

Affordable Housing

Goal: *To encourage and promote affordable, decent housing opportunities for all Maine citizens.*

<i>Policies</i>	<i>Strategies</i>	<i>Responsibility</i>	<i>Implementation</i>
<p><i>To encourage and promote adequate workforce housing to support the community's and regions economic development.</i></p> <p><i>To ensure that land use controls encourage the development of quality affordable housing, including rental housing.</i></p>	Maintain, enact or amend growth area land use regulations to increase density, decrease lot size, setbacks and road widths, or provide incentives to encourage the development of affordable/workforce housing.	Town Manager Planning Board Code Enforcement	6+ Years
	Maintain, enact or amend ordinances to allow the addition of at least one accessory apartment per dwelling unit in growth areas, subject to site suitability.	Town Manager Planning Board Code Enforcement	6+ Years
	Designate a location(s) in growth areas where mobile home parks are allowed pursuant to 30-A MRSA 4358(3)(M) and where manufactured housing is allowed pursuant to 30-A MRSA 4358(2)	Town Manager Planning Board Code Enforcement	0-2 Years

To encourage and support the efforts of the regional housing coalitions in addressing affordable and workforce housing needs.

Create a community affordable/workforce housing committee and/or regional affordable housing coalition.	Town Manager Economic Development Planning Board Code Enforcement	3-5 Years
Support the efforts of local and regional housing coalitions in addressing affordable and workforce housing needs.	Town Manager Economic Development Planning Board Code Enforcement	6+ Years
Seek to achieve a level of at least 10% of new residential development built or placed during the next decade be affordable.	Planning Board Economic/Community Development	6+ Years

According to numbers from the US Census Bureau, Madison's population (4855) is aging while the household size is decreasing (2.23/home). As of 2010 the town's housing inventory included 2,111 homes, 1,595 of which were owner occupied (75%). Table A.8 shows the age of local homes from data compiled by the American Community Survey's 5 year estimates.

Table A.8 - Owner Occupied Homes Constructed between...	Number	%	Renter Occupied Homes Constructed Between...	Number	%
2000-2010	218	14%	2000-2010	10	2%
1970-1999	570	36%	1970-1999	240	47%
1940-1969	384	24%	1940-1969	77	15%
1939 or earlier	423	26%	1939 or earlier	189	36%
Total Owner Occupied	1,595		Total Renter Occupied	516	

The tax assessor's office notes that at least 60% of the town's homes are 50 years old or older. The destruction or demolition of some older homes has resulted in a net loss of 151 units over the past 20 years. The 1994 data estimates the number of homes in Madison at 2,262 compared to 2,111 in 2010. From 2004 through 2013 202 housing units were added including 90 mobile homes. At the current rate Madison adds approximately 10 houses per year which would translate to approximately 2,170 units by 2020.

The housing stock is in relatively good condition as the Town invested in a number of rehabilitation projects and septic systems through the Community Development Block Grant and Environmental Protection's Small Communities programs in the 1990's.

Census data estimates that Madison has 317 homes of various age that are considered seasonal, recreational or occasional use. There have been 10 camps added in the past 10 years. There are not a significant number of seasonal homes being converted to year round use.

Analysis of population trends and the current housing stock indicates that elderly residents in Madison have the most limited suitable housing options. Aging housing stock proves ill designed for persons unable to navigate stairs and the apartments often cannot meet Section 8 Housing Quality standards. Heating cost remains a large factor in affordability for all ages and is often supplemented by heating assistance funds, including Madison's general assistance program.

There are a number of federally assisted housing units located within Madison, including the Henderson Senior Citizen Center, Pinewood, One Madison Avenue and several scattered sites. This type of housing is helping to meet the Town's need for affordable housing. The housing area known as the Meadows, developed in the 1980's as subsidized housing was purchased by II Rent Properties in 2013 and renovated all 24 units. Those units are no longer receiving public subsidies.

Public input indicates that projects for elderly housing should be from a private nature and not something the town should be funding or subsidizing with taxpayer monies. It was also suggested that there may be a return to multi-generational living as homeowners adapt to provide space for parents and or children.

The average cost to rent a 2-Bedroom apartment in Madison has risen from \$552 in 2003 to \$693 in 2010. Public input confirmed these estimates to be accurate when heat, water and sewer are included. It was suggested that most elderly residents would not be able to afford more than \$450-\$500 per month. According to data from the Maine Housing Authority, 47.9% of renters in Madison cannot afford the current rate of \$693, while 116 Madison households (5.5%) receive some sort of housing subsidy.

According to the 2011 data from the Maine Housing Authority, the median sale price in Madison dropped from \$100,000 in 2007 to \$82,250 in 2011. Median prices can be a complicated gauge since during slow economic times the lower end of the housing market may see the majority of sales, thus lowering the median price, but not necessarily lowering the value of homes at the higher end. During 2007 to 2011, the median income in Madison maintained at approximately \$36,000, meaning that Madison’s current affordability index is 1.51.

The affordability index is the ratio of Home Price Affordable at Median Income to Median Home Price. An index of less than 1 means the area is generally unaffordable – i.e., a household earning area 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. The local affordability index shows that nearly 70% of residents have enough income to purchase homes in Madison. Table A.9 shows a comparison of Madison’s affordability index with nearby localities and the state.

Table A.9 - 2011 Housing Data	Madison	Pittsfield	Skowhegan	Maine
Affordability Index	1.51	1.31	1.19	.097
Median Income	\$36,853	\$37,576	\$32,131	\$45,695
Median Home Sale Price	\$82,250	\$89,000	\$90,000	\$162,000

Resources are available to the Town from the Maine Affordable Housing Coalition.

The Town of Madison has no regulations restricting the development of affordable housing. There is no zoning and no minimum lot size other than that imposed by the State minimum lot size. The Town’s Site Review Ordinance does require a permit for multi-family housing, but it is not overly restrictive. Road standards take into consideration the anticipated traffic volumes. The Town may want to consider provisions for cluster housing, smaller minimum lot sizes and frontages, increased housing densities, financial incentives and other techniques for promoting affordable housing.

Two factors that may keep private investors from developing property in Madison are high property taxes and the cost of water/sewer rates. Recommendations for the town to stimulate housing development include working to keep taxes low and to make sure the proper infrastructure is in place.