

Housing Needs Analysis and Assessment Town of Kennebunkport, ME

Meeting 3
January 25, 2018



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Agenda

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Purpose

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Final Report Key Findings

III

Strategies & Tools

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Feedback and Discussion



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Project Scope

- ▶ Meeting 1 - Preliminary Findings
- ▶ Data Analysis & Interviews
- ▶ Meeting 2 - Data Findings and Strategies
- ▶ Synthesis & Recommendations
- ▶ Final Report
- ▶ Meeting 3 - Final Presentation

Summary of Process

- 1 Research & Data Analysis
- 2 Interviews with Stakeholders
- 3 Employer Survey
- 4 Case Studies
- 5 Tools & Strategies
- 6 Public Engagement

Why is addressing housing affordability important?

- ▶ Supports local workforce
- ▶ Shorter commutes → reduced traffic congestion, pollution, and road expenditure
- ▶ Avoids losing a long-standing sense of community
- ▶ Creates opportunities for middle income workers to live in the community where they work
- ▶ Maintains a pool of volunteers for local organizations, community services (e.g. firefighters, etc.)
- ▶ Ensures steady enrollment at elementary school

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Themes from Interviews

- 1 Labor is becoming increasingly difficult to find due to seasonality and housing costs
- 2 Young families & first-time home buyers seek housing elsewhere, despite desire to live in Kport
- 3 General support for Kennebunkport Consolidated School, but concern about sustainability given projected enrollment and resident birth decline

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Themes from Interviews

- 1 Lack of rental housing options for working population and seniors
- 2 Community is aging and fewer young people stay year round
- 3 Fire Department volunteers are aging → concern that Town may have to fund full-time paid department
- 4 Tourism & second-home ownership is rising → fear that the town is moving towards being exclusively seasonal

Report Findings

Key Findings

- **Housing affordability is a challenge for the Town** → households must make \$95,000 annually to afford Kport home at median value

Home Ownership Affordability, 2015		
	Kennbunkport	York County
Median Household Income	\$ 71,834	\$ 60,612
Median Home Value	\$ 473,718	\$ 251,150
Income Required to Afford Median Home	\$ 95,280	\$ 50,520

- **Homeownership costs have risen faster than incomes** → Kport median value home has increased by 102% since 2000, while incomes have grown by 32%



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Key Findings

- **Limited supply of year-round rentals limits options for potential households** → only 19% of Kport's permanently occupied units are rentals, as compared to 29% in York County and 31% in Maine

- **Housing stock dominated by owner-occupied, single-family homes** → 83% of town housing stock is comprised of single-family, detached homes

- Multi-family units (2+ units) have consistently made up about 9% of housing stock



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Key Findings



- ▶ **Cost of land and housing driven up by vacationers** → year-round residents and workers must compete with seasonal population for finite housing stock
 - ▶ 44% of properties are owned by out-of-towners
- ▶ **High cost of land + large-lot zoning = high prices** → median land value per acre for developed property is almost \$270k
 - ▶ Developers must build more expensive homes to maximize return on investment

Residential Properties by Owner Address		
Mailing Address	Properties	Share
Kennebunkport*	1,432	56.2%
Other Maine	151	5.9%
Massachusetts	440	17.3%
New Hampshire	80	3.1%
Connecticut	80	3.1%
Florida	71	2.8%
New York	67	2.6%
Other	227	8.9%
Total	2,548	100.0%

*Includes Cape Porpoise addresses

Source: Town of Kennebunkport Property Database



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Key Findings



- ▶ **Short-term vacation rentals constrain year-round rental housing stock** → higher profit margins are often achieved through short-term rentals (Airbnb/Home Away)
 - ▶ A landlord can make the same income by renting per night for peak season as renting at market rate for a year
- ▶ **Housing affordability challenges contribute to limited income diversity** → long-time residents may be priced out of town
 - ▶ 33% of households make below \$50k, while 4% are below the poverty line



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Key Findings



- ▶ **Population is skewed towards seniors, and will continue to age** → median age almost at 55, a decade above both county and state
 - ▶ Prime home-buying age cohorts are underrepresented

- ▶ **Declining enrollment threatens school viability** → Kennebunkport Consolidated School is the only school in its district with declining enrollment, a result of decreasing resident births
 - ▶ Only one full kindergarten class in 2017-2018 year

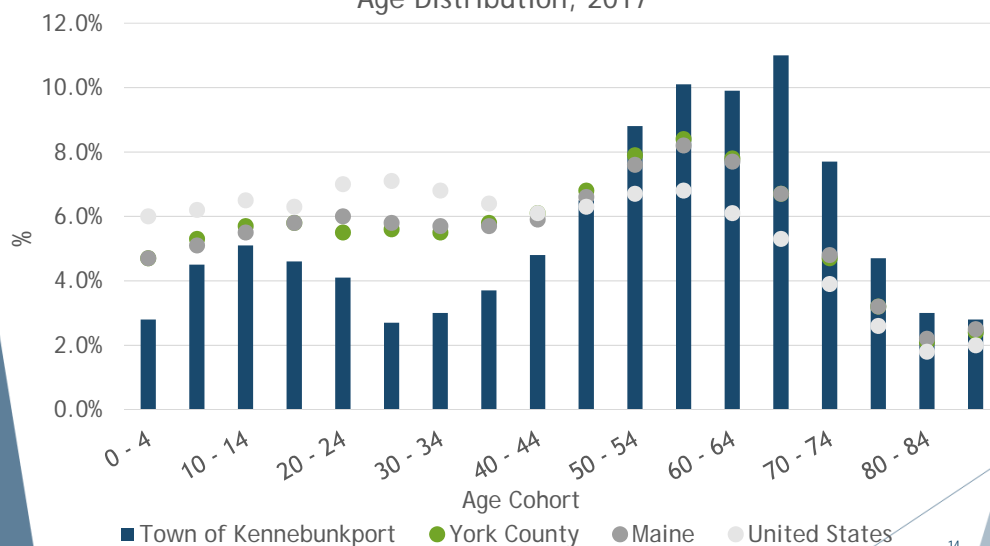


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Key Findings



Age Distribution, 2017



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Key Findings



- ▶ **High degree of cross-commuting reflects mismatch between jobs & housing** → 80% of Kport workers commute in

- ▶ 86% of employed town residents commute out for work
- ▶ Just ¼ of Kport Town employees live in town

Kennebunkport Town Employees by Place of Residence				
Place of Residence	FT	PT Year-Round	PT Seasonal	All Employees
Kennebunkport	25.5%	67.8%	36.6%	49.4%
Kennebunk	23.4%	12.2%	22.0%	17.4%
Other	51.1%	20.0%	41.5%	33.1%
Total	100.0%	100.0%	100.0%	100.0%

n=178

- ▶ **Share of Town staff living in Kport will shrink as employees retire** → 11 of 47 full-time employees will reach retirement age over next 5 years

- ▶ Small pool of working-age residents not likely to fill vacant positions
- ▶ Businesses echo concerns regarding aging workforce



Key Findings



- ▶ **Substantial undeveloped land in the Town** → existing land could support up to 2,800 units under current zoning

- ▶ **Employer attitudes towards affordability issue vary** → most businesses said it's difficult for workers to find housing

- ▶ Mixed results on whether or not this negatively affects business



Case Studies

Case Study - Island Housing Trust, ME

Addresses affordable housing issues for 3 towns across Mount Desert Island

Completed 34 homeownership projects for 106 residents since 2008, with protection by affordability covenants

Operates entirely on private funds, provided by summer residents who support the Trust's initiatives

Case Study - Scarborough, ME

Habitat for Humanity partnership → focus on single-family affordable homes

Formation of Scarborough Housing Alliance in 2005 → collaboration with Town Council on affordable housing programs

Commitment to regulatory support → affordable unit requirement in new developments; incentives for developers



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Case Study - Provincetown, MA

Provincetown Housing Playbook → records housing affordability efforts

Full-time Community Housing Specialist → keeps local government on track with benchmarks: Affordable Housing; Community Housing; Seasonal Workforce Rental Housing

Other initiatives include: property tax surcharge towards community housing; preservation of year-round rentals; zoning incentives; access to Town services



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Strategies & Discussion

Target Populations



Year-Round Residents

- Senior citizens, many retired, who want to "age in place"
- Middle-income long-time residents who purchased homes when they were more affordable and want to stay in town
- Young adults who want to stay in the town where they grew up

Year-Round Workers

- People who work in town but live elsewhere
- Tend to be younger, middle-income, including young families seeking first home
- Employed by Town, School District, service industries, construction, landscaping, etc.

Seasonal Workers

- Work in service industries during peak season
- Modest incomes
- Seek affordable, short-term rental housing

Year-Round Residents



- ▶ Needs of senior population should be considered → desire to continue living independently
- ▶ Single-story, multifamily units
- ▶ Young adult population → unable to start families in Kport, leading to rising median age



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Year-Round Workers



- ▶ Working families *want* to live in Kport, but are forced to seek housing elsewhere
- ▶ 700 year-round workers commute in



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Seasonal Workers



- ▶ Need for housing for seasonal hospitality workers
- ▶ Lack of options limits available workforce
- ▶ Should limit the impact of seasonal residents on the community



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Setting an Affordable Housing Goal



- ▶ Add 23 new units of “affordable” housing over the next 10 years (by 2028)
 - ▶ Equivalent to 10% of projected increase in total new housing units over this period
 - ▶ Affordable = households earning between 80% and 120% of town median household income
- ▶ Affordable for-sale units would be available at a price between \$254k and \$382k, based on 2016 income data



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Strategies & Tools

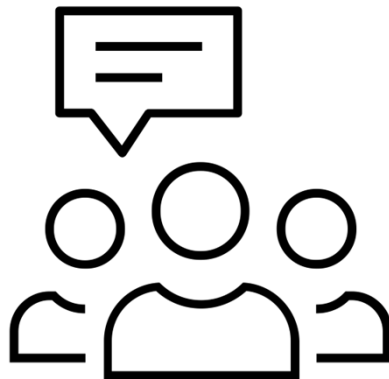


- ▶ Housing Alliance or Housing Trust
- ▶ Donation of Land to Developer or Housing Entity
- ▶ Zoning Policies
- ▶ Affordable Housing Tax Increment Financing
- ▶ Partnering with Affordable Housing Developers



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Questions?



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Next Steps



Discussion



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