

# Chapter 4: Housing Opportunities

## The Existing Housing Stock

Census figures indicate that Readfield had 900 year-round housing units in 2000, an increase of 18 percent over the 765 year-round housing units in 1990. During the same period, seasonal housing units increased by only 4 percent from 238 to 248.

Ninety percent of Readfield's housing in 2000 was single-family detached. The second most common housing type was mobile homes (4.8%), though that percentage shrunk considerably during the 1990s. Multifamily units made up only about 4.5% of the housing stock, while single-family attached units accounted for just 1%. See Table 4-1.

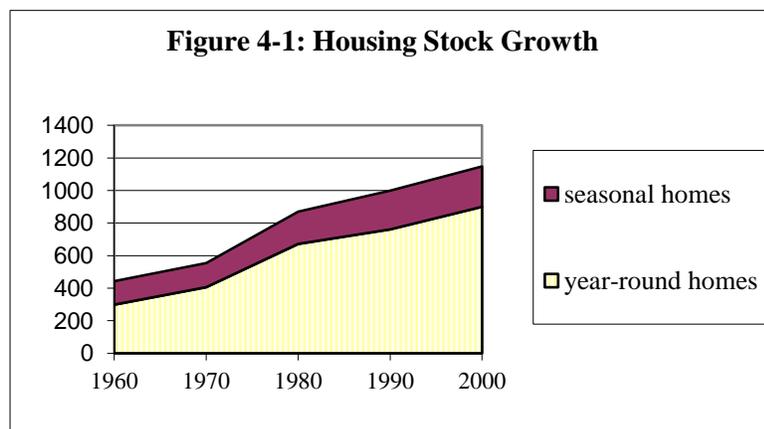
**Table 4-1  
Housing Units, 1960-2000**

Year	Housing Units	1 Unit/ Structure	2-4 Units/ Structure	5-9 Units/ Structure	10+ Units/ Structure	Mobile Homes
1960	443	425	30	0	0	4
1970	406 (a)	338 (a)	29	0	13	26
1980	870	735	29	4 (b)	0	102
1990	1,003	877	28	0	2	96
2000	1,148	1,044	49	0	0	55

(a) Year round units only (b) each with 5 or more units

Source: U.S. Census

Between 1960 and 2000 the town's housing stock almost tripled - an average of 17.6 units per year over forty years. A significant increase in the number of manufactured housing units occurred in



the decade from 1970 to 1980, corresponding with their emergence as an alternative and affordable housing type. By 1980 mobile homes made up 11.7 percent of Readfield's housing. But by 2000 they had dropped back to five percent.

Between 1960 and 2000 the percentage of seasonal units in relation to total housing units

decreased from 33% to 21.6% (See Figure 4-1). Such a decrease can be attributed to three factors. First, as Readfield shifted from a recreational community to a suburban one, the percentage of seasonal housing starts decreased. Second, as the development and value of lake frontage increased, conversions from seasonal to year-round uses have become more common. Finally, development of shoreland property has declined due to a decreasing supply of affordable, undeveloped shoreline.

The number of multifamily housing units in Readfield increased dramatically during the 1990s. It is possible that this is a statistical anomaly (the town itself reported no new multifamily housing in the 1990s), or it could be that multifamily units were conversions of former single-family units that would not be considered new valuation for the town.

<b>Regional Snapshot: Camps as Percentage of the Whole</b>		
<u>Town</u>	<u>2000 camps</u>	<u>Percentage</u>
Belgrade	774	39 %
Fayette	254	37 %
Manchester	168	14 %
Mt. Vernon	320	33 %
<b>Readfield</b>	<b>248</b>	<b>22 %</b>
Winthrop	451	15 %

Local records can provide information about what has occurred since 2000. New housing is reported through two sources. Municipal Valuation Returns (MVR) prepared annually by the Town Assessor list *completed* housing units as added to the tax rolls. Between April 2000 and April 2004 the MVR reported 63 single-family homes and four mobile homes resulting in a rate of 16.7 new units per year since 2000. Building Permit data consists of units that *will be built*. Over the same 4-year time period, the town permitted 96 units of which three were never built, eight were new mobile homes and five were replacements. This results in a figure of 88 new units permitted over the four years – 22 per year. Either of these averages are an increase from the 14.5 units per year of the 1990s. Up to date information shows that the actual net change in housing units from 200 to 2006 resulted in 76 new single-family units and five new mobile homes, with no net increase in multi-family or seasonal housing.

<b>Regional Snapshot: Occupancy</b>	
<u>Town</u>	<u>Percent Owner-occupied</u>
Belgrade	85.5 %
Fayette	91.6 %
Manchester	86.7 %
Mt. Vernon	86.1 %
<b>Readfield</b>	<b>88.1 %</b>
Winthrop	75.9 %

***Housing Tenure and Vacancy:***

According to the 2000 Census, 764 units, or 88.1% of occupied housing units, were owner-occupied and 103 units, or 11.9 %, were rented. This breakdown in tenure reflects a generally stable pattern since at least 1960, and a slightly higher ownership rate than most neighboring towns. Readfield has a relatively low three percent vacancy rate. See Table 4-2.

**Table 4-2  
Readfield Housing Tenure and Vacancy**

Year	Total # Units	Owner Occupied	Renter Occupied	Vacant Year Round	Vacant Seasonal
1960	443	239	50	10	144
1970	554	309	72	25	148
1980	870	555	91	26	198
1990	1,003	649	73	39	238
2000	1,148	764	103	33	248

Source: U.S. Census

## ***Housing Condition:***

While Readfield has had instances of poor housing conditions, by and large it has always been in better shape than other Maine municipalities. In 2000 the proportion of housing with indicators of substandard conditions whether old, lacking a bathroom, or overcrowded, was lower than for statewide. Table 4-3 presents indicators of what may be substandard housing conditions in town.

**Table 4-3**  
**Housing Conditions in 2000**

<b>Structural Conditions</b>	<b>Readfield</b>	<b>Kennebec County</b>	<b>Maine</b>
“Pre-war” (1940 and older)	24.9 %	28.5 %	29.1 %
Lack complete plumbing	0.5 %	0.7 %	0.9 %
Lack telephone service	0.7 %	1.3 %	1.3 %
Overcrowded (More than 1 person per room)	1.0 %	1.4 %	1.3 %

Source: U.S. Census

The town prepared a Community Development Block Grant (CDBG) application in 1991 for rehabilitation of substandard housing. The housing survey at that time contacted 70 households to identify housing conditions. "Twenty-five dwellings with the most serious conditions are individually featured in a notebook," stated the application. A follow-up survey of 22 units in the targeted area indicated problems with "electrical services below 100 amp, lack of central heating, little or no insulation, substandard chimneys, plumbing deficiencies, deteriorated and/or leaking roofs, cellar drainage problems, failing septic systems, and some structural integrity issues." Thirteen years later the town's CDBG Committee estimated that at least 30 units in the town have deficiencies.

Another way to assess housing conditions is through the age of the housing stock. There is not a direct correlation because many older houses are well kept, but the data does provide some indication that there may be problems. As of the 2000 Census, 45.3% of all year-round units were 60 or more years old versus 13.5% of units that were less than 10 years old. Pre-war homes in Readfield constitute a considerably smaller percentage of the whole than in Kennebec County or the State. Older homes, while posing a potential “quality problem” if they do not meet modern electrical, plumbing, and energy codes, add to the character of the community in a way that newer housing seldom does.

## **Housing Value and Affordability**

“Affordable housing” does not imply that all people regardless of income have a right to any type of housing in all locations. Affordability is considered important because it measures the extent to which people from diverse economic backgrounds can reside in a community.

Readfield homeowners, like many in Maine, have seen property values rise erratically for the past twenty years. Between 1980 and 1990 the value of a “specified” (Census term, meaning owner-occupied, stick-built, on less than ten acres) home more than doubled from \$42,200 to \$94,200. Since the inflation rate only rose 60 percent over that decade, homeowners came out ahead. Between 1990 and 2000, however, home values rose only 11 percent to \$104,900. Inflation over that period was 32 percent, so homeowners lost a bit.

Still, however, property values in Readfield are above the average in a fairly affluent region, trailing only Manchester. The average home value for Kennebec County in 2000 was \$87,200 (20 percent lower than Readfield's), for Maine, \$98,700.

<b>Regional Snapshot: Home Values</b>	
<u>Town</u>	<u>2000 Home Value</u>
Belgrade	\$ 99,400
Fayette	\$ 95,300
Manchester	\$124,300
Mt. Vernon	\$ 90,500
<b>Readfield</b>	<b>\$104,900</b>
Winthrop	\$ 97,300

According to figures from the Maine State Housing Authority (MSHA), the median price of all homes sold (22 sales) in 2002 was \$99,450. That is lower than the 2000 Census report. But these data are based only on sales during 2002, a small sample size. The same report shows that home sales in 2000 and 2001 averaged \$103,000 and \$111,000, respectively, which corresponds roughly with the Census-reported median value of \$104,900.

The price of a home is not the only determinant. Affordability – the relationship between housing cost and ability to pay – is a major issue in many parts of Maine, and a goal of the state's Growth Management Law. MSHA calculates that a home affordable to the median-income household in Readfield was \$157,134 in 2002. MSHA bases this figure on estimates of median income at \$57,800. These estimates are quite high compared to the Census. If the 2000 Census figure was factored for inflation, it would come to \$51,800, resulting in an affordable home of \$137,000. According to the 2000 Census, more than 76 percent of the homes in Readfield are worth less than \$150,000. These figures indicate that well over half the homes in Readfield are affordable, but illustrate the pitfall of using the town's own housing and income figures to assess affordability. The average home may be well within the means of the average resident, but unattainable for a sales clerk or office worker making only \$15/hour.

The Census further illustrates the relationship between housing costs and the ability to pay, counting those households in Readfield that pay more of their household income towards housing costs than they should. Table 4-4 below, shows those figures for 1990 and 2000. The data indicates that the percentage of population paying over 30 percent of their income on housing costs has declined slightly for homeowners and declined significantly for renters since 1990. This is consistent with housing values not keeping up with inflation. Nevertheless, roughly one out of seven homeowners is below that "affordability" threshold.

**Table 4-4  
Housing Costs as a Percentage of Income, 1990 and 2000**

<b>Percentage of Monthly Income</b>	<b>1990 #</b>	<b>1990 %</b>	<b>2000 #</b>	<b>2000 %</b>
Owner – ownership costs				
Less than 20 percent	251	62 %	280	58 %
20 to 30 percent	90	22 %	130	27 %
More than 30 percent	61	16 %	69	14 %
Renter – gross rent				
Less than 20 percent	2	7 %	39	62 %
20 to 30 percent	7	25 %	18	29 %
More than 30 percent	19	68 %	6	9 %

Source: US Census

The figures for renters may be suspect. They are based on statistical samples, and the renter population may have been too small to accurately depict the situation. And, like owner-occupied homes, there are indications that recent rental properties have been “built for the market” - that is, they are expensive but intended for upper-income tenants. Generally, renters have more trouble with housing costs than owners. An affordable rental for the median income household in Readfield would be approximately \$1,200/month. The median rent paid in 2000 was \$604.

Using only these figures, Readfield is significantly more affordable than all its neighbors. Even in Kennebec County, 26 percent of all households pay more than 30 percent of their income for housing costs. According to MSHA’s 2002 figures, the average Kennebec County home is a lot cheaper than in Readfield at \$89,900, but the “affordable” home price is way less at \$109,538. In the Augusta Housing Market Area (as defined by MSHA), an affordable home is \$117,762 and the median home sells for \$93,900. Needless to say, the difference is not in the fact that Readfield’s housing is cheaper, but that incomes in Readfield are much higher.

<b>Regional Snapshot: Affordability</b>	
<u>Town</u>	<u>2000: Paying more than 30% Of Income on Housing</u>
Belgrade	23.2 %
Fayette	21.6 %
Manchester	20.6 %
Mt. Vernon	22.4 %
<b>Readfield</b>	<b>13.2 %</b>
Winthrop	21.6 %

***Number of Very Low, Low, and Moderate Income Households and the Need for Housing***

Despite the overall affordability of housing in Readfield, it is important to recognize that certain segments of the population, particularly the elderly and young families, will increasingly have problems finding a place to live in Readfield, particularly with the small number of rental units and mobile homes. MSHA estimates that 242 households in Readfield cannot afford the median-priced home. Of course, these are current residents, who either already own their home or are renting. The primary reason why the statistics demonstrate that Readfield does not have an affordability problem is that the town’s incomes are so far beyond others. What this actually says is that Readfield’s housing prices preclude lower-income households from relocating to Readfield and have for some time.

According to MSHA records, 18 percent (161) of the households in Readfield are elderly households. Of those, 88 (55%) have incomes below 60 percent of the median. Ninety-four percent of elderly households own their own homes.

As of 2002, MSHA estimated that there were:

- 90 very-low income households (under \$17,600), including 27 renters,
- 185 low income households (\$17,600 to \$29,400), including 46 renters, and
- 319 moderate income households (\$29,400 to \$47,000).

In all cases, seniors accounted for 35-40 percent of the total.

A "very-low income" household can "afford" a gross rent of no more than \$440, or a home priced at no more than \$50,000. A "low income" household can "afford" a gross rent of up to \$735, or a home priced at less than \$82,300. A "moderate income" household can "afford" a gross rent of \$1,175, or a home priced at less than \$131,600.

MSHA has several programs aimed at increased affordability and home ownership. MSHA's "First-time Homeowner's Program" has been used in Readfield with a total of 17 participants between 1998 and 2002. That is 11 percent of the total 151 homes sold during that period. MSHA also estimates renter households that need assistance making just 50 percent of median income. MSHA estimates there were 38 families in 2002 including 8 seniors that were renter households. There were three subsidized rental units available. That leaves an unmet demand of 35 subsidized rental units.

An Elderly Housing Market Study prepared in 1991 to assess the demand for 10 to 12 units of subsidized rental housing for elderly households indicated:

Currently, there are no subsidized housing projects for families or elderly households in the market area [Readfield, Fayette, Mount Vernon, Vienna, Wayne]. At that time, the nearby communities of Manchester and Winthrop have a total of 40 units for elderly households and 49 units for family households. In Winthrop there are 10 names on the waiting list for 1-bedroom units, and 22 names on the waiting list for 2 bedroom units. In Manchester, Dirigo Housing Associates has approximately 84 families waiting for housing, and approximately 42 elderly households waiting for housing.

The Readfield Development Foundation feels that many elderly residents face the painful uncertainty of being forced by finances and poor health into moving from their homes. Given a choice, they would prefer to remain in the community where they have lived their lives. Local realtor, Gary Kelty has noted that he has seen many elderly moving out of the area simply because there are few options in the Readfield area for the elderly.

Additionally a report prepared by the Department of Human Services Bureau of Elderly and Adult Services estimated that Readfield has a market for 19 units of congregate housing.

In 2003 the town supported a grant application for funding under the Community Block Development Grant to do a more focused market analysis and proposal to site an elderly housing complex in the Readfield Corner area. The decision on that application required additional investment by the town for a public water supply and was therefore not pursued further.

### ***Required Affordable Housing Goals:***

State law requires that "the municipality seek to achieve a level of at least 10 percent of new residential development in the municipality, meeting the definition of affordable housing. Municipalities are encouraged to seek creative approaches to assist in the development of affordable housing, including but not limited to, cluster zoning, reducing minimum lot and frontage sizes, increasing densities and use of municipally owned land.

### **Housing Growth Projections:**

According to the three scenarios developed in Chapter 2, future housing development will range from 96 units over the next 20 years ("Slowing Growth") to 400 units over the next 20 years ("Accelerated Growth"). The average number of new dwellings built in Readfield since 1990 has been about 17.

The majority of new homes in the future will be in the middle-to-upper price range based on recent history. This is based on anecdotal evidence, recent pricing trends, and the availability of

large lots for development. Fewer than one in ten new units since 2000 have been mobile homes and none have been multi-family. The more homogeneous the housing stock, the less diverse the community becomes. If all of the new housing is designed for middle-class families, the town will gradually lose young people, senior citizens and others who add to the community's diversity.

This trend requires increased attention to the affordable housing issue. Using the "Current Growth" Scenario, the town needs to develop about 1.5 affordable housing units per year, or about 15 units over a 10-year period. "Affordability", as previously defined, consists of a home priced under \$157,000, or a rental (including utilities) below \$1,200 per month. However, in Readfield's case, the town should seriously consider a much lower cost threshold – and a higher percentage of units in that range – if it desires a more diverse population including young families and seniors on fixed incomes.

## **Summary of Analysis**

Readfield's housing stock grew by approximately 14% in the 1990s and slightly faster since 2000. Seasonal housing increased at a slower rate than year-round housing.

Readfield's housing stock remains overwhelmingly owner-occupied, single-family detached, although manufactured housing accounts for somewhere between 5% and 10%. The amount of new residential housing construction has increased slowly and steadily from 13.3 units per year in the 1980s to 14.5 units per year in the 1990s to over 16 units per year in the short period from 2000-2004.

Readfield's affordable housing issue is not adequately illustrated in a statistical analysis of its affordability. The stock definition of affordability in this town is pegged to a median income of \$57,000. That is a wage of \$28/hour. The town should try to promote housing that would be available to average workers making \$15-20/hour or less. For example, the average elementary school teacher in Readfield makes \$44,000 (much higher than many surrounding towns). Another way to approach affordable housing is to use the median income for the entire region (in this case, the Augusta Housing Market Area) as the measure by which to define "affordable."

There are also special needs among groups that must be recognized. Using the MSHA guidelines, particular affordable housing needs in Readfield can be summarized as follows:

- First-time homebuyers: approximately four units per year.
- Elderly, Low income renters: an immediate need for eight units.
- Non-elderly, low income renters: an immediate need for 35 units.

State law requires that "the municipality seek to achieve at least 10 percent of new residential development in the municipality, meeting the definition of affordable housing." This would translate into a goal of about 1.5 affordable housing units per year, or about 15 such units every ten years. The particular strategies the town chooses to address the affordability issue will reflect the level at which the town wants to be involved in the affordable housing effort.

# Goals and Policies

**Goal:** Strive for at least two new housing units per year to be affordable to households earning less than 80 percent of the median income for the Augusta Housing Market Area. In 2002 that would have meant single-family homes selling for less than \$95,000 or rentals with gross rent under \$840/month.

## **Policies:**

- 4.1 Work with local builders and developers to provide a diverse variety of new housing priced below the chosen affordability level.
- Allow the conversion of single-family homes in growth areas into multifamily units at greater densities than now permitted provided the capacity for such increased density is available.
  - Provide a system of development incentives for subdivision developers in growth areas to build affordable housing provided that legal mechanisms are in place to assure that the units remain affordable over the long term.
  - Consider a system to require subdivision developers in growth areas to provide at least some affordable housing units provided that legal mechanisms are in place to assure the units remain affordable over the long term.
  - Work with developers and interested groups to develop elderly housing accessible to town amenities. Add infrastructure that accommodates and encourages the development of elderly housing.
  - Establish a system for monitoring and reporting on the number of new housing units that meet affordability goals.
  - Continue to permit accessory apartments and two-family dwellings to meet the same dimensional standards as single-family dwellings.
- 4.2 Work with local, regional and other non-profit groups to establish housing opportunities outside the normal market rates.
- Encourage housing-mission groups such as the Maine State Housing Authority, Kennebec Valley Community Action Program and Habitat for Humanity to conduct activities in Readfield.
  - Seek partnerships with Manchester and other municipalities to pursue regional housing projects that will benefit Readfield citizens.
  - Review and modify ordinances, as needed, to provide appropriate locations and standards for nursing homes, boarding homes, congregate housing and housing for the elderly. Revise or eliminate standards that discourage these types of residential uses.
  - Facilitate the transfer or use of land, or provide other incentives for the construction or rehabilitation of affordable housing in town.

- Support efforts to establish a local or regional non-profit organization for affordable housing.

<b>Goal:</b> <b>Maintain and, where appropriate, improve the quality of Readfield's housing stock.</b>
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**Policies:**

4.3     Regulate the location and quality of mobile home parks.

- Allow mobile home parks within the Mobile Home Park Overlay District, only. Develop specific standards with regard to suitable locations within the Village Residential District.
- Require that mobile home parks be designed and sited to co-exist harmoniously with existing and projected surrounding development. Utilize roadway buffers, setbacks, landscaping and other buffering from adjacent residential uses.

4.4     Ensure the construction of good quality housing units.

- Continue to explore grant opportunities to improve the quality of the existing housing stock.
- Adopt an ordinance to set standards governing the conversion of seasonal into year-round dwellings and single-family into multi-family (or accessory) units.
- Provide written materials at the Town Office about the benefits of energy conservation, creative site and building design and the use of alternative energy technologies.
- Initiate preliminary actions in 2010 to implement the statewide Maine Uniform Building and Energy Code and fully implement and enforce the Code beginning no later than July 1, 2012.