

From the Sea Up Podcast - Working Waterfronts: Deer Isle & Stonington

Galen Koch: You're listening to From the Sea Up, a podcast from the Island Institute. I'm Galen Koch. It's early on a brisk morning in late May. I'm with fisherman Ryan Woosley and his wife Anna in their kitchen.

(Coffeemaker sounds) Do you usually get up at the same time, Anna?

Anna Woosley: Uh, sometimes. I can be pretty lazy, though.

Galen Koch: Ryan and Anna live in Penobscot, a town on the Blue Hill Peninsula in Downeast Maine. This morning, Ryan is getting ready to commute from the home they share with their two kids to downtown Stonington, where he works as a sternman and fisherman with Anna's older brother, Justin.

Anna Woosley: See you. Have a good day.

Ryan Woosley: I'll see you in a couple hours.

Galen Koch: Yeah. This is a nice truck.

Galen Koch: Ryan's truck is the classic lobsterman's chariot, a big ram diesel with oil gear in the back seat. The defining characteristic of Ryan's truck is his license plate, which reads HAYN or, Hawaiian. Ryan Woosley is native Hawaiian and moved to Stonington in 2009 from the island of Lanai. Ryan made the move across the Pacific and Continental US to work on a lobster boat with his friend Jared. Bernhard, another Lanai native, and Ryan's friend, had already moved to Stonington to fish. And in 2011, Ryan met Anna, a local girl with longstanding generational roots in town.

Anna Woosley: I came back from school, college, and, it's hard to miss them! You know, two Hawaiians in town. (laughs) So, yeah, we had fun. We went to a couple of island parties and it was just fast and crazy since then, when you look back.

Galen Koch: The rest is, well, history. Anna and Ryan fell in love, got married, and in 2014, they moved away to raise their growing family in a different community than the one Anna grew up in. At the time, when they purchased this home, the couple was looking for a turnkey family house, something they just couldn't find in Stonington or neighboring Deer Isle.

Anna Woosley: It's weird moving somewhere, even this close. This isn't that far away from island, but it's just to not have that camaraderie, you know, or that comfort level. It's just been such a trip.

Everyone's nice in Penobscot, but you know what I mean? It's the island like, you can just, like, you can say hi, and it's felt. I think that's the hardest part about moving away, for me, it's like that camaraderie, like the pride in it.

Galen Koch: Ryan makes the trip from Penobscot on most mornings, commuting 27 miles to get to the waterfront in Stonington, Maine's highest grossing lobster port. His commute could take 40 minutes, but fishermen, as a rule, drive pretty fast.

Anna Woosley: So we can usually do it like, within a half an hour, we can get down to Stonington, I can. I don't know if you should disclose your time, but. We don't want to give too much away Galen!

Ryan Woosley: 27 miles it's down there to Stonington.

Anna Woosley: Yeah, it's a lot. This time of year, I'm telling you, it sometimes takes an hour to come home though. An hour!

Galen Koch: The road from Penobscot to the Stonington waterfront winds through spruce laden forests and blueberry barrens. To get to downtown Stonington's iconic lobster port, Ryan drives across

the Deer Isle-Sedgwick Bridge, a green suspension bridge that spans Eggemoggin reach. That bridge is now a major commuter route from 4 to 7 am.

Anna Woosley: It's a stream of cars. I mean, you're following people that are also going too fast.

Ryan Woosley: When I was fishing offshore, I would call it like, the 4:00 rush, the 5:00 rush and then the 6:00 slacks, you know. Because then you'd have like, at 4:00, that's when you had the real speed races going down, because everybody's got to be at the boat.

Anna Woosley: Like, we've heard of people that leave as far as like Bucksport. Where have you heard people go to the island?

Ryan Woosley: Bucksport. Some people were coming from like, I heard people from Bangor.

Anna Woosley: And I mean, maybe they're just fill-ins or whatever, but I mean, that's incredible. I don't think that really happened when I was growing up. You know, I think it was so local. Just everybody was there and worked.

Galen Koch: In this episode, we're crossing the iconic Deer Isle-Sedgwick Bridge, to learn how the housing crisis, a national problem, affects this working waterfront community and the two towns of Deer Isle and Stonington. With a severe lack of year round rentals and housing options, it's become commonplace for the workforce, both on and off the water, to commute to the island from out of town.

The housing crisis in Maine is no secret. Rising home prices and scarce year round rentals are affecting towns all over the state and in Deer Isle and Stonington. The crisis isn't in the future. The effects are serious, consequential and happening now.

In the summer of 2021 and 2022, Stonington had to truck in hundreds of thousands of gallons of water during the summer months to meet the demands of seasonal visitors. And the Island Nursing Home in Deer Isle closed its doors in 2021, partially as a result of a staffing shortage due to the lack of housing.

In this episode, we'll learn about some of the history behind this community's housing crisis and what specifically is at risk if there are no long lasting solutions for year round housing. And we'll learn about two solutions that these communities are exploring: building year round rental homes, and potentially regulating short term rentals.

Galen Koch: Nestled within an archipelago of islands in Penobscot Bay, Deer Isle and Stonington are, in a word, lobster country. These towns share a finite geographic space. They're located on several islands, most commonly referred to as "the island" by residents and visitors alike. Stonington, at the southernmost tip of the island, has remained the highest grossing lobster port in Maine, and therefore the world, for over a decade. And though the majority of lobster boats are moored in Stonington Harbor, there are mooring fields, piers, and wharves scattered throughout Deer Isle's craggy coastline. And that coastline, with its islands made of white and pink granite slabs covered with pointed spruce, and its rolling meadows abutting white shell beaches, has long been a destination for summer residents, artists and short term visitors.

Maybe I'm getting a bit poetic, but the island is where I grew up. I spent my childhood in a big white farmhouse on the top of Russ' Hill, the hill that leads to the Stonington Fish Pier. I graduated from Deer Isle-Stonington High School in 2007. And so, for the first time in this series, I'm telling this story as, almost, an insider. I don't live year round in Stonington anymore, but my parents and some of my siblings do. And all of the people in this episode are folks I've known for, well, most of my life.

Galen Koch: (speaking to Kathleen) My dog is digging his bed, hold on.

Kathleen Billings: Mines chewing up the couch at home.

Galen Koch: People like Kathleen Billings, the Stonington Town Manager. Kathleen's been serving in community leadership positions for as long as I can remember. She is a touchstone for many. Her voice peppers almost all town hall meetings, and she boasts a long lineage on Deer Isle. Her family moved to the island in the 1780s.

Kathleen Billings: So there's like, I don't know, 16 generations or better.

Galen Koch: To understand the housing crisis in Deer Isle and Stonington, we have to understand some history, and Kathleen can help with that.

Deer Isle was officially incorporated in 1789. It is the unceded homeland of the Penobscot Nation. The town of Stonington, which makes up the southern end of the island, was founded a century later in 1897. And though these are two separate towns with separate local governments, they now share a school system, ambulance corps, family names, and broad community.

In 1939, these towns also got a bridge which connects the island to the mainland. We don't have time to go into the cultural shift this brought to Stonington and Deer Isle, but I'll just say, it was a big deal.

For two centuries, the island was mostly local year round families. Families that depended on fishing, farming, cutting granite, and harvesting shellfish like clams and mussels. And like other towns in this region of Maine, a region that boasts stunning vistas, there was old money. Some summer families have owned farmhouses and cottages here since the 1800s. But even these were relatively quaint. The summer families were known at the time as 'rusticators.' There wasn't a whole lot of development on the island.

Kathleen Billings: The shift really started coming in the 1980s. That was like the big building boom, because everything that you had before was sort of old money and stuff like that. There wasn't really anything. But that wealth from when the eighties came in, and that's when the big shift started coming with building homes.

Galen Koch: My parents, like a lot of their friends in the arts community, moved to Deer Isle in the eighties. There was a back to the land movement, cheap homes for sale, and a thriving middle class locally and from away that wanted to build homes.

Kathleen Billings: And I would have to say one of the biggest things that came to the island for homes and stuff like that was the FHA program.

Galen Koch: That's the first-time home buyers loan, which allows homeowners to purchase or build homes with lower credit scores and less money down.

Kathleen Billings: And people able to build houses with a 33 year loan for X amount of dollars. And contractors around, you know, bid in to build these homes and stuff like that. And there's so many of these homes that's around now. But that was probably the biggest addition to this island for housing stock.

Galen Koch: The 1990s brought another boom for the island's housing stock. Kathleen describes it as the second wave.

Kathleen Billings: You know, when Wall Street and the rest of it started going, then there'd be a new crop of land being sold, great big, huge houses.

Galen Koch: These were both summer residences and year-round homes. Throughout the 1980s and 1990s, summer populations in Deer Isle and Stonington changed dramatically. Once a small pool of rusticators, the populations in these towns was now more than doubling in the summer.

Kathleen Billings: And I can remember being in a boat and we'd go around sort of, you know, in and out, but we didn't have anything fancy, go out to an island or something like that. And then you see the island from the shore and it's all hacked up with houses. And then by 2007, when they had the mortgage crisis, you know, then it really went into the housing recession. And, you know, we really haven't recovered from that time. And there really hasn't been between both places much built for houses and certainly not as much as these big McMansions that they have now. So that whole tone changed.

Galen Koch: That dip in home building was a problem when, during the pandemic, homes were bought at unprecedented rates.

Kathleen Billings: Houses are being bought up. They don't seem to want to wait for things to get built.

Galen Koch: As Kathleen pointed out, there's been a decline in new homes being built and the pandemic brought new homeowners from out of state. Those demographic shifts aren't necessarily a bad thing. Deer Isle and Stonington need young people and families to move to the island and live year round. But not all of these homes are purchased for year round families.

In recent years, walking through Stonington's tightly-packed downtown in the winter feels a bit like walking through a ghost town. The homes are empty and dark, with boards on the windows to protect from wind and storm surge. Some of those homes are still summer residences. Their owners are integrated into the community and spend anywhere from 3 to 6 months on the island.

But an increasingly large number are short-term rentals. They're homes that are rented for a few days, or weeks at a time, and are more often owned by investors - people who do not live locally.

Kathleen Billings: And there's a few people that are just buying up a lot of the houses. It was like one person, you know, at one point had like 12 or 15 homes, you know, housing stock that they had bought up and renting them out.

And, you know, that's not anything that we'd ever seen before. This whole land development, and, you know, whatever it is that's going on, has changed totally to a commercialized 'we're going to make money off the coast of of Maine.' And of course, a lot of that came out because of the Airbnb, the internet, and stuff like that, you see pictures and you say you want to go there.

Galen Koch: A rental housing analysis commissioned by the local nonprofit Island Workforce Housing identified that between 2012 and 2018, the number of Airbnbs in Deer Isle and Stonington went from three to 298. A task force in Stonington made a more conservative estimate of about 239 short-term listings on the island.

It's important to note that Deer Isle and Stonington's economies have relied for decades on vacation rentals during the summer tourist season. It's not uncommon for year round families to rent out family cottages, but services like Airbnb and VRBO make it possible for short term rentals to be booked and managed from afar.

Kathleen Billings: You know, that's what everybody wants to see is the water and stuff like that, and I don't blame them, it's one of the most beautiful places on earth. But, you know, going for huge prices and land and homes flipping, it's just going to make what we've already got that's unaffordable, even more unaffordable, and harder to hold onto.

Look, one of the lobster businesses that we've had a couple of conversations the past couple of weeks. 'What am I going to do?' he said. 'I can't find any places, so if I hire anybody, there's no, they can't rent anywheres and they can't buy anything.'

That is probably one of the most profoundest, fearful changes that I've ever seen, is, how do we keep our island, as close to the way that we can be, and live here and provide the services and have jobs, because I don't see it. In ten years, I think we're going to be wrapped up and done. I just do. If the level of this real estate thing does not back off.

Galen Koch: When Kathleen says wrapped up and done, she means that she could foresee a time when there are so few year round residences that the fabric of this community just disappears. Without year round residents there's a real threat that the local schools and hospital could close, just like the Island Nursing Home did a little over a year ago.

Kathleen Billings: I know I'm committed to doing something because, you know, I like living here and I want to stay here until I go out through my door feet first or however they're going to lug me or whatever.

It's hard to control a real estate market with all the wealth that's around now and everything else. I mean, I don't know, it's just, just sickening to me, in some ways. To see how, you know, it can just absolutely overturn the little small towns and everything with this commercialism to make money off it. It just feels kind of devastating in a way. But you can't give up, you just can't give up. And, you know, you just kind of like, fight on or whatever it is.

Galen Koch: The fight to address the housing crisis in Deer Isle and Stonington is now in full swing. The rapid changes in the housing market and rise of seasonal rentals has prompted Deer Isle and Stonington residents and town officials to start thinking creatively about solutions to this crisis. A crisis that's been slowly percolating since the 1980s and now feels, as Kathleen put it, pretty devastating. In response to the increase in short term rentals, the town of Stonington formed a task force in December 2021 to explore the pros and cons of short term rentals. Linda Nelson is the town of Stonington's Economic and Community Development Director, and served on the short term rental task force.

Linda Nelson: We felt it was really important to address those and to see if we could do some community-directed change and and management of short term rentals. This remains to be seen. We fielded a great task force. It included people who actually have short term rentals. It included Morgan Eaton, our kind of, biggest realtor on the island. It included selectman and, you know, a lot of other citizens. And it was very dynamic.

Galen Koch: The task force set out to identify how short term rentals cause disruptions to the Stonington community and economy. The first disruption they identified is the lack of access to housing inventory.

This is so basic, but it bears repeating because it's really important. As more housing stock is sold to investors or owners who use the property solely as a vacation rental, there are less houses available for people to live in. Secondly, these short term rentals strain Stonington resources, like the water supply and town septic system.

Linda Nelson: So we're finding in Stonington that because people are turning over and they're not obeying occupancy limits that are set by the sanitary district or the water district, we're overusing our water supplies even in a non-drought year. So for the last two years we've been in drought years and Stonington has had to purchase hundreds of thousands of gallons of water and have it trucked to the island.

Galen Koch: The town of Stonington is built on granite ledges. There are very few wells, and no real aquifer. So the town got proactive on its access to drinking water and a clean harbor more than 40 years ago by putting in two municipal utilities, a water company and a sanitary district.

The short term rental market strains the limited water supply. The high turnover of these properties means more laundry and cleaning, and rental owners are ignoring occupancy limits.

When I visit Stonington in the summer, my parents remind me that water is scarce. We use it sparingly, but a two-day or week-long visitor may not be aware. And so the town's water supply has almost run out for two summers in a row. And this is an expensive problem. Stonington could spend upwards of \$20,000 on one 200,000 gallon delivery.

Linda Nelson: So the third way that the short term rentals in particular have had a disruptive effect on the year round community is that it has skewed the housing market in general. So because it is a market now that investors have gotten into, it has helped to escalate the prices of real estate in general, putting them out of reach for the most part of of people who work and live here year round and locally.

Galen Koch: After identifying the disruptions caused by an increase in short term rentals, the task force came up with five recommendations that they presented to the town selectmen.

Linda Nelson: They just agreed a few weeks ago to focus on four of those recommendations.

Galen Koch: These recommendations include requiring permits for all rental units and establishing different fees for year-round or owner-occupied or non-owner occupied rentals. They include preserving commercial use on first floor buildings on Main Street, and requiring motels and rental units with over three bedrooms to obtain a special license. At this time, the selectmen did not choose to put a cap on the number of short term rentals in town.

Linda Nelson: But before any of those can go into place there, there will need to be a town meeting and there will need to be agreement on these things because they will involve changes to ordinances, etc..

Galen Koch: If these recommendations move through the planning board this January and February, some will be voted on in the upcoming Stonington town meeting on Monday, March 6th 2023. Along with a proposal to create a housing fund from tax acquired properties with the goal of incentivizing and developing a full spectrum of workforce housing, including year round rental units in town.

Proposing and adopting regulations in rural Maine towns is not always easy. There is a deep-rooted culture of independence in the state. These short term rental regulations could be met with pushback at the planning board or town meeting. In fact, they most likely will be met with some opposition from residents who've been renting out seasonal cottages or second homes for decades. But Kathleen Billings, Linda Nelson and Stonington Selectman, are a united front on the need to address short term rentals as part of the housing crisis. And the hope is that these regulations will help support the tourism economy and year round sustainability.

Linda Nelson: I'm always a believer that people create the towns that we live in, and that there is a chance for community-directed and locally-directed, you know, solutions to our issues. Yes, we get hampered by state regulations. Yes, we get hampered by national regulations and, what do we do for ourselves? Where do we put a stake in the ground and say, yeah, this isn't going quite the way we want it to go. How do we go in the other direction?

Galen Koch: Other towns in Maine have put stakes in the ground. There are now approved short term rental ordinances in Bar Harbor, Camden, Cape Elizabeth, Falmouth, Freeport, Old Orchard Beach, Portland, Rockland, Saco, and South Portland. There are organizations and housing committees coming up with innovative solutions all over the coast in towns like Thomaston and the islands of Vinalhaven and Chebeague.

These solutions to the housing crisis can be directed, like in Stonington, by town managers, selectmen and planning boards, and they can also be initiated by citizens. That was the case with Island Workforce Housing, a local nonprofit founded in Deer Isle in 2018. Island Workforce Housing was born out of years of brainstorming among a group of island residents. The need for more workforce housing was on the minds of islanders in the early 2000s. Those early brainstorms over 20 years ago didn't make much headway, but among that group of residents was a teacher and community leader Mike Wood. Mike's dedication to building workforce housing became one of the driving forces that helped this initiative succeed in 2018. Here's Henry Teverow, a member of Island Workforce Housing's Board of Directors.

Henry Teverow: Mike was sending out emails in the summer of 2018 to just a bunch of different people on the island who he thought might be interested in trying to work with him on trying this a second time.

Galen Koch: The organization hired a third party to conduct a rental housing analysis, and they talked with 100 local individuals and businesses to find out what the housing priorities are on the island.

Henry Teverow: We need year round rentals and we need rentals for seasonal workers and we need more affordable homeownership opportunities. We need a trailer park to take the place of the one that left a few years ago. And we needed to pick one thing to to work on, if we wanted to get anywhere at all. It was very clear that year round rentals were the most in demand kind of housing and the least available. And so that's what we started fundraising for and found a piece of land to purchase. And now here we are.

Galen Koch: One of the keys to the success of Island Workforce Housing is that their board of directors is chock full of professionals who donate their time and expertise to the project. People like Linda Campbell, who owns a land surveying business, Due North, and provided that service for free, and Maggie Kirsch, an architect who helped with planning and design.

Maggie Kirsch: So we are doing the general contracting ourselves. The group of people we have on the board makes it possible. We have a lot of skilled people that can make it happen, and it's a way to save some money by giving our time instead.

Galen Koch: I met Maggie and Henry at Oliver's Ridge, a parcel of land smack dab in the middle of Deer Isle on the Sunset Crossroad. This is where Island Workforce Housing broke ground in late 2020. And by the spring of 2022, when I toured the site, two of the five buildings had been framed.

Maggie Kirsch: You come through a covered porch and we're standing in the kitchen, dining, living area. The kitchen faces the driveway, which makes it a little more private. And then everybody's living room faces the woods out back. So they have a really kind of serene view to the back, and they have a deck off the rear as well. So it should be pretty nice.

Galen Koch: Designed by architect John Gordon. The five buildings are all split dwellings. There are ten rental units at Oliver's Ridge and these fill a very specific need for Deer Isle and Stonington. These are rentals for the workforce. They're priced to be accessible to people who make anywhere from half to just a little bit over the county's median income.

The footprint at Oliver's Ridge is tasteful. Each aspect of this development has been carefully planned and implemented. Even the land itself which island workforce housing acquired with the local conservation organization Island Heritage Trust, is intentional. When I visit the site again in October 2022, the five buildings are framed and sided, waiting for all-weather, shingles and windows to be installed.

Galen Koch: (walking on site) It's amazing. They're like real. It's like, real.

Maggie Kirsch: It's real! The space between the buildings is real, you know? Like that's, that's the part that's harder to imagine.

Galen Koch: Island Workforce Housing's tenacious leader Mike Wood passed away in 2021. He witnessed the breaking of ground at Oliver's Ridge, but he didn't get to see the foundations being poured or the buildings under construction. After his passing, Mike's daughter, Megan Dewey-Wood, became the unintentional leader of island workforce housing.

Megan Dewey-Wood: He was chair of the board of Workforce Housing, and I inherited that. We have a lot of donations that go through our website in honor of my father and just in honor of this community, which is so unique. And people come here for so many different reasons, a lot of times as summer people, but they understand the uniqueness and how special this place is. And what makes that special, and what makes that beautiful, is the community.

Galen Koch: Like her father Mike, Megan, is deeply ingrained in the Deer Isle community. She understands the complexity and nuance of this place. Megan co-owns 44 North Coffee. She grew up on Deer Isle. We've been friends since childhood, and like many islanders who moved back after college, Megan spent years in housing limbo.

Megan Dewey-Wood: So when I first moved back, it was a constant hustle-shuffle. We would stay in summer people's homes during the winter, and then potentially, we would live in tents or in cabins during the summer.

Galen Koch: And that hustle-shuffle, as Megan calls it, can work for a few years, but it can also be incredibly stressful. The summer is when the island's workforce kicks into high gear, and oftentimes those workers can't find stable housing.

Megan Dewey-Wood: Like right now, as an employer, I have 15 employees and three of them are living out of their cars or vans.

Galen Koch: Deer Isle and Stonington will always have summer visitors and a summer population. And for Megan, part of the solution is to educate people who come to the island for its natural beauty and raw fishing-town grit.

One of the reasons the island is so attractive to visitors is that it has a thriving community and a bustling working waterfront. It's not a place without character or individuality. If you visit Deer Isle, you'll hear fishermen burning rubber at the end of the day and probably get yelled at for walking in the middle of the street in downtown Stonington. It's all part of the charm.

Megan Dewey-Wood: I want this community, and I want people who come here for how beautiful and unique and special it is, to realize there is a community that needs to be acknowledged, respected and supported. And without that kind of overlap and that conversation, we will lose this community. And that, to me, like, kind of breaks my heart.

Galen Koch: These conversations about the threats that a lack of housing poses in year round communities, threats to the schools and the workforce and public services, don't need to place blame. They can be conversations that make visitors aware of what could be lost.

Megan Dewey-Wood: I'm not backing down, and I really, I'm going to put it all in to make this project work. And so it's just, it's just being aware and constantly educating about what the need is and how to meet it.

Galen Koch: The efforts by citizens and town officials to address the housing crisis, demonstrate just how committed and tenacious this community is. For Megan, being in a public service role is not always comfortable, but something that she learned from her dad. Mike, is that especially in a small, tight-knit community, if there's a role to fill, sometimes you just need to step up and fill it.

Megan Dewey-Wood: My dad, he was a public school teacher. But he taught history, he was the vice principal at one point, he was a truancy officer at one point! He did, he was everything in that school system because he saw the need and he would step up into that space. And I remember multiple times when he would go pick up a kid that like, left the school and drive them back. And like the next morning we would have ten lobsters in our front yard, just because their parents were like, 'Thank you, and this is the form of community gratitude that we can we can contribute.' So this community is so, is so tight, is so unique, and I don't want to see it just, lost. I'm, I am hopeful, but I'm also, a little bit panicked.

Galen Koch: Thank you for listening to From the Sea Up, a podcast from the Island Institute.

For more information about ongoing work in the town of Stonington to address the housing crisis, visit www.stoningtonmaine.org/gov/economic-development.php.

To learn more about the efforts of island workforce housing, visit www.islandworkforcehousing.org.

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Most of the music in this episode is by Cue Shop. You can hear more of their tunes at www.cue-shop.com.

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