

SECTION 12: AFFORDABLE HOUSING (Revised October 8, 2004)

This section evaluates Ogunquit's current and future needs for affordable housing. The basic premise of the section is that the Town of Ogunquit intends to provide its fair share of the region's housing supply.

DEFINITIONS OF AFFORDABILITY

The starting point for this analysis is to define affordability and examine how affordable or unaffordable Ogunquit's housing stock currently is. Affordability will be defined by a combination of HUD's definitions of very low, low and moderate incomes and Maine State Housing Authority (MSHA) data for the Town of Ogunquit and York County.

HUD's affordability definitions are tied to regional median household income levels:

- Very Low income is defined as below 50% of the regional median;
- Low income is defined as 50-80% of the regional median; and
- Moderate income is defined as 80-120% of the regional median

As of 2003, York County's median household income level was \$48,522, so the 50%, 80% and 120% thresholds are applied to that figure (see below)

The next step is to define the relationship between household income and housing affordability. MSHA calculates this information for each municipality in Maine each year by using a formula that includes all of the costs of housing—mortgage amount, interest rates, property taxes, utilities, etc. For 2003, the income to price ratio for York County was 33.75%, with a household earning the county median able to afford a home priced at \$143,754.

Using the combination of HUD and MSHA data, the income and home price levels for households in Ogunquit are assumed to be:

- Very Low: Income below \$25,000, home price below \$74,000
- Low: Income from \$25,000 to \$40,000, home price from \$74,000 to \$118,000
- Moderate: Income from \$40,000 to \$60,000, home price from \$118,000 to \$178,000

MSHA also reports each year on affordability by town, comparing the affordable level for a household earning the town's median income with the median home sale price in the town. By this measure, Ogunquit was the least affordable town in York County in 2003, with the median-earning household only able to afford a home priced at about \$160,000—just 40% of the median sale price for the year of \$400,000. By comparison the countywide ratio is 78%.

Part of the reason for this discrepancy is the prevalence of seasonal vacation homes in Ogunquit, as Census data report that 65% of the Town's total housing stock is seasonal. Thus many homes in Ogunquit are purchased by wealthier households who earn their livings in places where earnings levels are considerably higher than in southern Maine. The difference in median household income between Ogunquit and other coastal towns is actually quite great. Ogunquit's

2003 median was \$51,594, which was far lower than those of York (\$63,738) or Kennebunkport (\$64,026).

Many of these seasonal homes are rented for relatively reasonable costs during the non-summer months, thus providing some affordable housing stock for a large share of the year. Still, it is clear that affordable housing is at a premium in Ogunquit.

CURRENT AFFORDABLE HOUSING NEED—GAP ANALYSIS

The current affordable housing gap is measured by comparing Ogunquit’s present population’s income profile with that of York County. The central assumption in this analysis is that each community in the county should have an equal share of low to moderate income residents and thus bear its fair share of the region’s affordable housing need.

Table 12-1 compares 2000 Census data on very low, low and moderate-income households for Ogunquit and York County to illustrate where the gaps exist.

**TABLE 12-1
VERY LOW, LOW, AND MODERATE INCOME HOUSEHOLDS, 2000**

	Ogunquit		York County	
	Number	Percent	Number	Percent
Very Low (<\$25K)	160	24.0%	19,503	26.2%
Low (\$25-40K)	121	18.1%	14,150	19.0%
Moderate (\$40-60K)	129	19.3%	15,965	21.4%
Market (>\$60K)	258	38.6%	24,910	33.4%
Total	668	100%	74,527	100%

Source: US Census; SMRPC

The “gap analysis” conducted to determine Ogunquit’s present affordable housing shortage was a matter of determining how many more very low, low and moderate-income households would need to be housed in the Town in order for its income profile to match that of York County. Table 12-2 illustrates the gap analysis.

**TABLE 12-2
AFFORDABLE HOUSING GAP ANALYSIS**

	Current Affordable Units	Units Needed to Match County Ratios	Affordable Housing Gap (Units)
Very Low (<\$74K)	160	175	15
Low (\$74-118K)	121	127	6
Moderate (\$118-178K)	129	143	14
Total	410	445	35

Source: US Census; SMRPC

As Table 12-2 shows, Ogunquit's present affordable housing shortage is estimated to be 35 units, with 15 being in the very low-income range (units priced below \$74,000), 6 in the low-income range (priced between \$74,000 and \$118,000) and 14 in the moderate-income range (priced between \$118,000 and \$178,000)

FUTURE AFFORDABLE HOUSING NEEDS

The Maine State Planning Office (SPO) projects that Ogunquit's year-round population will increase by 414 persons for the period spanning 2000 to 2015. Using the Town's 2000 average household size of 1.84 persons, this translates to a net change of 225 year-round housing units.

Maine's Comprehensive Planning statutes mandate that local Comprehensive Plans ensure that at least 10% of new housing units in each municipality are targeted for affordable housing. Applying that standard to the expected change of 225 units, this would translate to 23 affordable units over a 15-year period, or an average of 1.5 per year.

PLANNING IMPLICATIONS FROM AFFORDABLE HOUSING TRENDS

Ogunquit's attractiveness to affluent homebuyers from outside of Maine makes it one of the least affordable communities in the entire state on paper, when a pure comparison of median household income to median home prices is done. However, there are a number of mitigating factors that make Ogunquit's affordable housing situation somewhat less dire. These include:

- Many lower-income residents are long-time residents who have paid off mortgages. This group is challenged, though, by rising property taxes due to soaring valuations.
- The large stock of seasonal units provides a substantial supply of off-season affordable housing for the workforce in the region.
- A large manufactured housing development was recently built in Ogunquit that substantially increased the Town's supply of affordable housing

Adding together the current gap of affordable units and the expected future need, Ogunquit would need to add an estimated 58 affordable units by 2015. This translates to an average of about four units per year.