



# YARMOUTH MAINE

To: Town Council  
From: Yarmouth Affordable Housing Committee  
Re: Request to Adopt an Affordable Housing Production Goal  
Date: March 13, 2024

The Yarmouth Affordable Housing Committee reviewed Jeff Levine’s *Affordable Housing Market Needs Analysis*, dated July 17, 2023, commissioned as part of the Comprehensive Plan update.<sup>1</sup> The analysis identified that there are 835 ownership households and 443 renter households that are cost-burdened (i.e., spending more than 30 percent of their gross monthly income on housing costs). The analysis suggests that these 1,278 households (about 38% of the 3,349 Yarmouth households) need an equivalent number of units that are affordable at various income levels.

The Committee acknowledges that 1,278 new units could represent a production goal for the Town of Yarmouth, but also acknowledged that producing that number of units is a significant task. The Committee reviewed Mr. Levine’s analysis in order to compare that analysis with the Committee’s charge (households earning between 50% and 80% of the Area Median Income.) The primary data sources, the American Community Survey and the U.S. Department of Housing and Urban Development’s Income Limits, cannot be tied together. However, an estimate can be developed by comparing the two data sources as described below.

Currently, 80% of the Area Median Income is \$94,600 for a four-person household. 50% of the Area Median Income is \$59,150 for a four-person household. Additional thresholds are provided in the table below.

Income Levels	Household Income
100% Area Median Income	\$119,500
80% Area Median Income	\$94,600
60% Area Median Income	\$70,980
50% Area Median Income	\$59,150
30% Area Median Income	\$35,500

Source: HUD 2023 Income Limits

The 2021 American Community Survey (ACS) 5-Year Estimates were reviewed for housing costs as a percentage of household income. The ACS provides this data for ownership households and renter households. The following table summarizes this data.

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<sup>1</sup> <https://www.planymouth.com/market-housing>

<b>Housing Costs as a Percentage of Household Income</b>	<b>Ownership Households</b>	<b>Renter Households</b>
Households Earning less than \$10,000 and spending 30% or more	7	97
Households Earning \$10,000 to \$19,999 and spending 30% or more	114	26
Households Earning \$20,000 to \$34,999 and spending 30% or more	78	90
Households Earning \$35,000 to \$49,999 and spending 30% or more	256	65
Households Earning \$50,000 to \$74,999 and spending 30% or more	138	131
Households Earning \$75,000 to \$99,999 and spending 30% or more	128	34
Households Earning more than \$100,000 and spending 30% or more	114	0
<b>Total</b>	<b>835</b>	<b>443</b>

Source: 2021 American Community Survey 5-Year Estimates, Tables B25095 and B25074

Although the ACS data is not broken into groups that align with the HUD Income Limits, we can develop some estimates. Households earning between 50% and 80% of the Area Median Income earn between \$59,150 and \$94,600. We can look at the ACS data for households earning between \$50,000 and \$100,000 to approximate the number of cost-burdened households in that income range. There are 266 ownership households and 165 renter households within that income band resulting in a need of 431 units.

The Committee recommends that the Town Council can reasonably use 431 units as an affordable housing production goal over 10 years.<sup>2</sup> Over a ten-year horizon, this affordable housing production goal means that approximately 43 units that are affordable to households earning between 50% and 80% of the Area Median Income would need to be created each year. The Committee acknowledges that this is an aspirational goal, but nevertheless, recommends that the Town Council adopt this production goal for the Town of Yarmouth.

The Committee respectfully requests that the Town Council schedule consideration of adopting an affordable housing production goal at the next available meeting.

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<sup>2</sup> There is need for both affordable ownership and rental units, so YAHC and Planning Staff do not recommend prioritizing one over the other. The market should dictate what makes the most sense for the developer. However, for discussion purposes, the data suggests that 60% of units should be ownership and 40% of the units should be rental.