

DRAFT

HOUSING

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INTRODUCTION

Housing represents the major investment of most individuals. Property taxes provide the basis for funding Belfast municipal services and schools. With rising property values and assessments, affordable housing is an ongoing concern for many residents. Belfast effectively has two housing markets: high-priced seasonal, historic and waterfront homes, many of which are located within the Route 1 by-pass and near Route 1; and moderately priced housing inland. The moderately priced housing tends to be occupied by those who depend on the local and regional economy for their livelihood.

OVERVIEW

Belfast's population is projected to decrease from 6,653 in 2020 to 6,552 by the year 2036, as forecasted by the State Economist office. In 2019, the median household size was 2.17. Assuming the median household size stays consistent at 2.17 in 2036; Belfast appears to have an adequate supply of housing for the projected population. Belfast had about 543 vacant units (unoccupied housing units) in 2019. Between 2014 and 2017, the City of Belfast recorded 70 new housing units (Table 3-12).

In 2019, rental units accounted for more than 36% of the occupied housing stock. It is likely that the share of rental units will increase after 2020. This is due to several factors, including but not necessarily limited to: the construction of government assisted affordable rental housing (over 100 units of such housing were constructed between 2000- 2010); homeowners constructing a rental unit along with their residence to assist them in paying mortgage costs; new housing projects such as the Belfast Cohousing (Eco-Village) project (36 - 40 units) on Tufts Road which consists entirely of duplex and multi-family units, partly because of energy costs; the establishment of rental housing in the upper floors of downtown buildings; and the need for more rental housing in Belfast. However, the 'gap' between income levels and the cost to construct new multi-family housing adversely affects a developer's ability to obtain sufficient rental income to support the cost of new construction. For planning purposes, it is forecasted that up to 45% of the new units in the next 10 to 20 years could be multi-family rental or ownership housing.

AFFORDABLE HOUSING

By State and federal definitions, housing is considered affordable if a household does not spend more than 30% of its monthly income on housing. In deciding whether to make mortgage loans, banks use similar definitions of affordability. From 2007 to 2018, those earning the median income in the region could not afford to buy the median priced home in Belfast. According to the MaineHousing, Belfast's median income earning households could afford only 56% of the

median home sale price in Belfast and only 86% of the median home sale price in Waldo County (Tables 3-1 and 3-2). Of course, those in the low-income category, earning just 80% of the median household income, could afford even less. Information from the 2010 census corroborates information from the MaineHousing; with 53% of the population being identified as being unable to afford a median priced home. Tables 3-15 through 3-17 show the numbers and percentages of Belfast residents by income category.

Almost half (49.5%) of renters in Belfast could not afford the median rent charged for a 2-bedroom apartment (Table 3-5). This has resulted in the higher occupancy of some units (families sharing apartments) and the occupancy of substandard units for which lower rents are charged.

It is important to note the limitations of the Census and MaineHousing data. The housing sale data consists of sales through the real estate multiple listing service. Homes and property sold without a broker are not included, and tend to be lower priced than those sold through the multiple listing service. Sales of property to family members, along with the use of mobile homes, are ways in which residents have reduced their housing costs. In 2019 7% of the Belfast housing stock included mobile homes. Census and State data do not account for illegally occupied apartments and for units in which the rent collected is not reported.

It is widely understood that Belfast has a significant need for more affordable housing. MaineHousing, in 2017, estimated an additional 183 units of subsidized rental housing was needed at that time (Table 3-6). Further, the City's housing needs extend beyond low-income households eligible for subsidized housing. Those earning median and moderate (150% of median) incomes are in large part often unable to afford housing in Belfast, and choose to live in one of the communities in which property taxes are often lower. For a service center community to thrive, it must be an affordable place for a large portion of its workforce to reside within its borders.

The City has worked cooperatively with project developers and pursued Community Development Block Grants (CDBG) to support the creation of affordable housing units for working families (workforce housing), the elderly, and those with special needs. Through these efforts over 100 affordable housing units were built between 2000 and 2013, including the following:

- **Realty Resources**, 38 unit project (workforce housing) on Ryan Road which opened in late 2007 (CDBG Public Infrastructure Grant funding);
- **Volunteers of America**, 32 units, elderly housing, on Congress Street, which opened in 2001 (CDBG Public Infrastructure Grant funding);
- **Community Housing of Maine/CEI**, a 6 unit housing project for persons with special that located on Midcoast Drive that opened in 2002;

- **PenquisCAP**, 24 units of workforce housing located on Patterson Hill which opened in 2002; and
- **Group Home Foundation**, 5 unit independent living project for persons with special needs that opened in 2009 (CDBG Housing Assistance funding).
- **Goose River Partners**, elderly housing project located on Swan Lake Avenue was completed in 2013, which added 24 units to the amount of affordable housing in the City.

In 2011 and 2014 the City obtained a CDBG Housing Assistance Grant which has provided funding to assist property owners to renovate rental units. Renovation efforts have focused on code compliance and energy concerns.

The City also notes that Belfast, as the regional service center for Waldo County, is often expected to provide more opportunities for affordable housing for the elderly, low/moderate income persons and persons with special needs, because other communities in the County lack medical and support services and the jobs that are available in Belfast. Despite all past and current efforts, it is generally acknowledged that regional affordable housing efforts have not kept pace with demand. Strategies to improve this are presented at the end of this chapter.

At present, there is no specific organization in Belfast that focuses on affordable housing issues. In the 1990's there was an informal group that met at the WaldoCAP offices to consider housing affordability concerns, and the City, in 2002 conducted a housing assessment using CDBG funds and established an affordable housing task force several years later. While there is ongoing interest and concern regarding the affordability of housing in Belfast, no specific advocacy group has been founded. Several regional organizations do address housing concerns, including WaldoCAP and Penquis CAP, as has the City, through its pursuit of CDBG grants to aid affordable housing projects.

SEASONAL HOMES

Most housing units in Belfast have been constructed to a standard to qualify as a year-round home and have needed utility services. Unlike other Waldo County communities, Belfast has no significant lake or coastal 'communities' that serve mostly seasonal residents. While Belfast clearly experiences an increase in its summer population by seasonal visitors, most reside in houses that satisfy year-round standards and in traditional neighborhoods. The conversion of seasonal units to year-round units is not a significant issue in Belfast. The City believes that it does not need to consider adopting any specific measures to address this issue.

ASSISTED LIVING HOUSING

It is anticipated, however, that with the aging of Belfast's, the region's and the state's population that additional senior and assisted units will be needed, both market rate and subsidized. MaineHousing estimated, in 2017, 103 subsidized senior housing units were needed to meet need. See Table 3-6 for senior household figures. Given Belfast's service center function and

proximity to health care facilities and the availability of municipal infrastructure like public water and sewer, it is likely that most of the region's needs for senior and assisted living facilities will be met within Belfast. Some elder care housing facilities are found in smaller Waldo County service centers, like Searsport and Winterport, as well. Also, as noted above, the 24 unit Goose River Partners elderly housing project, which received both Maine State Housing Authority and Rural Development Authority funding, completed construction in July 2013.

ADDITIONAL HOUSING ISSUES

Belfast, since December 2010, has been required to enforce the state-wide building code, the MUBEC Code. Enforcement of this code has resulted in the City, for the first time, conducting building inspections of single family, two family and many accessory buildings. Prior to adoption of the MUBEC code, Belfast enforced the BOCA code only on multi-family and nonresidential development. This need to inspect most construction has resulted in a greater workload for the Code and Planning Department, however, it also has created the opportunity to ensure that new construction better satisfies building and energy code requirements.

The most frequent complaints that are brought to the attention of the Code Enforcement Officer involve rentals at multi-family rental units, such as inadequate heat and water, faulty electric and poor building standards. The second most frequent complaint involves nuisance concerns regarding how an abutter may maintain their property; uncontrolled trash and litter, too many abandoned vehicles, and stormwater problems. The Code Enforcement Officer routinely works with the aggrieved parties and often has been able to obtain voluntary compliance in addressing the issues. In limited cases the City has had to pursue legal action to resolve the complaint.

Several other concerns involve the use of older mobile homes (predating HUD 1976 standards), with concentrations of substandard housing in these areas, both mobile homes located on individual lots and in mobile home parks. Strategies to replace these homes are presented at the end of this chapter.

MaineHousing estimated in January 2019 that there were 1,215 homeless individuals in Maine, of which the last residences of 10 people were located in Waldo County. It is believed that this figure underestimates the homeless population in Belfast, which is difficult to measure due to the community's small size, fluctuations, and the transient nature of homelessness. It is noted that the local soup kitchen now regularly serves 60+ persons per day. While most of these persons are not homeless, it is indicative of the economic edges on which many live.

LOCAL REGULATIONS

Overall, Belfast's land use regulations support the creation of affordable housing. Smaller minimum lots sizes (7,500 square feet in certain residential growth areas) are allowed in locations served by water and sewer, as are multi-unit, multi-family structures. In 2010, the City

also adopted flexible zoning standards to allow the development of small scale (less than 7 units) housing developments in rural areas (small subdivisions) provided the houses constructed satisfy affordability standards. These new regulations resulted in construction of three Habitat for Humanity house in Waldo County. The adopted Future Land Use plan recommends adopting similar provisions to encourage affordable housing in several of the City's urban zoning districts.

HOUSING AFFORDABILITY INDEX

The City also has established areas in which Manufactured Housing is currently allowed and this type of housing is proposed to be allowed in many of the City zoning districts pursuant to the adopted Future Land Use Plan. The current Zoning Ordinance also permits congregate care units for the elderly, with no density limitations, in several zoning districts (growth areas with sewer and water services) and the adopted Future Land Use Plan recommends that this policy continue for many of the City's growth areas.

Belfast, ME LMA Housing Market	Year	Index	Median Home Price	Median Income	Income Needed to Afford Median Home Price	Home Price Affordable to Median Income
	2014	1.02	\$132,000	\$39,336	\$38,551	\$134,687
	2015	0.98	\$139,100	\$39,894	\$40,520	\$136,952
	2016	0.97	\$150,000	\$42,814	\$43,998	\$145,963
	2017	0.84	\$175,000	\$43,961	\$52,204	\$147,365
	2018	0.81	\$180,000	\$45,831	\$56,651	\$145,621
Belfast		0.56	\$237,000	\$42,927	\$76,880	\$132,332
Swanville		0.64	\$199,900	\$40,445	\$63,007	\$128,318
Searsport		0.65	\$176,000	\$38,543	\$59,493	\$114,024
Islesboro		0.66	\$315,000	\$62,500	\$95,414	\$206,338
Searsmont		0.68	\$220,000	\$48,373	\$70,868	\$150,167
Liberty		0.77	\$176,500	\$42,383	\$55,174	\$135,582
Northport		0.8	\$260,000	\$62,158	\$77,278	\$209,129
Belfast, ME LMA Housing Market		0.81	\$180,000	\$45,831	\$56,651	\$145,621
Maine		0.89	\$212,500	\$56,987	\$64,367	\$188,138
Thorndike		0.89	\$157,000	\$44,403	\$49,940	\$139,594
Stockton Springs		0.92	\$175,000	\$51,212	\$55,667	\$160,995
Monroe		1.15	\$144,000	\$51,923	\$45,161	\$165,560
Morrill		1.28	\$145,500	\$59,694	\$46,462	\$186,935

Source: Maine Housing

Affordability Index for Belfast

Year	Index	Median Home Price	Median Income	Income Needed to Afford Median Home Price	Home Price Affordable to Median Income
2014	0.65	\$191,000	\$38,815	\$56,710	\$124,578
2015	0.66	\$165,000	\$33,1332	\$49,996	\$109,409
2016	0.67	\$184,600	\$37,700	\$56,481	\$123,445
2017	0.58	\$232,500	\$41,708	\$71,943	\$134,750
2018	0.56	\$237,000	\$42,927	\$76,880	\$132,332
2019	0.67	\$231,750	\$48,867	\$73,467	\$154,149
2020	0.86	\$249,000	\$62,676	\$73,249	\$213,059

Source: Maine Housing

Affordability Index 2020

Location	Index	Median Home Price	Median Income	Income Needed to Afford Median Home Price	Home Price Affordable to Median Income
Belfast	0.86	\$249,000	\$62,676	\$73,249	\$213,059
Belfast, ME LMA Housing Market	0.87	\$226,000	\$55,930	\$64,164	\$196,998
Congressional District 2	1.04	\$185,000	\$53,059	\$51,211	\$191,676
Maine	0.91	\$255,000	\$63,340	\$69,691	\$231,762
Waldo County	0.92	\$223,750	\$57,373	\$62,695	\$204,757

Source: Maine Housing

Unattainable Homes as a Percentage of Homes Sold in 2020

Location	Percentage of Unattainable Homes	Affordable Homes Sold	Unattainable Homes Sold
Belfast	66.3%	29	57
Belfast, ME LMA Housing Market	57.9%	184	253
Maine	56.4%	8,792	11,370
Waldo County	55.4%	279	346
Congressional District 2	46.7%	5,189	4,551

Source: Maine Housing

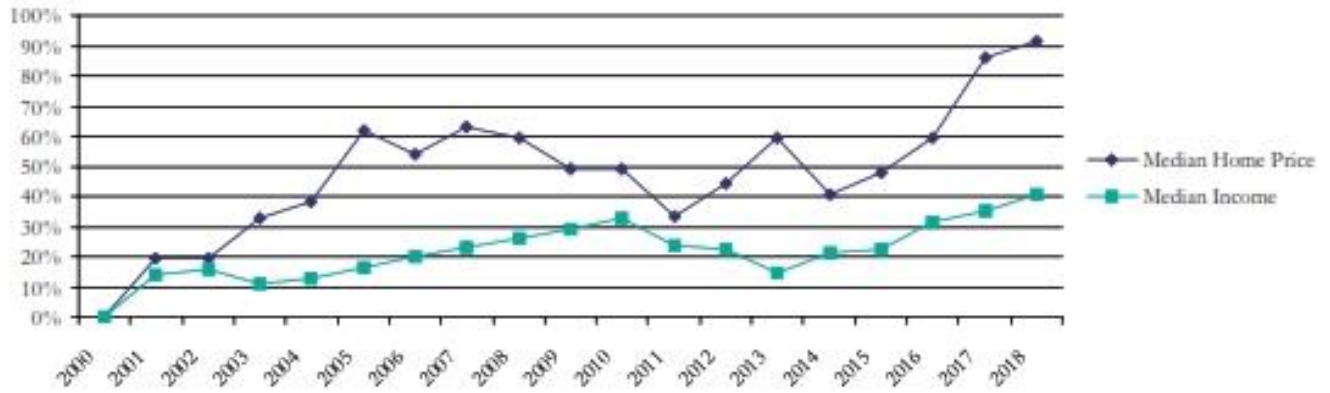
Households Unable to Afford Median Home in 2020

Location	Percentage of Unattainable Homes	Number of Households Unable to Afford Median Home Price
Belfast	56.7%	1,790
Belfast, ME LMA Housing Market	56.5%	6,899
Maine	48.9%	136,244
Waldo County	55.4%	317,492
Congressional District 2	54.2%	9,333

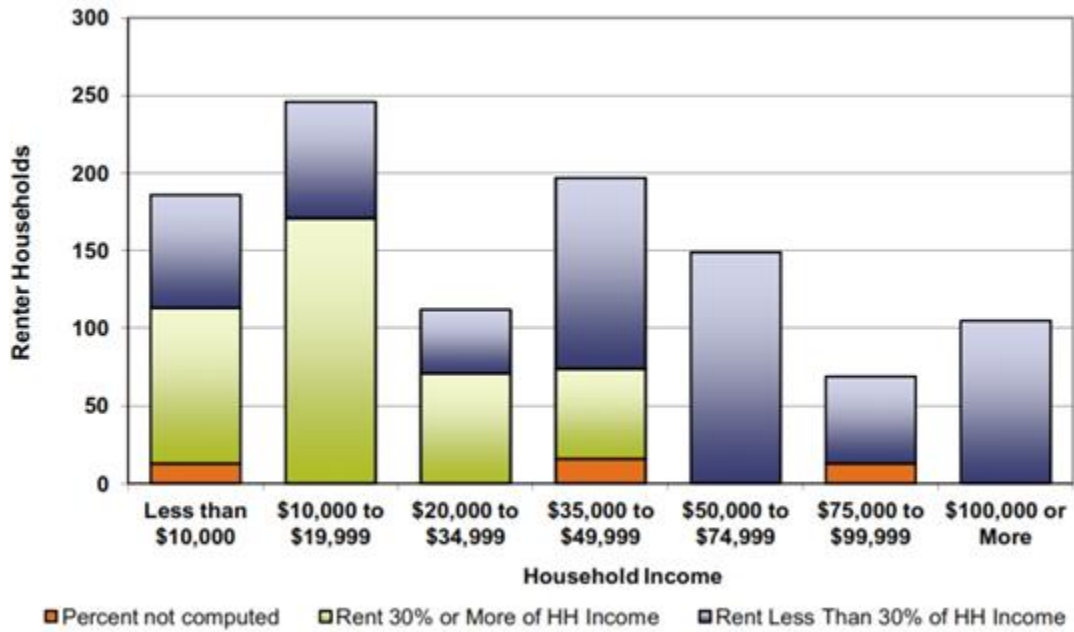
Source: Maine Housing

CONDITIONS AND TRENDS

Relative Increases in Income and Home Price ³

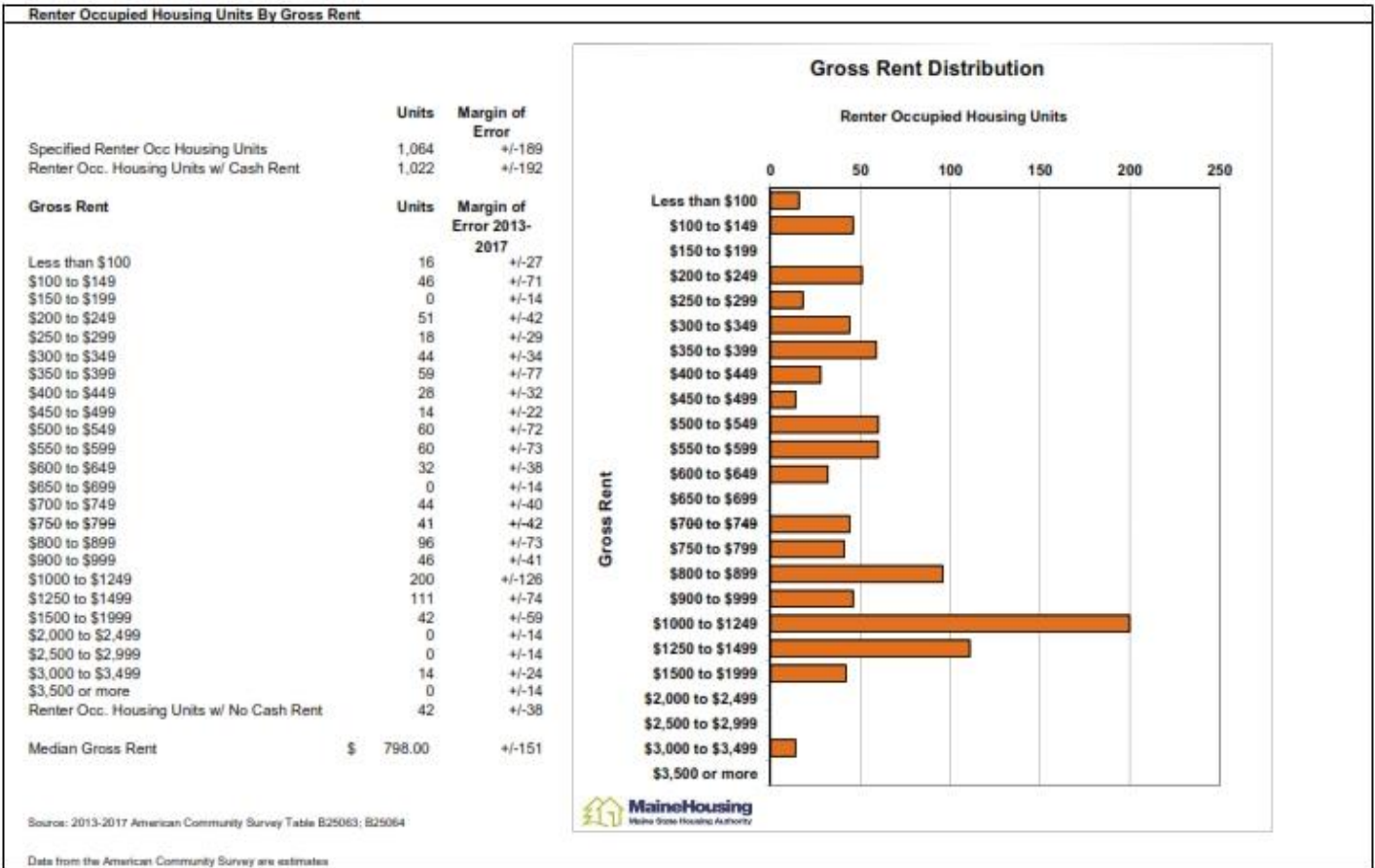


Gross Rent Overpayment at 30% of 2017 Household Income



Source: MaineHousing

Renter Housing Cost Characteristics - Belfast

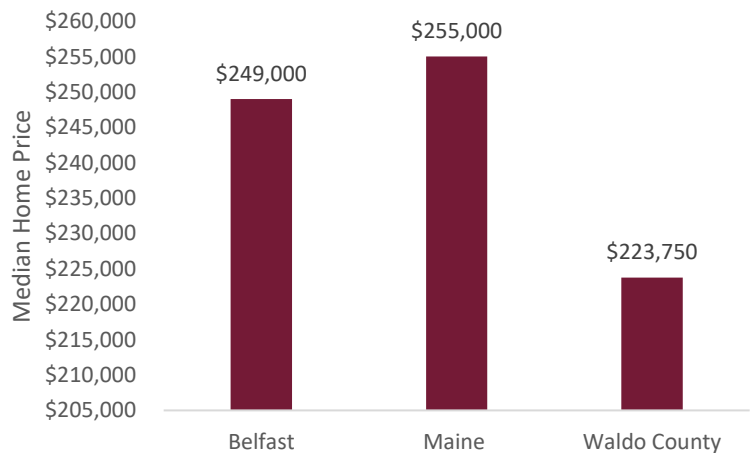


Source: MaineHousing

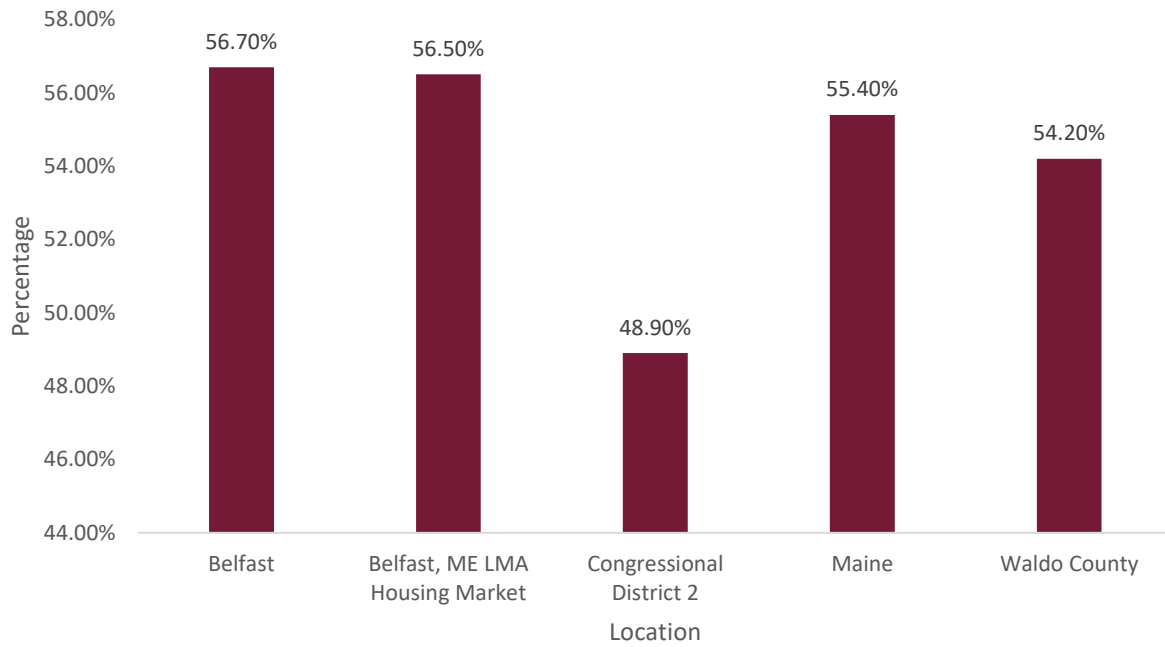
The median home price in 2020 in Belfast was higher than that of the County, but slightly lower than that of the State.

Roughly 50% or greater of households across all locations were unable to afford the median home price in 2020.

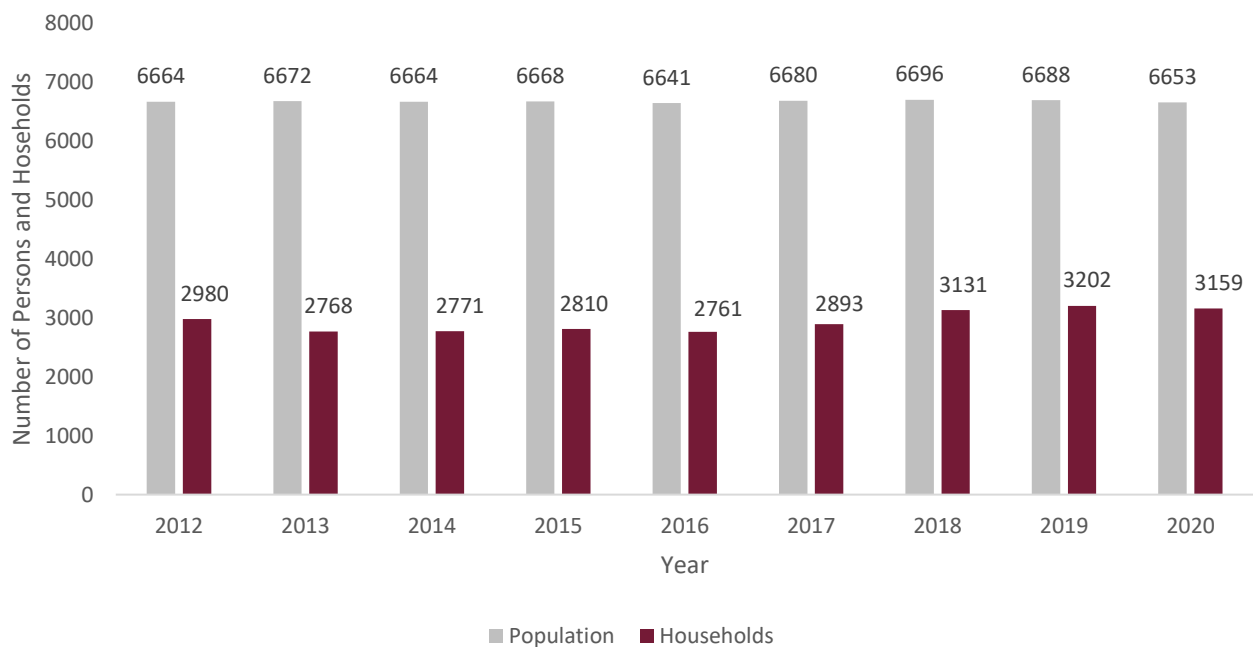
Median Home Price in 2020



Percent of Households Unable to Afford Median Home Price



Belfast Population and Number of Households



The number of households in Belfast has increased slightly after 2017. The population has remained relatively stable since 2012.

Demographics

Year	Population	Households
2012	6,664	2,980
2013	6,672	2,768
2014	6,664	2,771
2015	6,668	2,810
2016	6,641	2,761
2017	6,680	2,893
2018	6,696	3,131
2019	6,688	3,202
2020	6,653	3,159

Source: Maine Housing

Note: See the Population Chapter for more demographic data, including population projections, gender and race figures.