

Please clarify the distinction between “affordable housing” as referenced in your articles of incorporation and affordable housing covenants and restrictions, and “workforce housing” as referred to in most of your promotional literature?

Both “affordable” and “workforce” are terms found within our articles of incorporation, covenants, restrictions, and promotional literature. “Affordable” means that housing costs do not exceed 30% of gross household income. “Workforce” means that at least one member of the household has employment on the island. Another term that IWH uses is “moderate income households” which means earning between 61% and 120% of Hancock County’s median income, adjusted for household size.

Anyone who falls into the below ranges would qualify to apply:

- a 1-person household earning between \$29,580 and \$49,300 yearly
- a 2-person household earning between \$33,780 and \$67,560 yearly
- a 3-person household earning between \$37,980 and \$75,960 yearly

What process will the corporation or management company require, such as submission of 1040 tax returns on an annual basis, to determine current income and make appropriate adjustments to rent as described in the affordable housing covenants and restrictions?

Island Workforce Housing will require all tenants to submit documentation of their household income when they submit their application and annually upon lease renewal. Typically, such documentation consists of the most recent W-2 statements for all employed members of the household, and tax returns for self-employed members of the household. This information will be used to determine their eligibility, and which rent bracket they belong to based on their household income.

Please provide additional documentation that explains the proposed place of work preferences for occupants. Please explain how each of your residential covenants is written to avoid discrimination or the appearance of discrimination. Please indicate which of the covenants are required and which are preferred.

Island Workforce Housing agreed to an Affordable Housing Covenant when it acquired the Oliver's Pond property in October of last year. That document is on record at the Hancock County Registry of Deeds (Book OR 7063, Page 957, also attached.) That Covenant, created under Maine law pursuant to Title 33, Section 118-126 and the Affordable Housing Partnership Act of 1989, restricts use of the 13.4-acre development area of the IWH parcel to ten units of housing affordable to households earning between 61% and 120% of the Hancock County Median Income, adjusted for household size, in perpetuity. This Covenant restricts use of the property in line with IWH's non-profit mission as set forth in our organizational documents (Articles of Organization and By-Laws). Based on those organizational documents, the United States Internal Revenue Service designated IWH a 501(c)3 tax-exempt organization.

The Deed Restriction provides that the Directors of the IWH shall determine, from time to time, the income designation for individual units in the project within the allowable range set forth in the Deed Restriction. IWH has charged its Asset Management Committee with the task of recommending the income designation of individual units, and all other policies associated with operation of the units.

The Asset Management Committee has recommended, and the IWH Directors voted to accept, the following preference categories for all units:

1. First preference will be given to income-qualified households in which at least one member works year-round in the Deer Isle-Stonington community that currently lives off-island;
2. Second preference will be given to income-qualified households in which at least one member works year-round in the Deer Isle-Stonington community that currently lives on-island but cannot secure a 12-month lease it can afford; and,
3. Third preference will be given to income-qualified households in which at least one member works year-round in the Deer Isle-Stonington community that currently lives on-island but spends more than 30% of its gross household income on rent and utilities.

Please note that these are preferences, not requirements. If IWH does not receive enough applications from income-qualified households meeting the preference criteria, units will be offered to other income-qualified households in order of their ranking in the lottery. These procedures and preferences have been established in accordance with Affirmative Fair Marketing best practices from the US Department of Housing and Urban Development's Office of Fair Housing and Equal Opportunity.

Please provide a summary of your municipal revenue and cost analysis indicating the projected stream of revenues paid to the municipality by occupants and the housing authority such as auto registrations, as well as anticipated costs for services such as solid waste, education and emergency services.

Please see the attached fiscal impact summary from the project's Subdivision Application that the Deer Isle Planning Board approved unanimously last summer.

Please estimate the market value of the land and the buildings for the completed development as proposed without any tax exemptions on the land or buildings.

The only thing IWH can offer in this regard is the result of an as-complete appraisal of the project conducted by the Apprise division of Walker Dunlop, an appraisal consultant hired by Bar Harbor Bank & Trust, our construction and permanent lender for the Oliver's Pond Project. The appraisal took into account the Deed Restriction in force on the property, and determined an as-complete value of \$1,070,000.

Please provide your total projected payment in lieu of taxes assuming you have ten occupied rental units.

Based on our currently projected unit income distribution and operating budget projections, IWH would offer a payment in lieu of taxes on the order of \$1,500 per year for the Oliver's Ridge project.

Please indicate findings, if any, that suggest the percentage of occupants that would move to Deer Isle versus those that would move within Deer Isle.

Housing Market Analysis from July 2019 by Scarborough-based Camoin310 indicates that there is a demand for 20-65 year-round rental units from in-commuters, and 10-20 rental units from island residents (who do not currently have stable, affordable, year-round housing). That equates to 66-76% of the demand for these rentals coming occupants who would move to Deer Isle, and 24%-34% from occupants who already live on the island.

Please indicate findings, if any, from your research that speak to the level of local support and opposition to this project.

Our recently completed local business challenge raised over \$25,000 from 58 local businesses, in all sectors of the business community (see attachment for list). That challenge is part of our capital campaign which has to-date raised just over \$1 million from 177 local individuals, families, or charitable trusts that support the project. We also have a group of 21 public supporters to our capital campaign, made up of many respected island residents and business owners (see attachment for list).

IWH is run on an all-volunteer basis by residents of Deer Isle and Stonington, volunteers who believe in the effort and will work to make it happen without any chance of personal reward. More than 100 year-round individuals and businesses responded to a survey we completed in 2019, overwhelmingly indicating a need for year-round rental housing. IWH's funding request in Deer Isle and Stonington's 2020 town meetings received approval from the vast majority of voters. IWH does not believe that the most recent town meeting in Deer Isle is indicative of local support of the project due to extremely low voter turnout.

Chris Elkington, the superintendent of SU76, and Matthew Trombley, the director of Island Nursing Home, both wrote articles in the Island Ad-Vantages in support of IWH's project (attached), noting in particular that the lack of year-round rental housing has cost their organizations as many as 20 highly-qualified new hires.

Henry Teverow is an IWH Director and is also the economic development director for the Town of Stonington. One of the most frequent concerns brought to the Town of Stonington by area businesses is the lack of housing that is affordable to year-round members of the local workforce. As a result, providing more housing opportunities for the local workforce is one of the major priorities identified in Stonington's 2018 Comprehensive Plan. These discussions about the lack of year-round housing affordable to local workers in Deer Isle and Stonington have been ongoing for over twenty years, and the problem has only gotten worse as time has passed.

In terms of opposition, 12 Deer Isle residents voted against our funding request this year.

Is this project discriminatory?

No. The Fair Housing Act prohibits IWH, and every other residential landlord in the United States, from discriminating on the basis of religion, race, gender, national origin, familial status, sexuality, disability, or profession. Furthermore, other federal civil rights laws, including Title VI of the Civil Rights Act,

Section 504 of the Rehabilitation Act, and the Americans with Disabilities Act, prohibit discrimination in housing and community development programs and activities. IWH will rent to any income-qualified household with a reasonable prior landlord reference earning between 61% and 120% of Hancock County's median income, regardless of religion, race, gender, national origin, familial status, sexuality, disability, or profession. In the event that IWH receives more applications than there are rental units available, IWH will need to prioritize renter applications, and shall do so as set forth in this and previous answers, in line with Affirmative Fair Housing marketing guidelines. Both residency preferences and working preferences are provided for in federal fair housing law (24 CR 982). In addition, though not required to, IWH has chosen to design an accessible unit as part of this development. It is all on one floor and is a barrier-free, wheelchair-accessible unit.

Is it fair for IWH to rent an apartment to a worker for \$750 / month when other workers are paying \$1,000 / month for a year-round rental?

We have based our rents based on a percentage of HUD-allowable rents, by household income and size, for rental units in Hancock County. Such rents reflect the 30% of gross household income rent & utility burden deemed appropriate by state and federal housing policy. Households forced to pay more than 30% of their gross household income on rent and utilities often have to choose between buying food or medicine, cannot put aside savings for emergencies, or to purchase a home in the future.

If property owners on the island are charging higher rents than IWH is for a similar apartment, we would hope that the tenants paying those higher rents have the incomes to afford such higher rents. All the research we have conducted indicates that there are very few available year-round rentals on the island, and that rents for similar quality year-round rentals are higher than most moderate-income workers can afford.

We are developing the Oliver's Pond project to enable ten moderate-income households to live in a good quality, energy-efficient home that they can afford, based on the 30% rent and utility burden standard, with a preference for households that have at least one adult working year-round on the island. This will help to rebuild the population of younger families on the island, and hopefully enable these ten households to save enough money to eventually buy a place of their own in our community.

The need for affordable workforce housing

BY MATTHEW TROMBLEY, EXECUTIVE DIRECTOR, ISLAND NURSING HOME

I am writing in regard to an ever-growing issue in our local community. I was asked to provide my perspective on the area workforce housing as one of the largest employers on the island by the Island Workforce Housing group. The topic of workforce housing is a discussion that occurs frequently within the walls of Island Nursing Home and Care Center.

The housing situation has developed into a position of detriment for our employees and our ability to recruit new staff members and even obtain contract staffing during times of need. Over the last two months, Island Nursing Home has lost four registered nurses, eight certified nursing assistants and was unable to place nearly 10 contract staff members including RNs, LPNs and CNAs due to those individuals being unable to find

local area housing.

Our staff is what makes the heartbeat at our facility. If we are not able to rectify the housing situation in the area in a marginal time, we may find ourselves unable to fill the capacity of our facility due to inadequate staffing. This will greatly affect our local community's ability to keep their loved ones close at the end years of their lives requiring many individuals to travel up to three hours away to visit their loved ones.

Our challenges for workforce placement are not new to our facility; however, the concerns have grown drastically over the last decade till present. In fact, over 50 percent of our staff now are off island including myself personally living over one hour away due to the inability to find housing. This creates a scenario where pertinent, finite staff are becoming enveloped in their local communities where they live and not our local community on the island. We

have lost some exceptional people due to them finding work closer to home and others not able to find a home requiring them to find a job elsewhere.

Aside from our staff, the island in general is in dire need for workforce housing and it is going to take a community effort to drive the change on the island because if not, we will start to see similar situations that are occurring in Aroostook County where many businesses, medical facilities, generational businesses and the like are closing down to the inability to staff their positions which also drives local economies. It is imperative that at this time the community comes together to tackle this concern to ensure that the island still has its local businesses, medical personnel, services and so much more. This problem will not go away, and I urge everyone to take a stand to assist before it is too late for the island and our community.

Support for Island Workforce Housing

Our communities are beautiful places to live, but finding affordable, full-time housing (not nine or 10 month rentals) is almost impossible, and that impacts our schools. In the four-plus years I have been fortunate to be the Superintendent of Schools for School Union 76, we have attempted to hire many qualified staff for positions in our schools. Salary is sometimes an issue, benefits are usually not, but housing is always an issue for anyone who does not already live in the area. It also has been, I believe, part of the reason that we do not get as many applicants for positions as we would like.

This is especially true for teachers new or in the early stages of their careers and, therefore, at the lower end of pay scale. Last year we had a "great" person we wanted to hire for the CSD and lost her because, after a couple of weeks of trying, she was not able to find something that fit her budget on the peninsula. Recently, we were looking at three people who would be outstanding teachers and professionals for our students and supports for our schools and communities. All three could not say yes immediately because of the housing question.

The lack of affordable housing makes it extremely difficult to recruit the best staff for our students and schools. That is why the Island Workforce Housing initiative on Deer Isle is so important to the community. It is a much needed first step in addressing this huge problem.

Christian M. Elkington
SU76 Superintendent of Schools

DEER ISLE SUBDIVISION REGULATIONS & APPLICANTS RESPONSE

The following paragraphs provide responses to the requirements found in the Town of Deer Isle Subdivision Regulations last amended May 11, 1989 and tables 10.15-1, 10.15-2, 10.15-3, & 10.15-4 from the Maine Model Subdivision Regulations, twelfth edition. Said tables were adopted by the voters of Deer Isle at the March 7, 2020 town meeting.

2.1 Conformance with Other Laws and Regulations

The applicant believes that the proposed subdivision will conform to the Deer Isle Subdivision Regulations. The applicant does not believe that the proposed subdivision meets the definition of subdivision as defined in the Site Location Act, Title 38, M.R.S.A., Section 482 because the project will not create more than 3 acres of new impervious areas (i.e. buildings, roads & parking). The project will require a DEP stormwater permit by rule and a NRPA Tier 1 permit for the filling of freshwater wetlands. The applicant is in the process of obtaining said permits.

2.2 Relationship to Community Services

A. The proposed subdivision shall not have an unsuitable adverse impact on community services.

1. Schools, including busing

The proposed project includes ten (10) two-bedroom apartments in five two-unit duplex buildings. They are targeted for younger members of the island workforce who cannot currently afford to live on the island. As two-bedroom units, they are not designed to accommodate large families, and at most we anticipate the development might generate 6-12 school age children. According to Chris Elkington, the Superintendent of Schools, the island schools have significant excess capacity, and any additional school age children living in the proposed development would not burden the school system, but would actually strengthen the schools. He notes in the letter found in Exhibit D that he would not anticipate any additional impact on the school budget. He also notes that the school bus already serves households along the entire length of the Sunset Crossroad, and that there would likely be no impact on bus routes or the cost of busing students from the project.

2. Road Maintenance and Snow Removal

The driveway serving the five buildings in the proposed project will remain a private road, with the responsibility of all maintenance and snow removal on the property owner. Consequently, the Town will bear no costs or responsibility for the driveway. A note to that effect will appear on the Final Subdivision Plan.

3. Police and Fire Protection

The applicant does not anticipate that the proposed project will create any additional burden on police or fire protection.

The access road will be constructed in accordance with Deer Isle Subdivision Regulations and recently adopted street design standards from the State's model subdivision ordinance. The applicant has met with the Town's Fire Chief, Brent Morey, to discuss the road layout and associated staging areas and turnouts. Chief Morey is comfortable with the applicant's design. See letter from Chief Morey, Exhibit E.

The buildings will be constructed in strict conformance with all relevant building codes and should not pose any unusual fire hazard. At Chief Morey's request, the construction specifications will include a small beacon on the front of each unit that will be lighted in the event the individual unit fire alarm is triggered, to assist the fire crews in identifying the unit with a potential fire hazard.

4. Solid Waste Disposal

The Deer Isle Select Board has certified that the Deer Isle Transfer Station currently has the capacity to accept household waste and recycling from the proposed development. See letter from James Fisher, Town Manager, Exhibit F.

The solid waste generated by this subdivision will create modest additional costs, however the positive economic impact of ten additional households paying excise tax, buying goods and services locally and thereby generating additional sales tax revenue, and making other contributions to the civic welfare of the Deer Isle-Stonington community will far exceed the modest marginal cost to handle the solid waste generated by ten small households. See further discussion below.

5. Recreation Facilities

It is the understanding of the applicant that the Deer Isle-Stonington community has a number of recreational resources that can meet the needs of the households living in the proposed development. That notwithstanding, the Applicant intends to work with Island Heritage Trust (IHT) to develop public access trails over time from the public road to and along the shorefront of Oliver's Pond. This access trail will be a significant recreational resource for the residents of the proposed development, and the public at large.

As such, the proposed development is not likely to burden any Town recreational facilities.

6. Runoff water disposal drainage ways and/or storm sewer Enlargement with sediment traps

Sunset Crossroad does not have any town installed/maintained drainage structures. The proposed access road will cross the existing drainage ditch on the north side of Sunset Crossroad. A culvert will be placed under the new road to allow continuous flow of stormwater runoff from Sunset Crossroad.

B. While the long-range benefits of creating a permanent non-profit housing resource to support the island workforce are very significant to the long-term health and economic resiliency of the community, even the short-term fiscal benefits are projected to exceed the fiscal costs to the Town of Deer Isle.

Fiscal Costs

Based on the fact that all of the infrastructure serving the new housing (road, water and wastewater treatment) will be privately owned and maintained, the only sources of fiscal cost to the Town from ten new units of workforce housing are impacts to the transfer station operations and potential school-related costs.

An analysis of transfer station operations, which is budgeted for 2020 to cost the Town a total of \$255,329, or \$294 per household, indicate that adding 10 additional households would cost the town roughly \$200 per household, or a total of \$2,000 for 10 new households. (Note that the marginal cost per HH is less than the total average cost per HH due to significant fixed costs like salaries and utilities that would not increase due to the addition of 10 households.)

Recent discussions with Chris Elkington and members of the School Board about the budgetary impact of bringing in additional school-age children concluded that due to the significant excess capacity at every grade level of the island's schools, the school budget is likely not to be impacted at all. In addition, the school bus routes already include the full length of Sunset Crossroad, and there is sufficient capacity on the existing buses to handle the number of school-age children expected from ten 2-bedroom dwelling units. Please see the letter from Chris Elkington attached in Exhibit D confirming this conclusion.

It is possible that the Town of Deer Isle would see a temporary increase in its share of school funding from additional students, but such an impact would even out once the second phase of workforce housing, scheduled to be located in Stonington, is completed and occupied.

Fiscal Benefits/Revenue

Direct fiscal benefits from attracting additional working households to Deer Isle-Stonington include increased excise tax to the Town of Deer Isle, and increased revenue from the local share of state income and sales tax revenue. Based on population data from the ACS 2018 survey, the town has 870 households. Based on the 2020 Deer Isle town budget, these households are expected to contribute \$518,746 in excise tax to the Town's coffers, which works out to over \$293 in excise tax per household. It is reasonable to assume that the ten new households residing in the new workforce housing will have a similar rate of vehicle ownership, and therefore contribute similar excise tax revenue, or a total of just under \$3,000 per year.

Property owned by a Maine non-profit housing corporation with a charitable 501(c)3 status, in use for the specific charitable purpose for which the organization was formed, is exempt from

real estate taxes. Island Workforce Housing does, however, anticipate making a payment in lieu of taxes (PILOT) to the Town of \$1,500 per year, a per-unit contribution very similar to the payment in lieu of taxes contributed by Deer Run Apartments, the low-income senior housing complex near Deer Isle Village.

Adding approximately 20-30 persons to the Town's population and creating additional assessed value will generate a modest amount of additional revenue to the Town based on the State's income and sales tax revenue sharing model. While this number has a number of variables that are difficult to predict, a fair estimate would be based on the State's projected 2021 revenue share for Deer Isle of \$90,991 broken down per household, which works out to be almost \$105 per HH. Thus, ten additional households could generate over \$1,000 of additional revenue to the Town.

Totaling state revenue sharing, excise tax, and the PILOT, this first IWH project will be a source of over \$5,500 per year in additional revenue to the Town.

Fiscal Surplus Likely

Based on the analysis above, it is likely that in the long-run, the Town will net approximately \$3,500 per year in a positive direct fiscal impact from the addition of ten units of workforce housing. Factors that could impact this projected fiscal benefit include changes to the state's revenue sharing model, and changes in the Town's fiscal structure, operating costs, or both, which are very hard to predict.

There are, however, further *economic* benefits generated by adding population to Deer Isle. These include increased sales at local businesses - more people living in Deer Isle results in more people purchasing goods and services in Deer Isle, enhancing cash flow throughout the island, and enriching local business owners and employees, giving them more purchasing power. Because these renters will be year-round residents of Deer Isle, they will contribute to an increased year-round cashflow for local businesses. A year-round economy is a more secure, stable, and sustainable economy than one driven by summer tourism, and IWH's development will only serve to enhance Deer Isle's year-round economy.

IWH also projects a long-term increase in property tax revenue for the Town of Deer Isle indirectly resulting from this development. IWH predicts its renters will turnover every two to four years, and many of these renters will go on to become homeowners, purchasing properties and fixing them up, increasing their assessed value. By bringing these future homeowners to the island, IWH will help contribute to a greater source of tax revenue to the Town in the long-term.

Furthermore, IWH predicts that many of its renters will participate in local volunteer organizations, such as the Fire Department or the Ambulance Corps. By increasing the number of volunteers for Deer Isle's emergency services, response times to calls will decrease and the ability for these organizations to do their work effectively will increase. This has a positive

impact on insurance rates for area homeowners, allowing them to pocket more of their earnings, and recirculate those saved dollars into the local economy.

Lastly, the general impetus behind IWH's development is community and economic development. By providing a place for local workers to live, IWH eliminates the off-island commute, and by doing that, IWH ensures more of the dollars earned in Deer Isle are spent in Deer Isle. Year-round rental housing is one of the most attractive forms of housing for young workers and their families, the demographic least-represented and most-needed on Deer Isle. IWH will provide that housing, therefore attracting that needed demographic, ensuring job positions are filled, getting more students enrolled at the local school, and helping create more economic activity all year long in Deer Isle. In the face of declining school enrollment, an aging population, and an ever-increasing amount of housing taken up for seasonal use, this project cannot come at a more-needed time.

SCHOOL UNION 76

BROOKLIN – DEER ISLE-STONINGTON CSD – SEDGWICK

Office of the Superintendent

"It Takes a Whole Community to Teach a Child"

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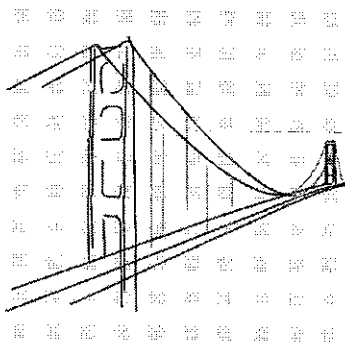
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March 25, 2020

Linda Campbell
Island Workforce Housing
P.O. Box 532
Deer Isle, ME 04627

RE: Impact of proposed workforce housing on Deer Isle-Stonington Schools

Dear Linda,

Due to current and projected excess capacity in all grade levels, there would be little if any impact to the Deer Isle-Stonington School Budget resulting from families with school-age children who might take up residence in new units. If the ten new dwelling units, Island Workforce Housing proposes to develop are completed I can confirm little impact. There would also be no impact on busing costs, as the bus route currently includes the length of Sunset Cross Road, where the new homes would be located.

We would be delighted to see new housing built that supports the island workforce, and look forward to its potential to support island businesses while also supporting the school-age population on the islands.

Very truly yours,

Christian M. Elkington
Superintendent

EXHIBIT D

Town of Deer Isle Office of the Select Board
PO Box 627
70 Church Street
Deer Isle, ME 04627
Ph. 207-348-2324 Fax 207-348-9398
deerislemanager@gmail.com



Andrew McCulough, PE, has provided the following solid waste generation estimate for the proposed Oliver Pond Island Workforce Housing subdivision in Deer Isle. This letter certifies that the Deer Isle Transfer station currently has the capacity to accept household waste and recycling from these ten proposed units.

The development will increase year-round residences 1%, without requiring the town to make a major capital investment. There will be an increase in day to day cost operating costs which may range between ½ and 1% in the off season and ¼ to ½% in the summer season. Currently Deer Isle has no policy to collect development impact fees.

Signed,

A handwritten signature in cursive script that reads "James H. Fisher".

James H. Fisher, Town Manager

Solid Waste Generation Estimate - Prepared by Andrew McCulough

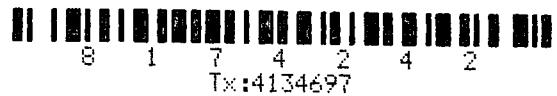
Project: Island Workforce Housing
Location: Sunset Crossroad, Deer Isle

Description: The subject property presently undeveloped. Five duplex units with a total of 10- 2 bedroom units will be developed.

The U. S. EPA prepared a report titled "Facts and Figures about Materials, Waste and Recycling." In that report, they estimated that 267.8 million tons of MSW or municipal solid waste was generated in the United States in 2017. 67.2 million tons of that amount was recycled and 27 million tons was composted. This data equates to 4.51 lbs of solid waste generated per capita per day. In other data prepared by Statista, the current average household size in the United States is 2.52 persons.

After development of this parcel, a total of 114 lbs of MSW will be generated daily from the residences.

EXHIBIT F



BK: OR 7063 PAGE:957 # OF PGS:3
10/16/2020 03:38:54 PM INSTR# 2020036109
JULIE A. CURTIS, REGISTER OF DEEDS
HANCOCK COUNTY MAINE

AFFORDABLE HOUSING COVENANTS & RESTRICTIONS

This Affordable Housing Covenant is made this ___ day of October, 2020 concurrent with transfer of ownership of a certain parcel of land located on Sunset Crossroad in Deer Isle, Maine, from Oliver's Pond Associates, LLC ("Declarant") to Island Workforce Housing, a Maine non-profit housing corporation ("Recipient").

Whereas the Declarant holds title to certain real property situated in Deer Isle, Maine, being a portion of the property described in a deed from Jill Collins to Oliver's Pond Associates LLC, dated September 27, 2019, and recorded in Book 6980, Page 57 at the Hancock County Registry of Deeds, and has divided said property in order to convey a portion of said property, as further described below, to Recipient; and

WHEREAS, Declarant desires to place affordable house covenants pursuant to Title 33, Section 118-126, and the Affordable Housing Partnership Act of 1989, under the terms and conditions herein, over a portion of said real property (hereinafter referred to as the "Restricted Area") described as follows:

That portion of Declarant's property, containing approximately 13.4 acres and identified as Development Area on the plan entitled "Final Subdivision Plan Showing A Standard Boundary Survey for Oliver's Ridge, Sunset Crossroad, Deer Isle, Hancock County, Maine", dated September 15, 2020, by Due North, LLC, PLS 2449, recorded at said Registry in Plan File 47, No. 83 (hereinafter referred to as the "Plan").

NOW, THEREFORE, the Declarant hereby declares that the Restricted Area is and shall forever be held, transferred, sold, conveyed, occupied, and maintained subject to the covenants and restrictions set forth herein (hereinafter referred to as the "Affordable Housing Covenant"). The Affordable Housing Covenant shall run with the Restricted Area and shall be binding on all parties having any right, title or interest in and to said Restricted Area, or any portion thereof, and their heirs, personal representatives, successors, and assigns. Any present or future owner or occupant of the Restricted Area or any portion thereof, by the acceptance of a deed of conveyance of all or part of the Restricted Area or an instrument conveying any interest therein, whether or not the deed or instrument shall so express, shall be deemed to have accepted and to be bound by, to comply with, and to be subject to the Affordable Housing Covenant and terms set forth herein as follows:

1. The use of the Restricted Area shall be restricted in perpetuity to ten (10) units of rental housing affordable to households earning between 61% and 120% of the Hancock County Median income, adjusted for household size ("the Median Income.") The Board of Directors of Recipient shall establish such distribution of available units within this income range from time

to time as the Board deems appropriate subject however, to any qualifying requirements set by a lender, state or federal institution or regulation.

2. Any Grantee of the Restricted Area and its successors and assigns shall not enter into a lease with a tenant household unless it has received and approved a complete and accurate accounting of 1) the names and ages of all members of the household; and 2) all current income by all members of said household; which accounting has been submitted with appropriate documentation and certified as accurate by the head(s) of the household signing the lease, and that Recipient has verified that the tenant's household income is within the income limits as set forth above. Such household and income certifications shall be submitted annually at lease renewal, or earlier in the event that the household size increases.

So long as the tenant's household income is no more than the income limit set forth for that unit by Recipient's Board of Directors, rent for the unit shall be set at no more than the maximum allowable rent for each income category, adjusted for utility allowances, as established annually by the United States Department of Housing and Urban Development for Hancock County.

Should the tenant's household income increase at any time during the tenant's tenure to the extent that it exceeds the income limit set forth for that unit by more than 10%, Recipient may charge a higher rent, commensurate with the tenant's higher household income.

3. Enforcement. Declarant or its successors or assigns may enforce any of the Restrictions set forth herein.

4. Binding Effect. The restrictions set forth herein shall be binding on any present or future owner of the Restricted Area. If the Area is at any time owned by more than one owner, each owner shall be bound by the foregoing restrictions to the extent that any portion of the Restricted Area is included within such owner's property.

5. Amendment. Any provision contained in this Declaration may be amended or revoked only by the recording of a written instrument or instruments specifying the amendment or the revocation signed by the Declarant or its successors and assigns and the owner or owners of the Restricted Area. However, in no case shall the use of the Restricted Area be allowed for anything other than housing for moderate-income households as such households are defined in the Affordable Housing Partnership Act of 1989, MRS Title 30-A, Chapter 202, Section 5001.12, including any amendments thereto.


6. Effective Provisions of Declaration. Each provision of this Declaration, and any agreement, promise, covenant and undertaking to comply with each provision of this Declaration, shall be deemed a land use restriction running with the land as a burden and upon the title to the Workforce Housing Development Area.

7. Severability. Invalidity or unenforceability of any provision of this Declaration in whole or in part shall not affect the validity or enforceability of any other provision or any valid and enforceable part if a provision of this Declaration.

8. Governing Law. This Declaration shall be governed by and interpreted in accordance with the laws of the State of Maine.

IN WITNESS WHEREOF, the said Oliver's Pond Associates LLC has caused this instrument to be signed by Peter Roth, its Member duly authorized, this 16th day of October, 2020.

Oliver's Pond Associates LLC



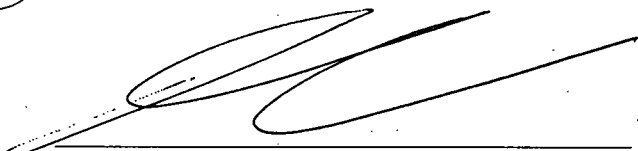
By: Peter Roth
Its: Member

STATE OF MAINE
Hancock County

Dated October 16, 2020

Personally appeared the above named Peter Roth, Member of Oliver's Pond Associates LLC and acknowledged the foregoing instrument to be his free act and deed in his said capacity and the free act and deed of said corporation.

Before me,



Diane S. O'Connell
Maine Attorney Bar # 9475

Island Workforce Housing - Business Challenge Grant Success!

Island Workforce Housing would like to send a huge thank you to the 58 local businesses who contributed to our successful \$25,000 Business Challenge Match! We are proud to support and be supported by these community partners, and can't thank them and the matching donors enough for their generosity:

44 North Coffee
Acadia Realty Group
Acadia House Provisions
Barter Lumber Co.
Billings Diesel and Marine
Boyce's Motel
Buxton Boats LLC
Bruce Bulger Furniture & Seamark
Camden National Bank
C.L. Haskell & Son, Inc.
Coastside Bio Resources
Commercial Fisheries News
Jim Cust Construction
Dayboat Fresh
Deer Isle Press
Devta Doolan Studio
Downeast Properties
Dow Studio
Due North LLC

Eaton Oil Company, Inc
Elmer B. Eaton & Son, Inc.
Erica Moffet Acupuncture LAc
F/V Seasong - Frank Gotwals
F/V Jarsulan 4 - Brent Oliver
F/V Khristy Michelle - John Williams
Fin & Fern Restaurant
Gross Gas Service, Inc.
Harbor View Store
Head's Up Consulting LLC
The Inn at Ferry Landing
The Island Agency
Island Employee Cooperative
Island Fishing Gear & NAPA Auto Parts
Island Tree
JC Coombs & Son Auto Repair
J McVeigh Jewelry
Jill Hoy Gallery
Jill Knowles, Realtor

Long Cove Sea Farm
The Lonely Angler
Lynn Duryea Sculpture
Mainescape
M.D. Joyce & Co.
Mozelle Studio & Fine Jewelry
Modern Maine Lighting
Mountainville Studio
Nervous Nellies Jams & Jellies
Periwinkle Rentals
Seaside Pharmacy
Sea Kayak Stonington
Starbird Farmstand
Stonecutters Kitchen
Susan Robinson Graphic Design
There's a Treat
Tinder Hearth
The Turtle Gallery
Wendy Alpaugh DDS
Wilson Forge

For more information and to follow along with our progress, please visit our website: www.islandworkforcehousing.org

OUR CAMPAIGN SUPPORT COMMITTEE:

Each project that impacts the lives of a community needs the support of its businesses and residents. **We are pleased to have the support of many who work and live in Deer Isle and Stonington** and believe in the importance of this project.

Abby Barrows

Bobbi Billings

Hubert Billings

Kathleen Billings

Sue Buxton

Heather Cormier

Chris Elkington

Travis Fifield

Barrett Gray

Suzette Grindle

Dud Hendrick

Kim Hutchinson

Stu Kestenbaum

Thomas McGuire

Lori Morey

Brent Oliver

Sue Oliver

Jane Osborne

Hugh Reynolds

Suzy Shepard

Les Weed