

Town of Wells 2021 Comprehensive Plan Update

Chapter 19 Update – Housing Policies and Strategies

Appendix A Inventory and Analysis

Section 6 Update – Housing

How to Read this Document:

The consultants hired to work with the Town of Wells are committed to a transparent planning process and aim to comply with the Town of Wells Chapter 12 Ordinance and other state requirements. To clearly show what has been updated from the 2005 Comprehensive Plan, “tracked changes” was used to show what has been deleted from the 2005 section, new information that has been added, and clarifying questions and comments. New language and data are shown in **red**. Deleted language is shown with a **strikethrough in red**. Old tables are shown with a **red-strikethrough** and new tables of information were inserted. Questions and comments are shown in **purple**. Please note that the analysis sub-section at the end of each updated Appendix section will be reviewed again once all sections are updated. Cross-referencing sections will help the consultants better revise these analysis findings.

Data Sources and References

- United States Census Bureau
- Maine State Housing Authority <https://www.mainehousing.org/policy-research/housing-data>
- Town of Wells Code Enforcement Office
- Town of Wells Assessing Department
- Various websites for Wells’ Campgrounds

Key Findings:

- Housing affordability is a big concern.
 - Median rent was, for the most part, either on par with surrounding areas, below, or in a few cases slightly above. It’s now increased well beyond some of the areas it was previously below (like York and South Berwick). Overall, rent has increased 64% in the past 10 years and 74% of renter households are unable to afford median rent for a 2-bedroom housing unit.
 - Median home prices have increased 93% since 2014.
 - About 1/3 of the Town’s population is considered either very low or low income
 - Affordable housing gap has increased significantly. The plan mentions affordable units being exempt from the residential growth ordinance, but it’s likely that more policies are needed to address this issue.

- 20% of households in the Town are very low to low-income elderly
- The housing mix in Wells is still predominantly single-family, although the percentage of multi-family homes has been slowly increasing.
- 83% of occupied housing in Wells is owner occupied, while the remaining 17 percent is renter occupied.

Chapter 10 – Housing Policies and Strategies

Introduction

The Comprehensive Plan’s Housing Policies and Strategies describe goals, policies, standards and implementation strategies related to housing in Wells.

The Town of Wells housing stock has developed over the past 150 years. Consequently, there exists a rich variety of housing that includes historic homes, older villages, farmsteads, beach and waterfront cottage and homes and a small number of multifamily units. The Town’s greatest density of housing occurs east of the Maine Turnpike and is quite rural west of the Turnpike. Much of Wells’ housing growth has been over the past ~~53~~30 years with over 60% of the over 5000 structures being built after 1970. Another significant trend has been the conversion of seasonal units to year round homes that has required the Town to respond with a commensurate level of municipal services.

Goals

State Goal:

To encourage and promote affordable, decent housing opportunities for all Maine citizens. (Growth Management Act)

Regional Goal:

To encourage a diversity of affordable housing throughout the region.

Wells Goals: Do these goals need to be revisited? How would movement towards these goals be measured?

1. The Town attempts to close its current affordability gap and works to ensure that at least 15 percent of its future housing stock is affordable for low and moderate-income households, including both families with children and the elderly. **I am assuming that’s what they meant here.**
2. Ensure that the quality of new residential development provides a good living environment for all residents.
3. Promote the development of a range of housing to meet the needs of all residents.
4. Allow mobile homes in areas that are zoned for single-family housing and in parks that are consistent with state laws and requirements.

Policies Do these policies need to be revisited?

To achieve these goals, it is the policy of the Town of Wells to:

1. Provide opportunities for the construction of a wide range of housing types at a variety of densities to allow for a diversity of people in the Town.
2. Continue to allow housing for the elderly in growth and transitional areas and explore allowing higher densities than other types of housing through a density bonus program where the facility can be served by public sewer.
3. Continue land use regulations allowing the construction of eldercare facilities such as congregate housing and assisted living facilities at appropriate densities provided that the character of these facilities is appropriate to Wells.
4. Consider a variety of techniques to ensure that there is a range of housing that is affordable to low and moderate-income households.
5. Continue to exempt affordable family and senior housing in growth areas from the Town's Residential Growth Ordinance.
6. Encourage both non-profit and for-profit developers of affordable and special needs.

Standards

To achieve these policies, the following are Town of Wells' standards to guide development:

1. Amend Land Use Ordinance as needed.
2. Amend Residential Growth Ordinance as needed.
3. Partnerships with non-profit and for-profit developers of affordable and special needs housing.

Implementation Strategies

1. Adopt the Maine State Housing Authority (MSHA) definitions of affordability for York County and update affordability targets as new MSHA data are available. **Has this been done? If so, change language to read "Continue to update affordability targets..."**
2. Continue to allow housing for the senior population in growth and transitional areas and allow higher densities for this age group than other types of housing through a density bonus program (with the bonus not to exceed clustering standards) where the facility can be served by public sewer and water. **Does the density bonus program exist?**
3. Establish incentives such as those currently allowed for congregate housing to encourage the development of senior housing as long as the development is consistent with the goals and policies of this Comprehensive Plan. **Has this been accomplished?**
4. Revise the mobile home regulations to ensure that they meet the State law for mobile home

parks and mobile home park expansion. Such regulations must provide standards to minimize the impact on the Town's services, natural and cultural environment and be respectful of adjoining neighborhoods. **Has this been done? If so, change language to "continue to review" rather than "revise."**

5. Review the zoning ordinance and subdivision regulations to ensure that housing density is consistent with the Land Use Plan, is directed to Growth Areas of the community and is consistent with the capacity of municipal services to ensure new or redeveloped sites. See also Policies and Recommendations for Land Use.
6. Review progress on stock and availability of affordable housing. If necessary, review town land use ordinances to determine if these regulations can be revised to encourage more affordable housing.
7. Work with other communities to create a regional non-profit housing organization to foster affordable housing programs for low-and moderate-income families. Such a group could:
 - a. Ensure that local land use regulations do not present a barrier to the development of affordable housing.
 - b. Work cooperatively with nonprofit organizations and private developers to provide opportunities for affordable housing.
 - c. Seek loans and grants from the State of Maine;
 - d. Work with area banks through the Community Reinvestment Act.
 - e. Consider the use of Town-owned land for affordable housing programs. **Has this been done?**
8. If necessary, adopt or revise provisions in the land use and building codes to continue to provide greater opportunities for the rehabilitation of low- and moderate-income properties.
9. Provide opportunities for multiple uses of buildings, including housing, in commercial areas of the community.
10. Ensure that any revisions to the Growth Management Ordinance retain or expand the exemptions for affordable family and senior housing.
11. Work with York County Community College and the development community to pursue a student housing development in the vicinity of the college. **Has this occurred?**

Section 6 – Housing

Household Change

The rate of growth of Wells’ households closely matched that of the Town’s population.

In ~~2000~~1980 there were ~~2,591~~4,004 households in Wells. By ~~1990~~2010 there were ~~over 3,056~~4,019 households, an increase of ~~465~~15 households during this 10-year period. From ~~1990~~2010 to 202000, household growth was ~~even-much~~ more rapid as Wells added ~~948~~574 households for a ~~2000 total of 4,004~~total of 4,593 households in 2020. See Table 17.

TABLE 17	
Household Change, 2000 – 2019	
	Number of Households
2000 Census	4,004
2010 Census	4,019
Change 00-10	0.4%
2019 Census	4,593
Change 10-19	14.3%
<i>Source: US Census Bureau</i>	

Table 17	
Household Change	
	Number of Households
1980 Census	2,591
1990 Census	3,056
Change 80-90	+465 (17.9%)
2000 Census	4,004
Change 90-00	+948 (31.0%)

Using the population projections from ~~the~~Section 1, the number of households in Wells may reach ~~5,4094,300~~ by 202805, ~~54,74100~~ by 203310 and ~~6,0364,900~~ by 203815. These figures assume a steady average household size of 2.235 persons. A continued decrease in the Town’s average household size would result in even greater household growth.

As mentioned in Section 1, the actual number of residential building permits issued between ~~2011 00~~and 201903 in Wells was ~~1,133~~467. However, the number of new households added would not have been so great for two reasons: some new units are seasonal, and some old units have been torn down since 201100. ~~Adjusting for these two considerations, SMRPC estimated that the change in occupied housing units from 2000-2003 was 393, meaning that there are an~~

estimated 4,397 year-round households in Wells as of 2004. Averi noted that she is still waiting on data on building permits from Jodine. I'm assuming she meant from 2020. -RB

~~Though in the past, the population projections for Wells have been reasonably on target somewhat overestimated the Town's growth. (see Section 1). In 2010, the estimated number of households in 201004 was 4,120, meaning there were 580 less fewer households than the state's projected 4,700. In the same year, the projected population was 11,045, over exceeding the actual population by 1,450 persons over the actual population of 9,589.~~

~~In 2018, the number of households based on the state's projections was estimated to be 4,686 households. The actual number of households in 2018 was 4,582, which was below projections by 100 households. This is likely due to the fact that the state estimated the 2018 population to be around 300 persons more than what the actual population was. exceeds the state's projection for 2005 by 100 households, indicating a continued trend of decreasing household size in Wells. The number of households in Wells could therefore easily exceed 5,000 by the year 2015, if not sooner.~~

Understanding how the number of households is changing is important for planning purposes since in terms of land use and municipal services, this figure is often the key unit for determining demand on public services. Table 18 shows how the number of year round households changed between ~~1980-2000~~ and 201900.

After growing more slowly than other towns in southern York County during the ~~2000-1980s~~, Wells' household growth rate picked up considerably from ~~2010-1990~~ to 201900. ~~The Town's growth rate significantly exceeded these other towns during this time-period. Kennebunk and York both still grew at faster clips than did Wells, however, during the 1990s.~~ See Table 18.

	1980	1990	% Change 1980-90	2000	% Change 1990-00
Wells	2,591	3,056	+17.9	4,004	+31.0
Kennebunk	2,506	3,161	+26.1	4,229	+33.8
South Berwick	1,380	2,104	+52.5	2,403	+14.2
York	3,152	3,788	+20.2	5,235	+38.2
York County	49,648	61,848	+24.6	74,563	+20.6

Source: US Census, Southern Maine Regional Planning Commission

	<u>2000</u>	<u>2010</u>	<u>% Change</u> <u>2000-2010</u>	<u>2019</u>	<u>% Change</u> <u>2010-2019</u>
<u>Wells</u>	<u>4,004</u>	<u>4,019</u>	<u>0.4%</u>	<u>4,593</u>	<u>14.3%</u>
<u>Kennebunk</u>	<u>4229</u>	<u>4589</u>	<u>8.5%</u>	<u>4983</u>	<u>8.6%</u>

<u>South Berwick</u>	<u>2403</u>	<u>2655</u>	<u>10.5%</u>	<u>2785</u>	<u>4.9%</u>
<u>York</u>	<u>5235</u>	<u>5326</u>	<u>1.7%</u>	<u>5746</u>	<u>7.9%</u>
<u>York County</u>	<u>74563</u>	<u>80299</u>	<u>7.7%</u>	<u>86227</u>	<u>7.4%</u>
<u>Source: US Census</u>					

During the ~~2000+1980s~~ and ~~201+1990s~~, Wells continued to witness changes in the composition of households. Household size dropped ~~at a rapid rate~~ during the ~~2000+1990s~~: according to the 2000 census it was just 2.35 persons per household compared to 2.55 in 1990, 2.59 in 1980 and 2.83 in 1970. The Town has seen a continuation of this trend into 2020. In 2010, the average household size had dropped to 2.30 persons per household, and as of 2019 that number has dropped to 2.25 persons.

York County as a whole has followed a similar trend, as it also saw household size drop from 2.75 persons per household in 1980 to 2.63 in 1990 to 2.54 in 2000. In 2010, that number had fallen to 2.40 persons and stood at 2.07 in 2019. This decrease in household size is the result of lower birth rates, higher divorce rates, increased longevity among seniors and a greater number of younger and elderly individuals living independently in single households. Based upon regional and national trends, this figure is likely to continue to drop.

This phenomenon of an increasing population with a decrease in the size of households has a significant effect on growth and residential development. In effect, it requires a greater number of households to house the same number of people. This affects the number of housing units as well as the amount of land needed for residential uses.

Housing Stock Characteristics

In addition to total housing supply and growth, it is also important to examine the composition of a municipality's housing growth. The availability of different types of housing units (i.e., single family, multi-family, manufactured (mobile) and renter occupied versus owner occupied) is significant if the housing needs of all segments of the community are to be served adequately.

Analysis of the assessing records indicates that there are 5,016 single family housing units in Wells. Currently, and these units occupy a total of 11,207 acres which is nearly a third of the town's land area. There are also 442 multi-family residential units (including attached residential condominiums) occupying 1,619 acres.

As indicated above, Wells' housing stock is predominantly single family, owner-occupied housing units. As of ~~2012+1980~~ Wells had ~~2,8794,045 occupied~~ year-round housing units, ~~406 vacant units either for rent or sale,~~ and another ~~1,7503,398~~ seasonal units for a total of ~~4,6298,011~~. ~~6674%-Sixty-six percent (2,1405,320~~ units) of the Town's ~~total year round housing~~ units were single family. Of these ~~5289%~~ were owner occupied. Conversely, ~~1614%~~ of Wells housing was multi-family, while ~~172% was manufactured~~ were considered mobile homes. By ~~1990-2017~~ Wells had ~~5,2178,930~~ housing units, consisting of 4,551 occupied units and 3,692 seasonal units, of which ~~3,84967% (5,949)~~ were single family, and 20% (1,748) were multi-family homes. ~~also 74% of the housing stock.~~ By comparison York County had over ~~79,000-108,609~~ total housing units and of that single family was ~~only~~ 69.78%.

According to ~~2000-Census data~~data from the Maine State Housing Authority, Wells had a total of ~~5,2384,333~~ year-round housing units. Among these units, ~~4,5514,004~~ were occupied and ~~453329~~ were vacant—a vacancy rate of about 98.92%. Most of the vacant units were considered

rental units but it is possible that some of these were not ~~really~~ vacant housing units but were actually lodging units (see next paragraph). Among occupied units, ~~3,7823,282~~ (83~~2~~%) were owner occupied and 722 (17~~8~~%) were renter occupied.

The ~~2000 Census~~ Maine State Housing Authority, based on 2013-2017 American Community Survey tables, ~~also~~ reported a total of ~~3,692461~~ seasonal housing units in Wells. If accurate, this figure would represent an increase of ~~more than + more than 230,000~~ seasonal units from ~~2001990~~. However, it appears that the Census figures include many new units built in recent years that are, in fact, lodging units and not dwelling units. In the past, it may have been possible that many seasonal units were being illegally used as off-season dwelling units. However, the Town now has a full-time employee in the Code Enforcement Office whose job it is to monitor lodging units for code compliance. This position has greatly reduced the threat of the illegal use of lodging units. This statement needs to be checked to see if it is still the case.

Table 19 compares lodging and seasonal units in Wells from ~~2004-1994~~ to 202004. Overall, the Town added more than ~~1,000500~~ seasonal units, the bulk of which were ~~campground/RV park spaces~~ cottage or motel/cottage units, for a total of an additional 552 units. - There was a significant ~~increase~~ decrease in the number of ~~seasonal cottage~~ hotel/motel rooms in the Town ~~as well,~~ as that inventory ~~fell~~ grew from ~~1,529~~ 84 in ~~2001994~~ to ~~1,195~~ 450 in 202004, although some of these units are likely included under “motel/cottages.” -

TABLE 19
Lodging and Seasonal Units in Wells

<u>Lodging Type</u>	<u>No. of Units/Specs</u>		<u>Change</u>	
	<u>2004</u>	<u>2020</u>	<u>Number</u>	<u>Percent</u>
<u>Hotel/Motel Rooms</u>	<u>1,529</u>	<u>1,195</u>	<u>-334</u>	<u>-22%</u>
<u>Bed & Breakfast Rooms</u>	<u>67</u>	<u>48</u>	<u>-19</u>	<u>-28%</u>
<u>Condos</u>		<u>672</u>		
<u>Cottages</u>	<u>450</u>	<u>658</u>	<u>208</u>	<u>46%</u>
<u>Campground Spaces</u>	<u>2,822</u>	<u>2,546</u>	<u>-276</u>	<u>-10%</u>
<u>Motel/Cottages</u>		<u>344</u>	<u>344</u>	
<u>Total</u>	<u>4,868</u>	<u>5,463</u>	<u>595</u>	<u>12%</u>

Source: Town of Wells Code Enforcement Office, US Census Bureau, Various Campground Websites

Table 19
Lodging and Seasonal Units in Wells

<u>Lodging Type</u>	<u>No. of Units/Spaces</u>		<u>Change</u>	
	<u>1994</u>	<u>2004</u>	<u>No.</u>	<u>Percent</u>
<u>Hotel/Motel Rooms</u>	<u>1,672</u>	<u>1,529</u>	<u>-143</u>	<u>-9.3%</u>
<u>Bed & Breakfast Rooms</u>	<u>21</u>	<u>67</u>	<u>46</u>	<u>219.0%</u>
<u>Cottages</u>	<u>184</u>	<u>450</u>	<u>266</u>	<u>144.6%</u>
<u>Campground Spaces</u>	<u>1,977</u>	<u>2,822</u>	<u>845</u>	<u>42.7%</u>
<u>Total</u>	<u>3,854</u>	<u>4,868</u>	<u>1,014</u>	<u>26.3%</u>

Source: Maine Dept. of Human Services & Town of Wells Code Enforcement Office

Table 20 compares the number of seasonal homes in Wells and York County from 2010 to 2019. Overall, the Town experienced a 19.5% increase in its number of seasonal homes, a total number of 624 homes, while the County experienced a 9.2% increase. In 2019, 42.5% of housing units in Wells were for seasonal use. In the same year, 18.2% of housing units in York County were for seasonal use.

<u>TABLE 20</u>				
<u>Number of Seasonal Homes</u>				
<u>Wells and York County</u>				
	<u>No. of Seasonal Homes</u>		<u>Change</u>	
	<u>2010</u>	<u>2019</u>	<u>Number</u>	<u>Percentage</u>
<u>Wells</u>	<u>3,192</u>	<u>3,816</u>	<u>624</u>	<u>19.5%</u>
<u>York County</u>	<u>18,666</u>	<u>20,388</u>	<u>1,722</u>	<u>9.2%</u>
<i><u>Source: US Census Bureau</u></i>				

Housing Conditions

The gGeneral guidelines which are often used to classify housing units as substandard are those which have more than 1.01 persons per room, lack complete plumbing and lack central heat (excluding wood and flue heaters). Based upon the 2000 Census According to the Census, in 2019, 132 just 38 units were overcrowded and only there were zero units that 14 lacked complete plumbing. These figures have changed little some since the 2001990 Census, where there were 38 units that were overcrowded and 14 units that lacked complete plumbing.-

Another statistic that may be an indicator of the quality of Wells housing is the age of the housing stock. Generally, a community with a housing stock comprised of newer units is less likely to have problems or to have been built without proper plumbing and heating since building codes have become more stringent over time.

A large percentagemajority of the Town’s housing units (about 7542%) were built after 19860. A substantial number of housing units have amount has been built since 1980 2000 (2844%). Consequently, Wells is quite likely to have only a few substandard housing units. However, Wells has only been enforcing building codes since the late 1980s, so some units built prior to that time may have not been built to code.

Housing Affordability

The Maine State Housing Authority (MSHA) tracks the status of Maine’s housing by town and housing market. MSHA includes Wells in the Biddeford-York LMA housing market, although it borders both the Sanford and Kittery/York markets as well which includes York, Wells, Ogunquit, and North Berwick. MSHA’s chief indicator of housing affordability is its Affordability Index, which compares the affordable housing price for a household earning the median income level in a given area with the actual median home sale price in that area for the past year. For example, if a town’s median affordable price was \$120,000 and the actual median sale price in the past year was \$160,000, that town’s Affordability Index would be 0.75.

In ~~2020~~2003, MSHA reported Wells' Affordability Index as being 0.7064, making it one of the ~~less~~ ~~ast~~-affordable towns in York County (the countywide average in ~~2020~~2003 was 0.78.86). Looking into these numbers more closely, the median household income for Wells as reported by MSHA was \$50,92276,109, and a household earning this much would be able to afford a home priced at about \$158,000301,887. The actual median sale price for homes sold in Wells in 202003 was \$429245,500—\$12787,613000 above the median affordable price. From 2010 to 2014, the median home price in Wells decreased by 8.25 while the median income increased by 17%. Since 2014, the median home price has increased by 93% and the median income has only increased by 13%. In 2014, the affordability index for the Town was 1.13.

Affordability in York County is relatively similar to what it was a decade ago at 0.83, although the index has fluctuated from anywhere between 0.80 and 1.07 during that time~~has been on the decline for several years~~. As recently as 201400, the county's overall Affordability Index stood at 1.070.97, but has fallen ~~every year~~ since then to its ~~current~~-level in 2019 of 0.80, increasing back to 0.86 in 202078. During that span, the county's median home sale price ballooned from \$204,100124,500 to \$330,000184,000—an increase of 6148% in just sixthree years. MSHA estimates that 64.3% of households are unable to afford the median home cost in the Town.

Looking at surrounding housing markets, the Kittery/York LMA and Portsmouth, NH-ME, which includes Kittery and Elliot, Biddeford markets are increasingly unaffordable, as MSHA's Affordability Index levels for those two markets in 202003 were 0.7165 and 0.7768, respectively. The Sanford market's Index was 0.9586, making it more affordable than the other two and the county as a whole. Wells' affordability index does compare evenly with its coastal neighbors York (0.7064) and Kennebunk (0.694). However, Wells is less affordable than inland neighbors like South Berwick (1.0.080), North Berwick (0.9978) and Sanford (1.690.77). Ogunquit has a very low index of 0.470, but it is very small size and concentration of off-season rental housing skews its affordability figures. Please see table 21, below.

<u>TABLE 21</u>				
<u>Affordability Index</u>				
<u>Wells and Adjacent Communities</u>				
	<u>2000</u>	<u>2010</u>	<u>2015</u>	<u>2020</u>
<u>Wells</u>	<u>0.90</u>	<u>0.75</u>	<u>1.02</u>	<u>0.70</u>
<u>Kennebunk</u>	<u>0.87</u>	<u>0.78</u>	<u>0.93</u>	<u>0.69</u>
<u>Kennebunkport</u>	<u>0.55</u>	<u>0.75</u>	<u>0.54</u>	<u>0.52</u>
<u>North Berwick</u>	<u>1.04</u>	<u>0.93</u>	<u>1.31</u>	<u>0.99</u>
<u>South Berwick</u>	<u>0.96</u>	<u>0.9</u>	<u>1.16</u>	<u>1.00</u>
<u>Ogunquit</u>	<u>0.57</u>	<u>0.51</u>	<u>0.63</u>	<u>0.47</u>
<u>York</u>	<u>0.73</u>	<u>0.70</u>	<u>0.70</u>	<u>0.70</u>
<u>York County</u>	<u>0.97</u>	<u>0.83</u>	<u>0.98</u>	<u>0.86</u>
<u>Source: Maine State Housing Authority</u>				

MSHA also reports on rental housing. According to the 202003 report, there are 7912 renter households in the Town and 586 (74%) of those households are unable to afford the median rent for a two-bedroom household. ~~nd that T~~the median average rent for a two-bedroom unit in 2020

was \$1,800~~63~~, a 64% increase from what it was in 2010 when it stood at \$1,084.~~7~~. This is only slightly quite a bit higher than both the countywide average-median rent of \$1,704~~978~~ and the same as the York LMA Biddeford market's average-median rent of \$1,800~~862~~. However, Wells' median rent is considerably lower than Kittery's (\$1,999) but significantly higher ~~that~~ those of York (\$1,18~~47~~), ~~Kittery (\$1,228)~~ and South Berwick (\$1,077~~113~~). At Wells' average-median rent level, a household would need to earn about \$742,0~~500~~ per year to afford a unit, \$31,323 high than 2020 median renter household income of \$40,677. MSHA estimates that 74.1~~59~~% of renter households cannot afford the median average rent level in the Town.

Another issue related to affordability is that Wells has put an emphasies on exempting affordable units from its residential growth ordinance. Accessory units that are attached to existing units are exempt from the growth ordinance, as are certain types of general and elderly affordable units. These exemptions are playing a strong role in increasing the Town's inventory of affordable units. The growth ordinance issue is discussed further in Sections 8 and 10.

HOUSEHOLDS IN NEED OF AFFORDABLE HOUSING

The Maine Growth Management Law defines the affordability of homes and apartments as follows:

A home (apartment) is affordable to a household if that household can pay its mortgage, utilities and property taxes for a cost that does not exceed 28-33% of its gross income. An apartment is affordable to a household if that household can pay rent and utilities for a cost that does not exceed 30% of its gross income.

The law further requires that new housing stock be provided in the community that can be afforded by households that have incomes categorized as very low, low and moderate. Very low income is defined as income less than 50% of the county median. Low income is 50 to 80% of the county median and moderate income is 80 to 120% of the median. As of 20~~2003~~, the county median income level was estimated by the Maine State Housing Authority (MSHA) to be \$66,209 ~~48,522~~. To more easily define Very Low, Low, and Moderate levels for the area, this figure has been rounded down slightly to \$50,000~~65,000~~.

Therefore, the income levels are:

- Very Low: Under \$3225,5000
- ~~Low: \$3225,5000 to \$5240,000~~
- Moderate: \$5240,000 to \$7860,000

Not all households within the very low, lower, and moderate-income ranges have an unfulfilled need for housing. Some are renters who are in an acceptable unit at a price that is affordable to them. Some are renters who because of their stage in life would not choose to buy a home even if they had the opportunity. Others, including many senior households or people who inherit family property, may have a relatively low income but already own a home and are content where they are.

Based on the income to housing cost thresholds defined above, as well as current interest rates, utility rates and property tax bills, MSHA estimates that, to afford a housing unit, a York County household's income should be at least 33.75% of the value of the home. By this standard, if a household earns \$50,000 per year, its maximum affordability level for a housing unit would be about \$148,000.

The income and home price levels for households in Wells are thus assumed to be:

- Very Low: Income below ~~\$3225,500~~, home price below ~~\$9274,3000~~
- Low: Income from ~~\$32,500 to \$52,000~~~~\$25,000 to \$40,000~~, home price from ~~\$92,74,3000~~ to ~~\$15418,1000~~
- Moderate: Income from ~~\$52,000 to \$78,000~~~~40,000 to \$60,000~~, home price from ~~\$154,100~~ ~~118,000~~ to ~~\$231178,1000~~

An issue that is very difficult to quantify is the “invisible” affordable housing inventory in Wells.

There are ~~more than~~around ~~54,000 seasonal housing and/or~~ lodging units and over 3,800 seasonal units in the Town. The Town’s ordinances limit occupancy of lodging units to no more than 28 continuous days, and the Town has recently committed to enforce this law by assigning a Code Enforcement staff member exclusively to dealing with lodging and campground properties. Even though lodging units may not be occupied long-term, many provide short-term housing to new arrivals and/or temporary workers. In addition, many seasonal units are rented at affordable prices in the off-season, thus increasing the effective supply of affordable housing units in Wells. As a result, household income levels in Wells are fairly modest—as of 20~~2003~~, MSHA reported the Town’s median household income as ~~\$76,10950,922~~, just slightly above the county’s median over \$12,000 higher than the county’s median.

CURRENT AFFORDABLE HOUSING NEED—GAP ANALYSIS

The current affordable housing gap is measured by comparing Wells’ 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 210 compares 20~~1900~~ Census data on very low, low and moderate-income households for Wells and York County to illustrate where the gaps exist.

<u>TABLE 21</u>				
<u>Very Low, Low, and Moderate Income Households, 2019</u>				
	<u>Wells</u>		<u>York County</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
<u>Very Low (<\$35K)</u>	<u>1,225</u>	<u>26.7%</u>	<u>19,108</u>	<u>22.4%</u>
<u>Low (\$35-\$50K)</u>	<u>465</u>	<u>10.1%</u>	<u>10,588</u>	<u>12.4%</u>
<u>Moderate (\$50-\$75K)</u>	<u>780</u>	<u>17.0%</u>	<u>16,388</u>	<u>19.2%</u>
<u>Market (>\$75K)</u>	<u>2,123</u>	<u>46.2%</u>	<u>38,027</u>	<u>44.6%</u>
<u>Total</u>	<u>4593</u>	<u>100.0%</u>	<u>85,314</u>	<u>100.0%</u>
<i><u>Source: US Census Bureau</u></i>				

TABLE 20
VERY LOW, LOW AND MODERATE INCOME HOUSEHOLDS, 2000

	Wells		York County	
	Number	Percent	Number	Percent
Very Low (<\$25K)	918	23.0%	19,503	26.2%
Low (\$25-40K)	793	19.8%	14,150	19.0%
Moderate (\$40-60K)	841	21.1%	15,965	21.4%
Market (>\$60K)	1,443	36.1%	24,910	33.4%
Total	3,995	100%	74,527	100%

Source: US Census; SMRPC

The “gap analysis” conducted to determine Wells’ 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 22** illustrates the gap analysis.

TABLE 21
AFFORDABLE HOUSING GAP ANALYSIS

	Current Affordable Units	Units Needed to Match County Ratios	Affordable Housing Gap (Units)
Very Low (<\$74K)	918	1,045	127
Low (\$74-118K)	793	758	0
Moderate (\$118-178K)	841	856	15
Total	2,552	2,659	142

Source: US Census; SMRPC

<u>TABLE 22</u>				
<u>Affordable House Gap Analysis</u>				
	<u>Affordable Units in 2000</u>	<u>Current Affordable Units</u>	<u>Units Needed to Match County Ratios</u>	<u>Affordable Housing Gap</u>
<u>Very Low (<90K)</u>	<u>918</u>	<u>220</u>	<u>1029</u>	<u>809</u>
<u>Low (\$90-\$150K)</u>	<u>793</u>	<u>346</u>	<u>390</u>	<u>44</u>
<u>Moderate (\$150-\$250K)</u>	<u>841</u>	<u>846</u>	<u>654</u>	<u>0</u>
<u>Total</u>	<u>2,552</u>	<u>1,412</u>	<u>2073</u>	<u>853</u>

Source: US Census Bureau

As Table ~~21~~2 shows, Wells’ present affordable housing shortage is estimated to be ~~142~~ **853** units, with ~~127~~ **809** of those units being in the very low-income range (units priced below ~~\$90,000~~ **\$74,000**), ~~44~~ **none** in the low-income range (priced between ~~\$74,000~~ **\$90,000** and ~~\$150,000~~ **\$150,000**) and ~~an excess of 192 units~~ **15** in the moderate-income range (priced between ~~\$150,000~~ **\$150,000** and ~~\$250,000~~ **\$178,000**). Since 2000, this gap has increased by 519 units. The gap in affordable housing for the very low income bracket has increased by 682 units, and the gap for the low income bracket has increased by 44 units.

To close the existing gap of 853442 units, Wells would need to add an average of about 57 9.5 affordable housing units over a 15-year period.

FUTURE AFFORDABLE HOUSING NEED

The Maine State Planning Office (SPO) projects that Wells' year-round population will increase by 3,0382,213 persons for the period spanning 201800 to 203815. Using the Town's 2000 average household size of 2.235 persons, this translates to a net change of 1,350942 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 forecasted change of 1,350942 units, this would translate to 13594 affordable units over a 15- year period, or an average of about 96.3 per year.

Thus, the total annual target for affordable housing units in Wells through 203815 should be 6616 per year, or a total of about 988240 total units by 203815.

LIKELY TARGET GROUPS FOR AFFORDABLE HOUSING

To get a more accurate picture of what types of households in Wells may have unmet affordable housing needs, it is useful to look at four specific groups:

- **Moderate Income Households in Homebuying Years** – This group of households is typically headed by individuals who are 25 to 44 years in age with incomes of approximately \$40,000~~30,000~~ to \$5060,000. These represented an estimated 49% of all households in Wells in 2019000 or approximately 179330 households.
- **Very Low and Low Income Elderly** – These include citizens that have incomes below the federally established incomes for eligibility in subsidized rental housing units and have a need or desire to rent. As of 201900, there were about 20%, or 941330 elderly, (headed by person aged 675 and up) households that fell within these income guidelines.
- **Very Low and Low Income Family Households** – These include households headed by a person under 65 years and that have incomes below the federally established incomes for eligibility in subsidized rental housing units and have a need or desire to rent. There are an estimated 749, 16%, 80 such households in Wells as of 201900 that fell within these income guidelines.
- **Seasonal Workers** – The employment base in Wells is extremely variable, as many coastal-area businesses either only operate in the summer or add staff during the summer. As such, there is always a need to house workers who come to town only during the peak of the tourism season. Many of these workers have historically tapped into the general affordable housing supply for seasonal rentals, but this supply is getting smaller and smaller, thus creating a need for seasonal worker housing.

These groups provide the most likely target populations for affordable housing in Wells. They together make up about one-third of the Town's total household base and will continue to demand housing into the future.

Analysis

The inventory of Wells' population and demographic characteristics suggest the following implications for the long-range planning of the community.

1. The household population of Wells increased steadily over the past ~~915~~ years, while the surrounding region has generally been growing at a ~~slower~~~~faster~~ rate. As a result of the continued increase in residential development, the Town should review its policies with respect to population growth and determine if those policies can accommodate the recent and projected levels of residential development.
2. Wells has a ~~significantly~~ older population base in ~~2019~~~~2004~~ than it did in ~~2001~~~~1990~~. The Town therefore needs to continue to assess the most appropriate policies for providing appropriate opportunities and services for this group.
3. Although Wells' household population is increasing, its household size is decreasing. There will continue to be demand for new household formation.
4. Wells' seasonal population grew substantially over the past 15 years, continuing a similar trend since the 1970s. The Town will continue to need to establish policies and strategies to accommodate future demand in a manner consistent with its small town vision.
Mentions small town vision here, should be removed?
5. There is a growing shortfall in affordable housing for both the elderly and other families.
6. The Town will need to provide about ~~988~~~~240~~ year-round housing units (an average of ~~616~~ per year over a 15-year period) for low to moderate-income households in order to shoulder its fair share of the region's affordable housing need. This conclusion was based on an analysis of the Town's needs using projections of future growth. This number has increased significantly in the past 15 years. Actual growth rates will need to be monitored to ensure that the Town is, in fact, keeping up with its fair share of affordable housing.