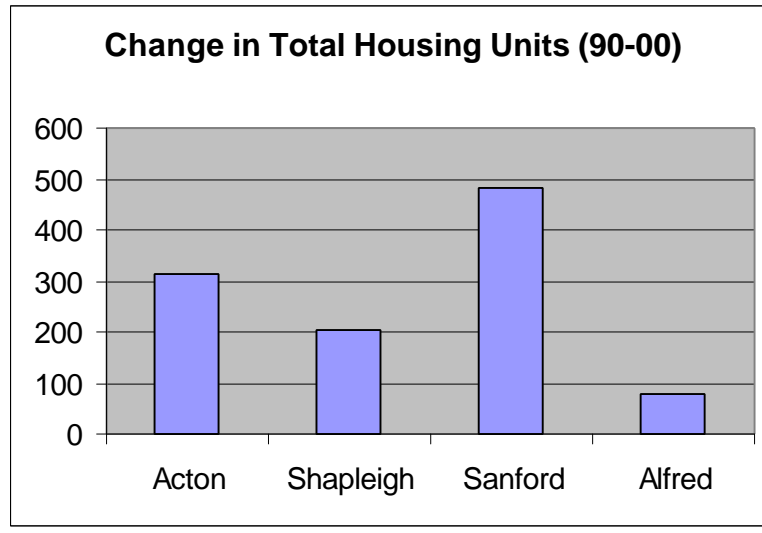


## Chapter II – Housing

Acton grew at a fairly substantial rate (as compared to its neighbors as far as housing growth was concerned) in the period 1990-2000. The chart below compares Acton’s 314 housing unit increase with some of the surrounding communities.



The issue of affordable housing has once again risen to a level of importance in York County. This is somewhat similar to the late eighties when housing prices soared and the number of towns instituting growth caps rose in response. A review of housing costs and affordability factors shows that Acton is not different from the rest of the county – there is a severe shortage of affordable housing from both a homeownership point of view and a rental perspective.

The following table represents recent data supplied by the Maine State Housing Authority (MSHA) regarding the so called affordability index. Figures are given for all of the region for comparison purposes:

### 2002 Affordability Index

**(The affordability index is a method to measure the affordability of homes within a region)**

Note: An Index of less than 1 is Unaffordable, an Index of more than 1 is Affordable.

<u>Location</u>	<u>Index</u>	<u>Median Income</u>	<u>*Median Home</u>	<u>Median Income Can Afford</u>	<u>Income Needed</u>
Ogunquit	0.45	\$62,291	\$417,500	\$186,200	\$139,670
Kittery	0.58	\$45,839	\$225,000	\$130,107	\$79,271
Kennebunkport	0.60	\$66,517	\$326,500	\$195,987	\$110,813
York	0.63	\$62,965	\$289,250	\$182,865	\$99,596
Limington	0.68	\$35,475	\$146,000	\$99,059	\$52,285
Kittery/York Housing Market	0.69	\$55,729	\$229,500	\$158,178	\$80,857
Eliot	0.69	\$59,741	\$253,000	\$174,498	\$86,617
<b>Acton</b>	<b>0.69</b>	<b>\$37,184</b>	<b>\$153,750</b>	<b>\$106,092</b>	<b>\$53,888</b>
Biddeford	0.70	\$36,674	\$143,500	\$100,638	\$52,294
Kennebunk	0.71	\$55,048	\$220,000	\$155,911	\$77,676
Alfred	0.74	\$38,182	\$151,600	\$111,523	\$51,903

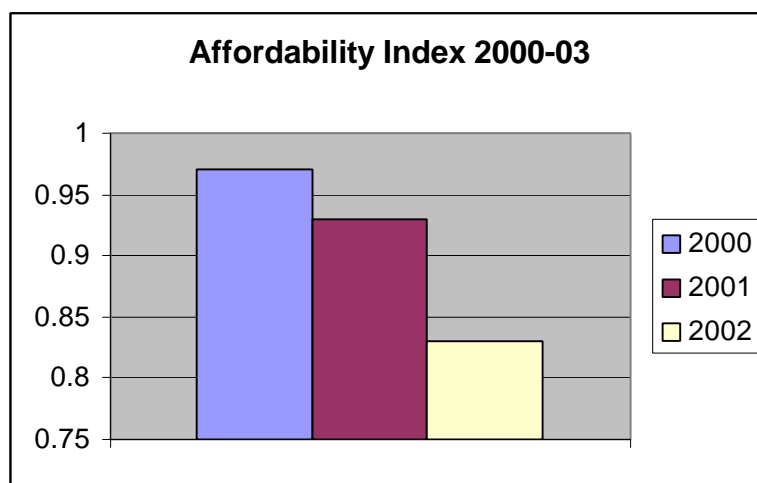
<u>Location</u>	<u>Index</u>	<u>Median Income</u>	<u>*Median Home</u>	<u>Median Income Can Afford</u>	<u>Income Needed</u>
Biddeford Housing Market	0.76	\$49,048	\$185,000	\$141,493	\$64,129
Arundel	0.79	\$51,865	\$189,000	\$149,620	\$65,516
Berwick	0.82	\$44,840	\$152,000	\$124,283	\$54,840
Sanford	0.82	\$37,269	\$122,750	\$100,445	\$45,545
Hollis	0.83	\$41,960	\$146,000	\$120,978	\$50,638
York County	0.83	\$47,576	\$162,500	\$135,640	\$56,997
Limerick	0.84	\$37,387	\$124,000	\$104,766	\$44,251
South Berwick	0.85	\$60,301	\$200,000	\$169,673	\$71,079
Parsonsfield	0.85	\$30,946	\$102,500	\$87,341	\$36,317
Old Orchard Beach	0.85	\$39,745	\$121,000	\$103,373	\$46,522
Wells	0.86	\$54,970	\$188,750	\$162,050	\$64,027
Shapleigh	0.87	\$38,533	\$131,200	\$113,645	\$44,485
Congressional District 1	0.87	\$47,572	\$154,900	\$134,328	\$54,857
Portland Housing Market	0.87	\$53,323	\$167,900	\$145,930	\$61,351
North Berwick	0.88	\$49,779	\$163,000	\$143,038	\$56,726
Saco	0.88	\$48,527	\$149,900	\$132,090	\$55,070
Newfield	0.89	\$38,537	\$129,000	\$114,290	\$43,497
Maine	0.89	\$42,029	\$133,500	\$118,618	\$47,302
Sanford Housing Market	0.91	\$41,147	\$129,788	\$118,169	\$45,193
Lebanon	0.93	\$48,421	\$148,450	\$137,412	\$52,310
Cornish	0.94	\$33,449	\$101,100	\$94,552	\$35,765
Sebago Lakes Region Housing Market	0.95	\$41,358	\$122,750	\$116,912	\$43,423
Lyman	0.95	\$51,583	\$159,000	\$151,459	\$54,151
Buxton	0.95	\$51,803	\$155,000	\$147,691	\$54,367
Waterboro	1.11	\$48,485	\$127,610	\$141,075	\$43,857

Acton ranks as the seventh (out of the twenty nine towns) in York County for unaffordable housing based on income and housing costs. This is partially due to the town's modest income levels, as well as the cost of housing.

As the chart below shows, housing in York County in general, continues to become less affordable.

### **York County Housing Affordability**

(the lower the index the more unaffordable a town or region is. An index of 1 is considered affordable)



A couple of other MSHA developed facts highlight the affordability issue in Acton. First 86% of the homes sold in Acton in 2002 were sold at a level above that which a median household could afford. Finally, 720 of the 901 households in Acton in 2002, could not afford a home sold at the median home price.

It should be pointed out that nearly 90% of Acton households own their own home. Yet it is clear that for young people living, working and possibly wishing to start their family in Acton, homeownership and affordability will be an issue.

Acton's housing stock is almost entirely single family. Of the towns 1,910 housing units only 1% is multi-family. This compares with the county average of 22%. The rest is single family (including 4% of which are mobile homes). Approximately 53% of the towns housing (or 1,028 units) is for seasonal use. This is a high percentage of seasonal housing (the county average is 17.6%). This is higher than a number of other seasonal destinations in the region such as York and/or the Lovell/Denmark area. The homeowner vacancy rate is .8% and the rental vacancy rate is 3.2%. Based on recent subdivision applications and marketing analysis presented by developers to the Acton planning Board there appears to still be a strong second home/seasonal housing market in Acton – even with little land left along the lake fronts. In fact a recent 14 unit proposal to the Planning Board was presented as seasonal in nature.

Detailed rental information is not available on a town by town basis. However, for the year 2000 in Acton there were 92 renter occupied units (year round) with an average household size of 2.5 (or 230 people). This represents about 10% of the town's population. Rents in the Sanford Housing Market averaged \$726 for a two bedroom unit. Within this housing market, approximately 52% of the renter households could not afford a 2 bedroom average rent.

According to the 2000 Census, 29 households in Acton paid more than 31% of their income for rent. The number of people this represents is not clear, but it does represent approximately 3.3% of the households in town.

It is clear that the rental vacancy rate is decreasing. In 1990 the rental vacancy rate was 6.9%. Now it is 3.2%. Any rental vacancy rate under 5% is considered problematic.

### **Affordability Analysis**

The following analysis attempts to quantify the number of affordable units that will need to be created in Acton over the next 10-15 years. The number uses SPO figures of 226 units to be added in Acton over the next 15 years.

### **Affordable Housing Needs Town of Acton, 2000-2015**

#### **Income Levels of Existing Households, 2000**

**Number**

**% of Total**

Less than \$10,000	63	7.4%
\$10,000 to \$14,999	61	7.1%
\$15,000 to \$24,999	91	10.6%
\$25,000 to \$34,999	150	17.5%
\$35,000 to \$49,999	200	23.4%
\$50,000 to \$74,999	173	20.2%
\$75,000 to \$99,999	49	5.7%
\$100,000 to \$149,999	55	6.4%
\$150,000 to \$199,999	4	0.5%
\$200,000 or more	9	1.1%
<b>Total</b>	<b>855</b>	<b>100.0%</b>

**Median Household Income, 2000:** \$39,038  
**County Median, 2000:** \$43,630

**Year-Round Units Needed:**

Total Unit Demand, 2000-2015 226  
 % Seasonal, 2000 53.8%  
**Year-Round Unit Demand, 2000-15: 104**

Housing Needs by Category, 2000-2015	Percentages of 2000 HHs		Units Needed
	Town	County	
Very Low Income (Under \$15,000)	15%	13%	14
Low Income (\$15,000-24,999)	11%	13%	13
Moderate Income (\$25,000-49,999)	41%	31%	32
Above Median (\$50,000 and Up)	34%	43%	44
<b>Total</b>	<b>100%</b>		<b>104</b>
<b>Affordable Units Needed:</b>			<b>59</b>

Source: U.S. Bureau of the Census; Maine State Planning Office; SMRPC

**Housing Needs Analysis, Town of Acton**

**County Median Income, 2003: \$48,522**

Totals	Income Category		
	Very Low	Low	Moderate
% of Median	50%	80%	120%
Maximum Income	\$24,261	\$38,818	\$58,226
<b>Affordable Rental Housing Needs, 2000-2015</b>			
Affordable Gross Rent	\$607	\$970	\$1,456

(@ 30% of Income)				
% of Total Demand		13%	13%	31%
Rented as % of County Total	27.0%	3.6%	3.4%	8.4%
<b>Total Demand, 2000-2015</b>	<b>17</b>	<b>4</b>	<b>4</b>	<b>9</b>

<b>Affordable Sale Housing Needs, 2000-2015</b>				
Affordable Monthly Payments		\$505	\$809	\$1,213
(@ 25% of Income)*				
Affordable Sale Price**		\$80,000	\$127,900	\$191,900
% of Total Demand		13%	13%	31%
Owned as % of County Total	73.0%	9.9%	9.2%	22.7%
<b>Total Demand, 2000-2015</b>	<b>44</b>	<b>10</b>	<b>10</b>	<b>24</b>

\* Monthly Payments Assume an additional 5-10% goes towards taxes and other costs

\*\* Affordable Sale Price assumes 10% down, 6.5% interest rate, 30-year term

Source: 2000 Census Data; Maine State Housing Authority; SMRPC

The analysis shows a demand of approximately 17 affordable rental units and 44 affordable housing units needed over the next fifteen years.

### Summary Discussion

With a median home price of \$153,000 and moderate household income levels, Acton is amongst the least affordable towns in York County to purchase a home. While the town has a high homeownership rate (90%), for those people who don't currently own their home, affordability will be a problem. There are also few year round rentals in town. The town's housing stock is almost entirely single family and contains some of the highest number of seasonal homes in the region. This makes affordability regarding rental units a problem as well. High rental rates are a well documented problem in seasonal or tourist destinations.

However, the actual number of units that might need to be created would seem an accomplishable goal. If the town were to issue 35 permits a year for the next ten years, approximately 35 homes would need to be sold at a price of about \$106,000 or lower to meet the states affordability guidelines. Furthermore the analysis above shows a need for about 51 affordable units being needed in the next 15 years. Regardless of which method is used the town would seem to be positioned -with a few creative strategies to meet these affordable housing goals.