

DRESDEN, LINCOLN COUNTY, MAINE

HOUSING

The purpose of this section is to:

1. Describe the characteristics and changes of the housing stock in Dresden;
2. Identify the relationship between housing characteristics and demand in Dresden and the region; and
3. Predict the size, characteristics and affordability of housing needed to meet the demands of the future population.

FINDINGS

Housing in Dresden is largely composed of single-family houses. There is a mix of owner-occupied (610 out of 700, or 87.1%) and renter-occupied (90 out of 700, or 12.9%) housing units, with the majority being owner-occupied. Mobile homes make up a higher (15.7%) percentage of Dresden's housing units as compared to Lincoln County as a whole (9.2%). There are two designated mobile home parks in Dresden, as well as single mobile homes located on lots throughout the town. There is very little multi-unit housing.

Housing related to age:

Built 2005 or later: 2.9%
Built 2000 to 2004: 7.3%
Built 1990 to 1999: 17.5%
Built 1980 to 1989: 20.4%
Built 1970 to 1979: 14.4%
Built 1960 to 1969: 5.5%
Built 1950 to 1959: 7.3%
Built 1940 to 1949: 1.4%
Built 1939 or earlier: 23.1%

Note: 52.3%, or the majority, of Dresden housing was built between 1970 and 1999. The next largest percentage of homes – nearly a quarter of all housing in Dresden, 23.1% - was built in 1939 or earlier.

HOUSING UNITS

In 2010, according to the Census, the total number of housing units in Dresden was 819. During the first decade of this millennium (2000-2010), the number of housing units in Dresden increased by 11%. This represents a net increase of 80 housing units. The level of growth in Dresden housing during this time was

approximately the same as in Maine as a whole and slightly less than in Lincoln County.

As noted in the Population table below, Dresden experienced a 2.8% increase in population over the same period, while the number of households increased by 8.3%. If Dresden continues to add housing at the same rate as over the last decade, the town could have as many as 90 new homes by 2020. However, given population forecasts that predict a stable or declining population, Dresden does not anticipate that new housing will continue at that pace over the next decade. Existing municipal services are therefore adequate to accommodate that anticipated level of growth.

TOTAL NUMBER OF HOUSING UNITS

	1990	2000	% Change	2010	% Change
Dresden	552	739	34	819	11
Lincoln County	17,538	20,849	19	23,493	13
Maine	587,045	651,901	11	721,830	11

TOTAL POPULATION

	1990	2000	%Change	2010	% Change
Dresden	1332	1625	22	1672	3
Lincoln County	30,357	33,616	11	34,457	3
Maine	1,227,928	1,274,923	4	1,328,361	4

HOME OCCUPANCY

Home ownership is a good indicator of the overall standard of living in an area. A high rate of owner-occupied housing is typical of rural communities like Dresden. In 2000, Dresden had a high home ownership rate of 85.5%. By 2010, the home ownership rate had increased to 87.1%. According to the Census, Maine's 2010 statewide home ownership rate was 71%, so Dresden's home ownership rate is significantly above the statewide rate. Conversely, Dresden's rental rates have decreased by 1.6% during the past decade.

HOUSING TENURE, 2000 - 2010

	2000		2010	
Occupied Housing Units	642	100%	700	100%
Owner-occupied housing units	549	85.5%	610	87.1%
Renter-occupied housing units	93	14.5%	90	12.9%

VACANCY RATE & SEASONAL HOUSING

Dresden has a relatively low and stable vacancy rate. The comparatively small number of seasonal and recreational homes in Dresden accounts largely for this.

In 2010, there were 819 total housing units and 119 vacant housing units (14.5%), with 51 vacant for seasonal or recreational use (6.2%). In 2000, the vacancy rate was only slightly lower. There were 739 total housing units and 97 vacant housing units (13.1%), with 69 vacant for seasonal or recreational use (9.3%). Therefore, over the past decade, seasonal and recreational homes decreased by 3.1% of total housing units. If this small number of seasonal homes were converted to year-round homes, it would have little impact on municipal services.

HOUSEHOLDS AND HOUSING UNITS 2000 – 2010

Description	2000	2010	% Change
Total Housing Units	739	819	11
Occupied Housing Units	642	700	9
Vacant Housing Units	97	119	23
Vacant for Seasonal Use	69 (9.3 % of total)	51 (6.2 % of total)	

HOUSING ISSUES

Substandard Housing

The town is not currently working with any specific outside/community/regional agencies related to any substandard housing issues. Only state programs are being utilized as needed, according to town office personnel. Substandard housing has not been identified as an issue in Dresden in recent times.

According to the 2010 Census, there were no housing units identified which were lacking either complete plumbing or kitchen facilities. These two criteria are utilized by the Census to identify substandard housing.

Senior and Assisted Living Housing

Not applicable/none.

Housing Affordability

The affordability of housing is of critical importance for any municipality. High costs are burdensome to individuals, governments and the economy. Excessively high housing costs force low and moderate-income residents to leave the community, thereby reducing labor force size.

Many factors contribute to the challenge of finding affordable housing, including local and regional employment opportunities and the effects of migration. Those Mainers most often affected by a lack of affordable housing

include: older citizens facing increasing maintenance and property taxes, young couples unable to afford their own home, single parents trying to provide a decent home, low income workers seeking an affordable place to live within commuting distance of employment and young adults seeking housing independent of their parents.

Definitions of Affordability

Affordable housing means decent, safe and sanitary living accommodations that are affordable to very low, low and moderate-income people. The Department of Housing and Urban Development (HUD) defines an affordable owner-occupied housing unit as one for which monthly housing costs do not exceed approximately 30% of monthly income. An affordable rental unit is defined as one that has a rent (including utilities) not exceeding 30% of the monthly income. The types of housing that are affordable at these income levels are often small homes on small lots and can include manufactured housing, multi-family housing, government-assisted housing and group and foster care facilities.

Housing affordability statistics throughout Maine are calculated annually by the Maine State Housing Authority (MSHA). The affordability index is the ratio of the Home Price Affordable at Median Income to Median Home Price. An index of less than 1.0 means the area is generally unaffordable; in other words, a household earning median income could not cover the payment on a median priced home (30 year mortgage, taxes and insurance) using no more than 28% of gross income.

In 2009, the median home price in Dresden was calculated to be \$175,000. The income needed to afford the median home price was calculated to be \$57,173 – approximately \$9000 more than the median income of \$48,152. The home affordability Index was calculated to be 0.84, meaning that Dresden was considered to be “generally unaffordable”. It was reported that 59.1% of households in Dresden were unable to afford the median home price in 2009.

However, by 2011, the median home sale price in Dresden was calculated to be \$116,500, a decrease in price of more than \$29,000. The income needed to afford the median home price was calculated to be \$34,538 – more than \$14,000 less than the median income of \$48,855. The home affordability index was calculated to be 1.41, a rise of 0.57 from the 2009 value. This meant that as of 2011, Dresden was considered to be a generally affordable housing market. According to the State Planning Office, the percentage of households in Dresden unable to afford the median home price in 2011 was 32.3%, as compared to the much higher numbers of 48.3% in Lincoln County as a whole and 53% statewide.

In 2012, the affordability index in Dresden had dropped somewhat to 1.25; however, since this index was above 1.0, the town was still considered generally

affordable to homebuyers. The same applied in 2013, when the affordability index rose again, to 1.29. In conclusion, based on the affordability index calculated by the Maine State Housing Authority, there is an adequate supply of affordable housing for homebuyers in Dresden.

In comparison, the affordability index in Lincoln County as a whole in 2011 was 'affordable' at 1.03. But by 2012 it had dropped to 0.94 and by 2013 it had dropped to 0.80, meaning that in those two years it was considered unaffordable to home buyers. As for the state of Maine as a whole, the affordability index in 2011 was 0.97, in 2012 it was 0.96 and in 2013 it was 0.97. Therefore, in those three years the state as a whole was considered unaffordable to homebuyers. Dresden, on the other hand, was considered affordable for home buyers during this entire three-year period.

Year	Index	Median Home Price	Median Income	80% of Median Income	Income Needed to Afford Median Home Price	Home Price Affordable to Median Income
2009	0.84	\$175,000	\$48,152	\$38,522	\$57,173	\$147,389
2011	1.41	\$116,500	\$48,855	\$39,084	\$34,538	\$164,794
2012	1.25	\$135,000	\$49,027	\$39,222	\$39,292	\$168,448
2013	1.29	\$146,700	\$54,140	\$43,312	\$41,995	\$189,125

Maine's Legislature defines an "affordable housing unit" as an owner-occupied, single-family dwelling unit for a household whose income does not exceed 80% of the median income for the area as defined by the United States Department of Housing and Urban Development. According strictly to this definition, housing in Dresden was affordable to those making 80% of the median income in both 2011 and in 2013, and was within \$70.00 of meeting the definition in 2012.

Regarding the rental aspect of housing, no statistics for the rental affordability index in Dresden were calculated by the MSHA from 2009 through 2013. However, in 2011, there were *only* four subsidized rental housing units receiving Housing Choice Vouchers in Dresden. The Section 8 Housing Choice Voucher program provides rental assistance to income-eligible tenants by subsidizing a portion of their monthly rent and utilities and paying it directly to their landlords. The assistance provided is the difference between what the tenant pays toward rent (generally 30 - 40% of the household's adjusted gross income) and the cost of the rent.

In Lincoln County as a whole, as calculated by the MSHA, the rental affordability index in 2011 was 0.81. In 2012, it dropped to 0.77 and in 2013, it rose to 0.86.

Housing Affordability and the Growth Management Act

A minimum policy required by the Maine Planning and Land Use Regulation Act (more commonly known as the Growth Management Act) is for every

municipality "...to seek to achieve at least 10% of all housing built or placed during the next decade to be affordable."

On page 16 of the Act, it states that "A municipality... is not required to identify growth areas within the municipality for residential, commercial or industrial growth if it demonstrates, in accordance with rules adopted by the department pursuant to this article, that: ...The municipality... has experienced minimal or no residential, commercial or industrial development over the past decade and this condition is expected to continue over the 10-year planning period."

During the 1990's, Dresden added 107 housing units, according to the 2000 U.S. Census. During the period between 2001–2010, 80 additional housing units were added, according to the 2010 U.S. Census. At that level of development, Dresden would meet the requirement of the Growth Management Act if the town sought to provide approximately 2 to 3 low-income housing units per decade.

The town does not maintain records on actual sale prices or move-in costs associated with new construction. However, the town does have two mobile home parks, with housing available for purchase and for rent, and believes that because of this *it has met its current affordability requirements*.

Dresden makes every effort to keep residents aware of programs related to affordable housing issues. For instance, on August 1, 2013, Maine's Pre-1976 Mobile Home Replacement Initiative went into effect. This initiative provides income-eligible Maine residents with an opportunity to replace the pre-1976 mobile home they own and occupy as their primary residence with a new Energy Star-certified manufactured home. It combines a Maine Housing mortgage loan with a \$30,000 Maine Housing grant to help get residents into a new energy-efficient home in the same location where they currently live. Requirements for eligibility include an annual household income at or below 80% of the First Home Program income limits and a five -year occupancy compliance period. The First-time homebuyer requirement is waived.

Strategies

Dresden is a rural setting, not an urban one, an important point to remember when considering recommendations regarding growth area land use regulations. The town uses established Dresden Land Use Ordinances, in conjunction with the Planning Board, when making recommendations. The Land Use Ordinances are updated by the Planning Board on an annual basis.

The following table lists town policies and implementation strategies for housing as established by the 1991 Comprehensive Plan. Updated recommendations are listed beside each policy or implementation strategy. A full copy of the previous plan is on file in Dresden's town office.

Town Goal - 1991 Dresden Comp Plan	Update in 2013 Comp Plan
<p>Promote housing opportunities that meet the needs of various households and income levels that are consistent with the rural character of Dresden.</p>	<p>This goal continues to align with local priorities and state-level goals. It should be continued.</p>
Policies - 1991 Dresden Comp Plan	Updates in 2013 Comp Plan
<p>a. Ensure that the rural quality of life is not compromised and that municipal services are not overburdened.</p>	<p>This policy continues to align with local priorities and state-level goals. It should be continued.</p>
<p>b. Encourage a minimum of 10% of the new residential development in Dresden to be constructed and maintained as affordable housing.</p>	<p>This policy continues to align with local priorities and state-level goals. Dresden's two existing mobile home parks continue to be adequate as affordable housing options.</p>
<p>c. Promote alternatives to conventional grid type subdivisions, mobile home parks and similar developments.</p>	<p>There are only two mobile home parks in Dresden, an area occupying 30.6 square miles. Single-family homes are on minimum one-acre lots in the village area and often much larger parcels outside the village area. The population density is 55 people per square mile - very low.</p>
<p>d. Preserve and enhance the existing housing stock through rehabilitation efforts.</p>	<p>Encourage owners of existing housing stock, especially historical homes, to consider rehabilitation of their homes. <i>Note:</i> Since approximately 23% of Dresden's housing stock was built in or before 1939, it is evident that home rehabilitation has and continues to occur.</p>
Implementation Strategies - 1991 Dresden Comp Plan	Updates in 2013 Comp Plan
<p>a. Action: Establish, as part of the site plan review process, a growth management monitoring program for adequate provision of Town services to accommodate new development - Responsibility of the Planning Board.</p>	<p>A growth management monitoring program has never been established, as over the years it is has been considered not applicable to Dresden's rural nature. Compliance to the existing Land Use Ordinances is appropriate and adequate.</p>

<p>b. Action: Establish density bonus provisions in the Comprehensive Land Use Ordinance for the encouragement of affordable housing and/or senior citizen housing - Responsibility of the Planning Board.</p>	<p>Density bonus provisions have not been established, as over the years they have been determined to be unnecessary. Adequate affordable housing is available in Dresden's two existing mobile home parks.</p>
<p>c. Action: Continue to promote cluster development concepts or establish other standards in the unified development ordinance that will help preserve the rural character of the town - responsibility of the Planning Board.</p>	<p>The concept of cluster development planning has not moved forward, although there is a provision for it in the existing Land Use Ordinances. Due to Dresden's rural nature, it has been determined to be unnecessary.</p>
<p>d. Action: Seek a Community Development Block Grant from the State or other funding sources to establish a revolving loan fund program for the rehabilitation of the existing older housing stock in the town - responsibility of the Community Development Committee.</p>	<p>No Community Development Block Grant has been pursued, nor has a Community Development Committee been formed. The majority of buildings in Dresden are privately owned, and therefore housing rehabilitation is privately funded.</p> <p>There is a state program called the "Pre-1976 Mobile Home Replacement Initiative" which became available starting 8/1/2013. Residents will be made aware of this program through efforts of the Select Board and Town Office.</p> <p>In 1985, the "Life Safety Code" was implemented. This code encompasses important fire safety updates pertaining specifically to mobile homes, including required hard-wired smoke detectors. The Planning Board recommends that the town accept no additional mobile homes older than 1986, OR no older than 25 years of age.</p>