department of Labor, a two-person (one adult and one child) household in 2008 required an annual salary of \$35,226 for a livable wage. Why are our incomes so high if we have so many low paying jobs? A July 2009 report from the Maine Department of Labor indicates that 22.55 percent of household income in Hancock County is derived from

interest, dividends and rent and only 58.5 percent from wages. (The remaining income is from transfer payments such as social security). By contrast, the statewide proportions of income derived from interest, dividends and rents and from wages are 14.9 percent

and 65 percent respectively. The high rate of unearned income is due in large part to the immigration of relatively well-off retirees who are not dependent on locally based jobs for their income. Those who are dependent on local wages for their income, primarily those of working age, have lower incomes.

- Hancock County Planning Commission, Winter 2009 Newsletter.

Appendix 3. HOUSING

Southwest Harbor housing is a complicated mix ranging from old (nineteenth century) to new (since 1980), year-round and seasonal residences that are sprinkled along the major roads, partly clustered on Clark Point and near the village center, partly growing in newer subdivisions. Two-thirds of households own their homes (MSHA 2008). Most (72%) live in single-family houses or mobile homes (7.4%) (US census 2000). In 2008 there were 952 year-round households. (MSHA) Since population projections show Southwest Harbor getting a bit smaller with an ageing population, it doesn't appear that additional housing units will be needed for the year-round population. At this point, it appears that there will be continued demand for seasonal residences and tourist accommodations, although we don't know of any projections about this aspect of local housing. It is very difficult to quantify what type of housing and how much might be needed to maintain a vigorous year-round community. An important question is what type of housing is needed for our future workforce and for the young families we hope to encourage to live here.

Getting a clear picture of the housing situation and housing needs in Southwest Harbor is complicated by several factors. One important factor in costs is the number of seasonal residences, most of which, if sold, sell for prices that average substantially higher than year-round homes. A second difficulty is that of getting reliable data that are comparable. (For example, the US census and the MSHA show quite different data on median family/household income for 1999; it is difficult to know which to use in comparisons.) Thirdly, many residents own their homes and have lived here a long time. A blind application of state data on affordability would suggest that almost everybody who lives here can't afford to, yet they are and hope to continue to do so. Many people in SWH are self-employed and it is possible that self-employment income is under-reported. The key question is not whether those living here could afford to buy their homes now, but whether they will be able to stay in their homes because of rising assessments and taxes as our population ages, living increasingly on fixed incomes, and supporting municipal services on a residential tax base. Additionally, state criteria and averages for vouchers and housing assistance do not take into account the fact that the opportunity to make higher rental income through summer rentals tends to decrease the amount of year-round rental housing that qualifies for assistance on MDI. Changes in the economy and the housing market also make it very difficult to make accurate projections at this time.

Difficulties aside, what is the general picture? Most households live in single-family houses that they own. Mobile homes are allowed anywhere in town where they meet standards for other housing, and they are dispersed. During the last decade or so, there has been an influx of new residents who are choosing to live here, often retired, usually those who have come to know the area by visiting as summer residents or vacationers. After selling a home elsewhere, they can often outbid a local resident for year-round housing; this also contributes to a rise in home costs. In addition, summer residents are choosing to come earlier in the spring and stay later in the fall.

About one third of our residents live in rental housing. Most of the rental housing in town is seasonal, and not available to year-round residents except between October 15 and June 1. In 2007, renters included 98 families and 49 seniors, while the town had 21 and 68 units,

respectively, of partially subsidized rental housing with income qualifications. Although there clearly is additional rental housing, it is not necessarily affordable to families who need it, and there is a notable lack of rental housing of a quality that is likely to appeal to professional workers.

Southwest Harbor has three groups of subsidized apartments. The current need for affordable apartments for the elderly appears to be met by Ridge Apartments with 32 units and Norwood Cove with 18 units. These apartments are subsidized by HUD (Federal funds). Some additional assisted living housing and adult day care for adults still living at home with caregivers who work all day will undoubtedly be needed in the region as our population ages. This housing need will probably be met regionally (in other towns on the island, as well as within a 50 mile radius). The new community health center includes an elder day care center.

Beech Cliff has 21 apartments for families and others of which 9 family units are subsidized by the Rural Development Authority. According to data from the state, there is an unmet need for subsidized housing for families in our town. The problem here is that, where state or federal funds for vouchers are available, rental apartments in Southwest Harbor (and on MDI in general) are either not available for a year lease (because of summer season rentals) or the rents in our local (MDI) market exceed the state's guidelines for fair market rent.

Affordability has often been discussed, but it's hard to come to reliable conclusions. According to the SPO data, the income needed to afford a home at the median price is about 2.5 times the actual median income of year-round residents. Housing prices are pushed upwards by competition from retirees from away who can afford to buy homes that are not affordable to locally employed families. This appears to be a more important trend than the conversion of seasonal homes to year-round use. There is no apparent demand for more affordable year-round rental housing. (This may be deceptive in a market where most of the rentals are seasonal and relatively expensive.) There appears to be a lack of rental housing that is desirable (and affordable) for young professional or entrepreneurial families.

Since the median home price is inflated by higher-end summer homes, the numbers provided by the SPO showing that 61% of our residents are unable to afford to live here (using the criterion that affordability means spending 28% or less of household income on mortgage, taxes and insurance) obscure the fact that people do live here, in houses that are valued at much less because they bought them years or decades ago. More worrisome in terms of housing affordability is that median household income in SWH has decreased between 2000 and 2008, while increasing in Hancock County and in the state. Unemployment in SWH has risen in the same time period to 6.2% (2007) compared to 3.6% in the Hancock county area and 4.7% in the state. Both these trends are likely related to the loss of two boat building firms that moved to Trenton soon after 2000. If there isn't enough good employment in town or nearby, workers, and especially young families starting out, may not choose to live here even if there is "affordable" housing. Substandard housing is not an issue in SWH.

Understanding the extent to which more affordable workforce housing is needed for our future workforce (where the job market is not growing) and how to attract young families with school-age children to keep a viable year-round community are important issues for this town. Many people in our current workforce live elsewhere and are unlikely to move to Southwest Harbor if more affordable housing were to be developed, so the real question is how affordable workforce housing might affect

the future size and nature of our population. As a town, we have not yet explored “non-traditional” approaches to more affordable housing. Most housing here consists of single-family residences on lots of 0.5 to 1.0 acres (with smaller lots in the center of town). We have not seriously considered encouraging smaller lot sizes, multi-family housing, or condominiums for year-round residents. The existing Land Use Ordinance neither encourages nor discourages the development of affordable housing.

Both the Island Housing Trust and the MDI Housing Authority are taking regional initiatives to increase the amount of workforce housing on MDI. Their economic approaches have been different, and with the current economic downturn it is hard to predict how successful they will be. Certainly people who work in SWH could live in these developments, and the town could cooperate with the Island Housing Trust to acquire workforce housing in SWH by converting appropriate existing housing stock that comes on the market to long-term affordability through covenants.

Table 3.1 Factors in Housing Affordability

	# Households	2000 Median family income (b)	2008 Median family income (c)	2007 Median home price (a)	2008 Home ownership(c)	2007 (c) Unemployment
Southwest Harbor Hancock County Maine	966 a	\$50,000	\$43,962	\$ 337,500 d	66%	6.20%
	21, 864 b	\$43,216	\$47,849	\$196,500	76%	5.60%
	518,200 b	\$45,179	\$46, 419	\$185,900	72%	4.70%

NOTES: a) SPO data to town
 b) 2000 US census
 c) Maine State Housing Authority
 d) 2008 median home price \$170,650 (MSHA) shows market change, few sales, implications not clear

Table 3.2 Owner- and Renter-Occupied Housing – 2000 and projections (3)

	July 2000 (1)	July 2005 (2)	July 2010 (2)	July 2015 (2)
Owner occupied or for sale	594	617	643	677
Renter occupied or for rent	337	347	357	367
Total units occupied/for sale or rent	931	964	1000	1044

Notes: (1) US Census 2000; (2) Maine SPO projections from US Census 2000; (3) source: Maine SPO

Table 3.3 Households Unable to Afford Median Home

<u>Location</u>	<u>Percent of Households Unable to Afford Median Home Price</u>	<u>Number of Households Unable to Afford Median Home Price</u>
Southwest Harbor	83.9%	810
Ellsworth, ME LMA Housing Market	67.9%	16,340
Hancock County	67.8%	16,267
Maine	65.8%	369,172
Congressional District 2	58.4%	162,231

Table 3.4 Renter Households That Can't Afford the Average 2 Bedroom Rent

<u>Location</u>	<u>% Households Unable to Afford Average 2BR Rent</u>	<u># Households Unable to Afford Average 2BR Rent</u>	<u>Average 2 BR Rent</u>	<u>Income Needed to Afford Average 2 BR Rent</u>
Southwest Harbor	59.7%	197	\$814	\$32,544
Hancock County	59.3%	3,449	\$856	\$34,244
Ellsworth, ME LMA Housing Mkt.	59.0%	3,431	\$848	\$33,902
Maine	57.7%	90,160	\$842	\$33,678
Congressional District 2	57.5%	43,643	\$747	\$29,862

Table 3.5 Population and Projections for SW Harbor:

www.maine.gov/spo/economics/projections/index.htm

Year	1990	1995	2000	2005	2010	2015	2020	2025	2030
Pop.	1967	2077	1969	1983	1979	1956	1914	1851	1778

Table 3.6 ESTIMATED UNITED STATES CENSUS BUREAU POPULATIONS AND PROJECTIONS FOR HANCOCK COUNTY

AGE	1990	1995	2000	%	2005	2010	%	2015	2020	2025	2030	%	
0-4 YRS	3,234	2,853	2,496	4.8	2,493	2,574	4.6	2,631	2,552	2,389	2,262	3.8	
5-9 YRS	3,362	3,476	3,030	5.8	2,573	2,557	4.6	2,637	2,697	2,620	2,455	4.2	
10-14 YRS	2,904	3,474	3,682	7.1	3,123	2,652	4.9	2,624	2,704	2,765	2,690	4.7	
15-19 YRS	3,051	3,256	3,546	6.8	3,720	3,169	5.7	2,691	2,656	2,732	2,795	4.7	
20-24 YRS	2,933	2,806	2,601	5.0	3,442	3,588	6.5	3,045	2,586	2,565	2,636	4.5	
25-29 YRS	3,486	2,857	2,634	5.1	2,598	3,434	6.2	3,578	3,029	2,575	2,554	4.3	
30-34 YRS	3,918	3,725	3,173	6.1	2,828	2,768	5.0	3,596	3,790	3,255	2,769	4.7	
35-39 YRS	3,927	4,262	4,028	7.8	3,445	3,060	5.5	2,972	3,789	4,040	3,524	6.0	
40-44 YRS	3,730	4,154	4,368	8.4	4,366	3,788	6.8	3,357	3,233	4,032	4,349	7.4	
Sub totals			28,588	56.9		27,131	49.8				26,034	44.3	
45-49 YRS	2,691	3,778	4,349	8.4	4,561	4,571	8.3	4,000	3,542	3,394	4,176	7.1	
50-54 YRS	2,248	2,969	4,174	8.0	4,542	4,775	8.6	4,800	4,242	3,755	3,578	6.1	
55-59 YRS	2,177	2,420	3,132	6.0	4,237	4,660	8.4	4,911	4,950	4,410	3,906	6.6	
60-64 YRS	2,341	2,305	2,357	4.5	3,182	4,304	7.8	4,798	5,077	5,136	4,626	7.9	
65-69 YRS	2,071	2,201	2,276	4.4	2,126	2,896	5.2	3,916	4,349	4,596	4,644	7.9	
70-74 YRS	1,793	2,035	2,162	4.2	2,075	1,939	3.5	2,626	3,549	3,955	4,183	7.1	
75-79 YRS	1,403	1,467	1,606	3.1	1,948	1,902	3.4	1,782	2,348	3,168	3,576	6.1	
80-84 YRS	1,017	1,094	1,181	2.3	1,230	1,483	2.7	1,459	1,368	1,779	2,396	4.1	
80 YRS and older	874	983	1,074	2.1	1,171	1,261	2.3	1,451	1,543	1,549		1,773	3.0
Sub totals			22,311	43.0		27,791	50.2					32,858	55.9
Totals	47,160	50,115	51,869		53,660	55,380		56,873	58,006	58,717	58,891		