

Report for

Town of Falmouth Housing Assessment

Falmouth, Maine



Prepared for
**Town of
Falmouth
Diversity in
Housing
Committee**

Prepared by
**Community
Current, Inc.**
Biddeford, Maine

and
MRLD, LLC
Yarmouth, Maine

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INTRODUCTION

The consulting team of Community Current, Inc. and MRLD, LLC was retained by the Town of Falmouth to complete a housing assessment study and project action plan. This document represents the first part of the project—the housing assessment study.

This Housing Assessment Report documents findings regarding the housing situation in the Town of Falmouth. There are three primary purposes of this report:

1. To recap key findings to date from the housing assessment;
2. To offer an objective evaluation of the Town’s past and current responses to addressing its housing needs; and
3. To identify considerations for the Diversity in Housing Committee as it works on identifying sites for affordable housing and developing project prototypes for those sites.

This Interim Housing Assessment Inventory and Analysis Report concludes Phase 1 of the Community Current/MRLD team’s consulting services. The consulting team will next develop a Project Action Plan that will identify three prototype projects for new affordable and/or mixed-income housing developments in Falmouth. The Project Action Plan will also:

- Identify potential partners and funding sources;
- Assess compatibility with Falmouth’s Comprehensive Plan;
- Proposed needed ordinance amendments;
- Estimate fiscal impacts; and
- Assess the anticipated level of acceptance by the community.

ECONOMIC OVERVIEW

This section presents a brief summary of economic issues affecting Falmouth’s housing situation. Topics covered in the economic overview include:

- Regional economic trends;
- Demographic profile of Falmouth versus Cumberland County;
- Commuting patterns; and
- Mobility/movement patterns.

The economic overview follows.

Regional Economic Trends

The economy of the Portland Metropolitan Statistical Area (MSA) has been growing since 1995, but the pace of growth has slowed since 2000. From 1995 to 2000, the region’s economy added more than 20,000 jobs—a growth rate of about 14 percent, or about 2.5 percent annually.

Since 2000, there are signs that the regional economy has slowed. Although year-end figures are not yet available for 2001 or 2002, looking at employment in the month of September from 1999 to 2002 shows how Portland’s economy has slowed down. As

the table below illustrates, annual job growth from September to September slowed from 3.8 percent between 1999 and 2000 to just 0.7 percent from 2001 to 2002.

**September Employment
Portland MSA**

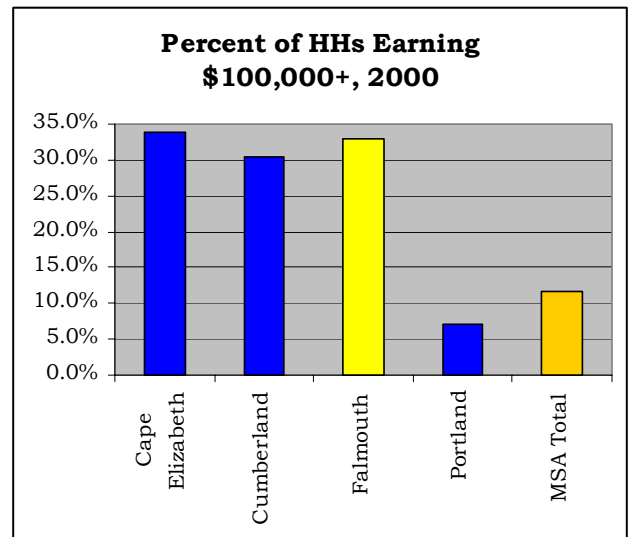
Year	Employment	Number Change	Annual % Change
1999	148,600		
2000	154,400	5,800	3.8%
2001	156,900	2,500	1.6%
2002	158,000	1,100	0.7%

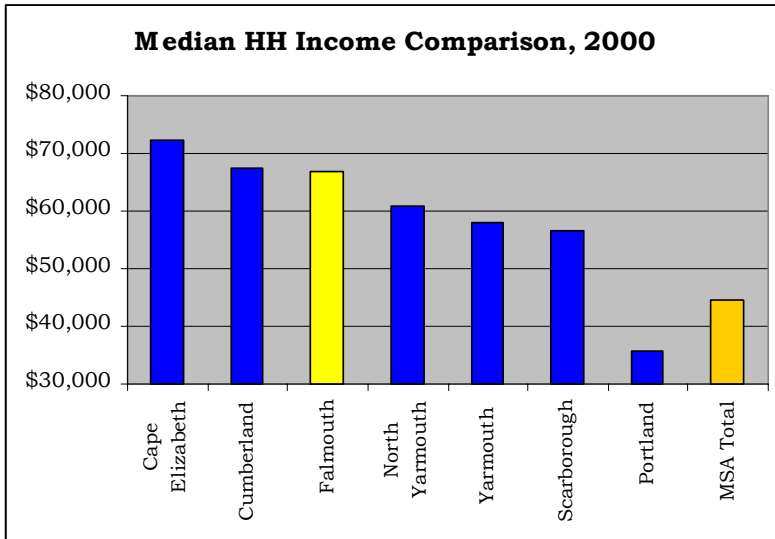
Source: Maine Department of Labor

Looking at individual communities within the region, the City of Portland posted strong job growth during the 1990s, building its employment base from 60,900 in 1990 to 70,000 in 2000—a growth rate of 15.6 percent. In surrounding suburban towns, job growth has been even stronger on a percentage basis, as Scarborough, Falmouth, and Yarmouth all experienced job growth rates of more than 25 percent. In Falmouth, the job base increased 41 percent, from 3,270 jobs in 1990 to more than 4,600 jobs in 2000.

Wage levels in the Portland area far exceed statewide averages, with the MSA’s 2000 average earnings per jobs level of \$31,764 exceeding the statewide average earnings level of \$27,656 by more than \$4,000 per job. Income levels in the Portland area are also well above state averages, as the average per capita income in the region of more than \$31,700 far outstrips the state’s \$25,400 average.

Within the region, six towns stand out as having particularly high income levels: Cape Elizabeth, Cumberland, Falmouth, North Yarmouth, Yarmouth, and Scarborough. These six towns all had median household incomes of greater than \$56,000 in 2000, compared with the regional median household income level of \$44,700. Looking at the concentration of very high income households, three towns stand out: Cape Elizabeth, Cumberland, and Falmouth. In each of these three towns, more than 30 percent of all households earn more than \$100,000 per year, compared with 12 percent of households in the region, and just 7 percent of households in the City of Portland.

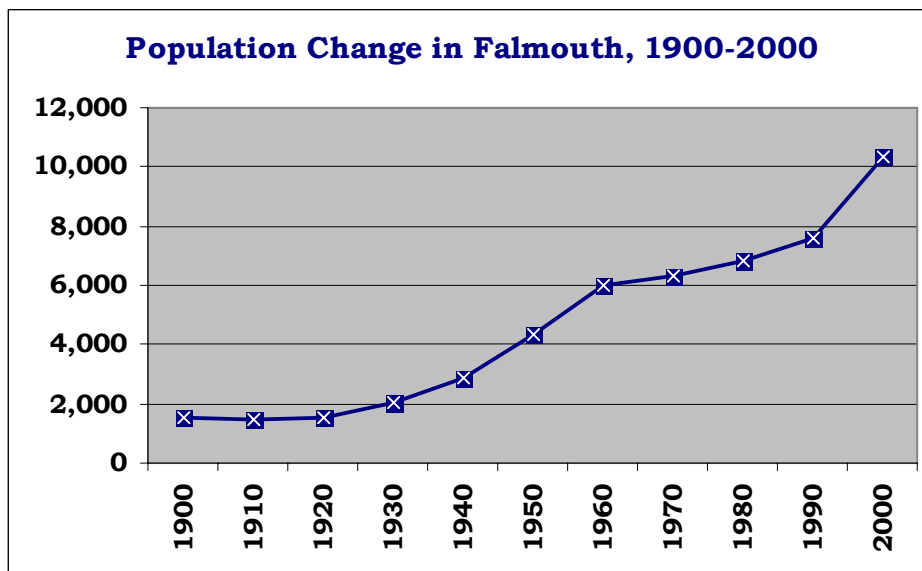




According to projections of future employment completed by the University of Southern Maine, Cumberland County is expected to add another 22,400 jobs between 2000 and 2015, which should continue to drive housing demand in the region.

Demographic Profile of Falmouth versus Cumberland County

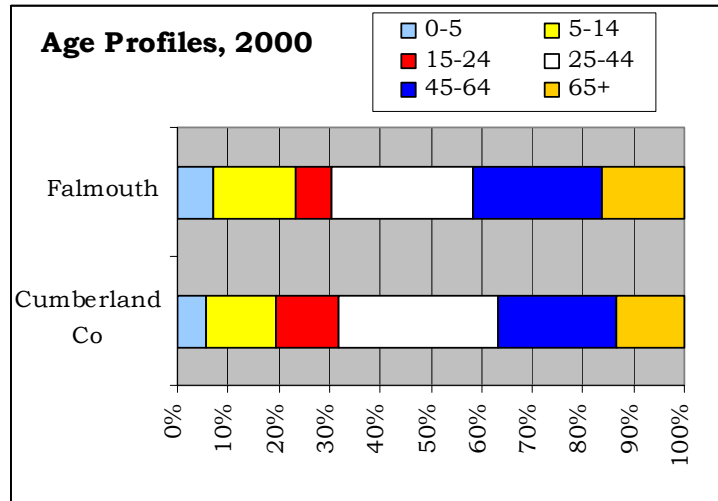
Falmouth's 2000 population was 10,310, up more than 35 percent from its 1990 level of 7,610. The net gain of people of 2,700 during the decade represents the Town's largest ten-year population increase in its history, and is greater than the entire amount of growth from 1950 to 1980; about 2,500 total people.



In many ways, the population of Falmouth is different from that of Cumberland County as a whole. The graphics and notes below illustrate these contrasts.

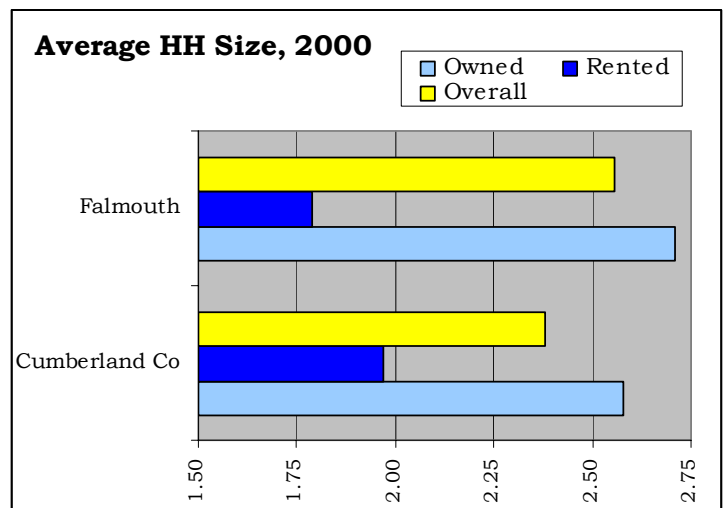
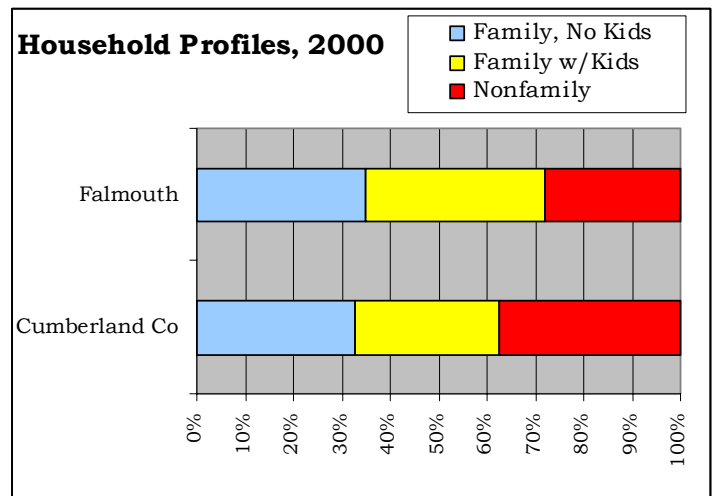
Age Profile

- Falmouth's median age is 40.7, which is more than three years greater than the county median of 37.6.
- Falmouth has a high concentration of people aged 45 and over, but a low concentration of young adults.



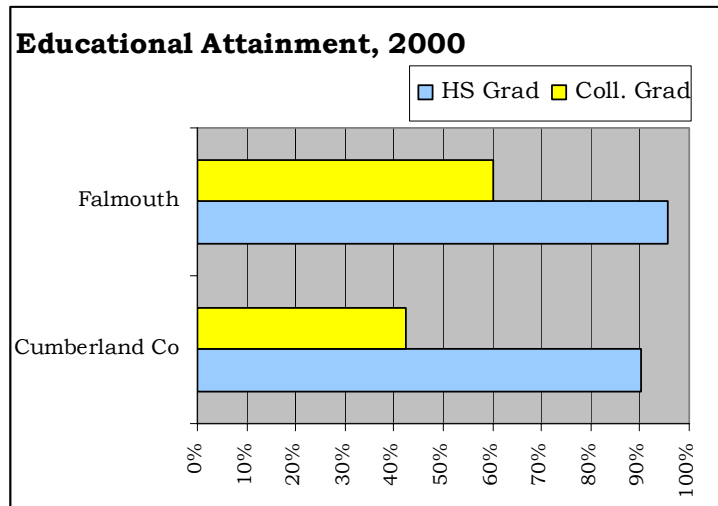
Household Profile

- Falmouth has high concentrations of family households and households with children.
- Nearly 40 percent of households in the county are nonfamily (i.e., persons living alone or roommates), but just 28 percent of Falmouth households are nonfamily.
- Falmouth's average household size is substantially larger than that of the county, as the average household in Falmouth has 2.56 persons, compared with 2.38 persons countywide.
- The average owner-occupied household in Falmouth is even larger, at 2.71 persons, compared to 2.58 persons for the county.
- On the other hand, renter-occupied households in Falmouth are smaller than the county average, at 1.79 persons, compared to 1.97 persons for the county as a whole.



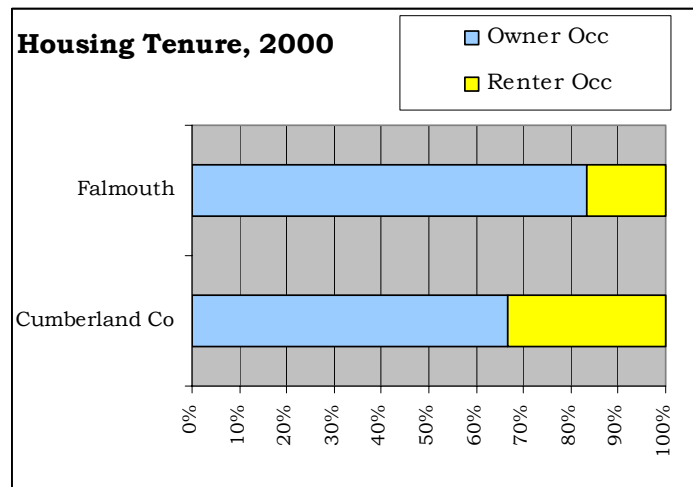
Educational Attainment

- Cumberland County has high educational attainment levels relative to the state, as over 40 percent of its adults have college degrees—the state average is under 25 percent.
- Falmouth’s population is extremely well educated, as 96 percent of adults are high school graduates and 60 percent are college graduates.



Housing Tenure

- Falmouth has a very high percentage of owner occupied units, as 83 percent of its units are occupied by their owners.
- Countywide, just 66 percent of all housing units are owner occupied.



Commuting Patterns

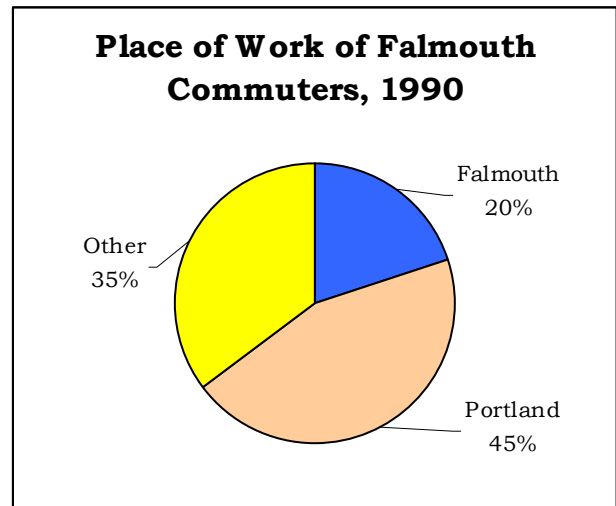
To understand housing demand in Falmouth, its dual role as both a bedroom suburb and a growing regional employment must be understood. This section deals with commuting patterns of both Falmouth residents and of persons employed in Falmouth.

From 1990 to 2000, the number of commuters living in Falmouth increased 29 percent. During the decade, residents’ commuting habits changed in the following ways:

- Travel times increased substantially for Falmouth commuters, from 17.2 minutes to 22.0 minutes, mirroring a regional trend.
- The share of Falmouth commuters traveling more than 30 minutes to work jumped from just 13.3 percent in 1990 to 23.6 percent in 2000.

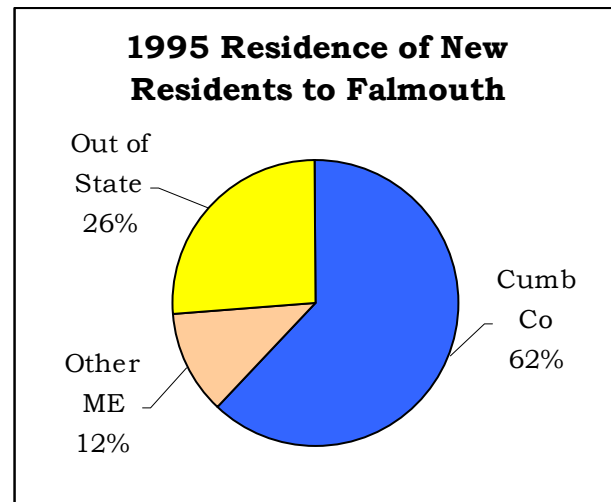
Place-to-place commuter data from the 2000 Census have not yet been released, so data from 1990 are used here instead.

- In 1990, 45 percent of the 3,650 residents of Falmouth residents who were employed worked in the City of Portland, and another 20 percent worked within the Town of Falmouth.
- There were 3,413 people employed in Falmouth in 1990, of which about 22 percent also lived in Falmouth. About 20 percent of persons employed in Falmouth in 1990 lived in Portland.



Mobility/movement patterns

More than half of Falmouth residents (56 percent) occupied the same house in 2000 as in 1995. Of the households that moved to a different house in Falmouth between 1995 and 2000, the majority (62 percent) moved from within Cumberland County, including Falmouth. A substantial share (about 25 percent) came to Falmouth from out of state, while the smallest share (12 percent) moved to Falmouth from other counties in Maine.



These figures support some of the observations made by realtors about the sources of housing demand in Falmouth. According to local realtors, Falmouth buyers generally fit one of three profiles:

- Former Maine residents who moved away and returned to Maine with substantial equity from higher-value housing markets
- Move-up market from within region
- Out-of-towners moving to area for quality of life/schools—many from New Jersey, New York, Boston, Atlanta, etc.

Realtors also report that prospective buyers who are unable to find homes or lots in Falmouth are either buying older houses in Portland or lots in rural areas in towns such as Cumberland that are somewhat more affordable.

HOUSING MARKET REVIEW

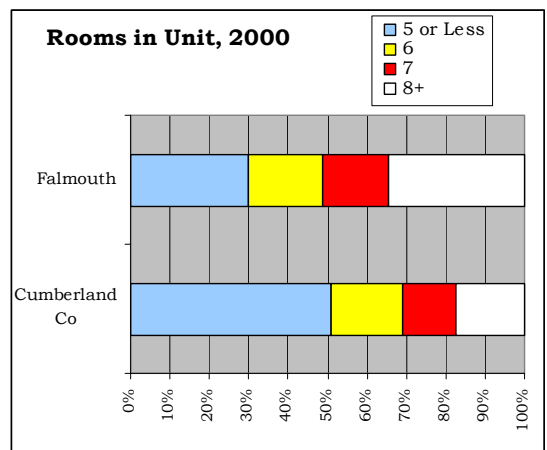
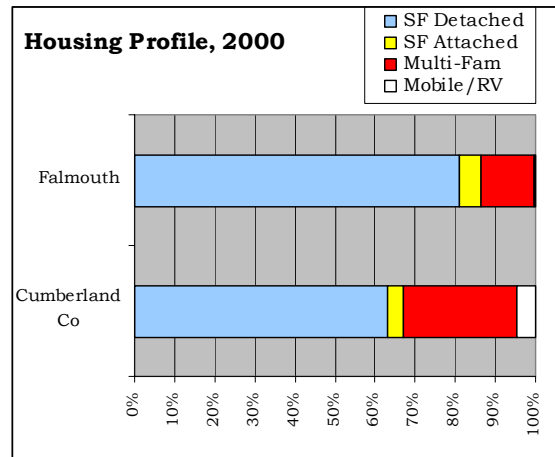
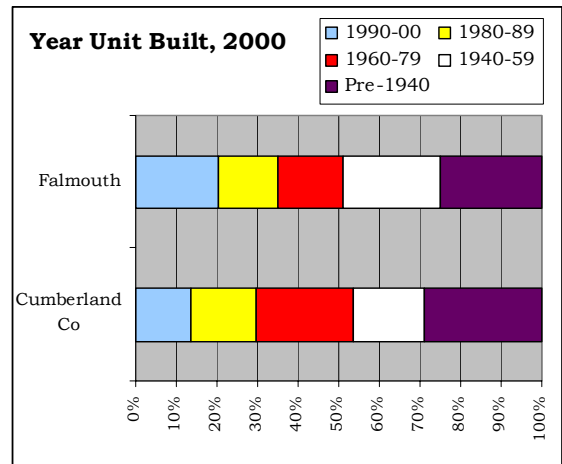
Condition of Housing Stock

Falmouth's housing stock has a high percentage of newer housing units. In fact, one in five housing units in Falmouth has been built since 1990, and more than 35 percent of its units have been built since 1980. About 25 percent of Falmouth's housing stock predates 1940, compared with 29 percent countywide and 31 percent statewide.

The overwhelming share of units (86 percent) in Falmouth are single-family units, and nearly all of these units are detached. Just 13 percent of Falmouth's units are multi-family units, and less than 0.5 percent of its units are mobile homes. Countywide, the single-family to multi-family ratio is much closer, as 67 percent of units are single-family, 28 percent are multi-family, and five percent are mobile homes.

The median size of housing units in Falmouth is 6.6 rooms, compared with 5.5 rooms for Cumberland County as a whole. The proportion of units with eight or more rooms in Falmouth is twice as high than the county as a whole, as 35 percent of Falmouth's units are that large, compared with just 17 percent of the county's units.

According to realtors and town staff, there are places in Falmouth with older houses needing redevelopment. In the eastern part of the town, there are some older subdivisions and multiplex developments with units requiring rehabilitation. However, the need for rehabilitation is not widespread.



Characteristics and Locations of Recent Construction

For several years in the late 1990s, about 100 new housing units were added in Falmouth each year. However, since 2000, the pace of new construction has slowed somewhat, and in both 2001 and 2002, only 50 to 60 housing permits were issued in each year. Realtors feel that the slowdown is due to a weakening in the primary market segment served by Falmouth, namely the \$300,000 to 500,000 price range.

Nearly all of the recent new construction in Falmouth has been of the single-family detached variety. According to the 2000 Census, there are 544 multi-family housing units in the town. Most of these units were built during the 1970s and early 1980s, when more than 400 multiplex units were built, in projects such as Colonial Village, Applegate, Foreside Common, Baysite, Fundy Village, and Blackstone, and Clearwater.

Looking at residential subdivisions that are still under active development, there are a number located in the corridor between Middle Road and Allen Avenue Extension, off of roads such as Pleasant Hill Road, Merrill Road, and Ledgewood Road. In the more rural areas of Falmouth, there are a few active subdivisions such as The Woodlands, Falmouth on the Green, and Cornerstone Estates. There have also been many units built frontage lots and in smaller subdivisions in the Town's rural areas, a trend that contributes to sprawl.

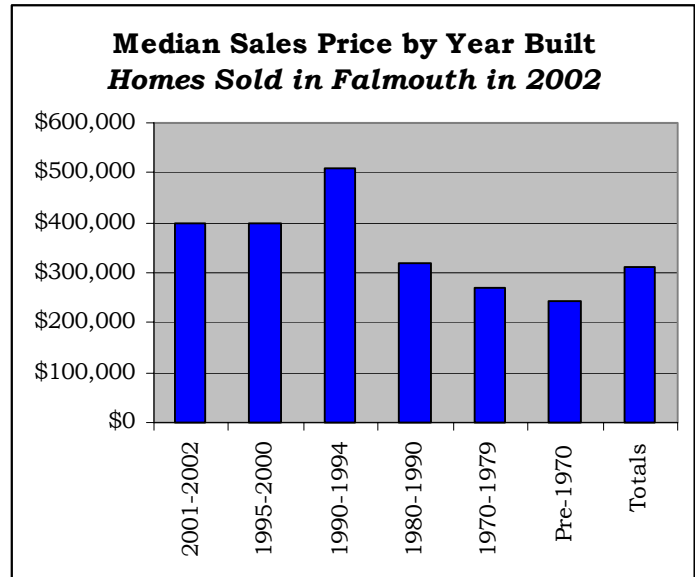
The table below lists sales data on a number of key subdivisions in Falmouth. Sales for each subdivision include both new units and existing units.

Sales in Selected Falmouth Subdivisions, 2000-2002 *Shows All Sales, Regardless of Age of Home Sold*

	2002		2001		2000		Total Sales
	Sales	Avg Price	Sales	Avg Price	Sales	Avg Price	
Woodlands	7	\$636,000	12	\$674,700	8	\$540,100	27
Falmouth on the Green	7	\$498,500	8	\$456,800	5	\$490,700	20
Presumpscot River Place	4	\$525,750	9	\$515,400	4	\$470,400	17
Rivers Edge	3	\$596,600	1	\$550,000	3	\$471,000	7
Cornerstone Estates	1	\$355,000	2	\$331,100	1	\$241,100	4
Highland Lake	7	\$181,250	2	\$142,750	3	\$240,500	12
Total	29	\$465,517	34	\$445,125	24	\$408,967	87

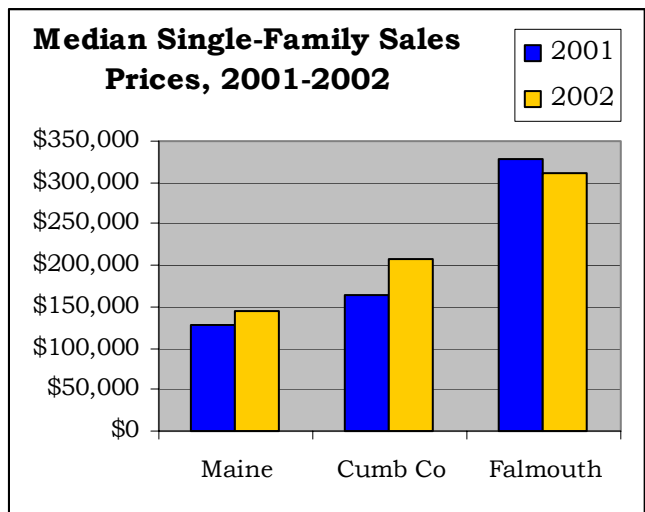
Source: Town of Falmouth Assessor; Community Current, Inc.

Recently-built units in Falmouth are typically expensive relative to the market. As the chart to the right shows, among homes sold in 2002 in Falmouth, the median sales price of those built in 2001 and 2002 was \$398,000, compared with the median price for all homes sold in 2002 of \$312,500. Homes built between 1990 and 2000 sold for even more, though, as the median price of homes built from 1995 to 2000 was \$400,000 and the median value of those built from 1990 to 1994 was \$510,000.



Single-Family Residential Market

The single-family residential market in Falmouth has consistently been priced above that of the Portland area as a whole. As the chart to the right shows, the median single-family sales price in Falmouth over the past two years has been considerably higher than county and state medians. In 2002, Falmouth's median home sales price was \$312,500, compared with the county median of \$207,250 and the state median of \$144,000. However, prices in Falmouth have come down somewhat, as the 2001 median was \$329,000.



Looking at assessments of residential property in Falmouth, in December 2002, the Town Assessor reported that the average single-family valuation in Falmouth was \$241,800. Land value accounted for \$88,300 of the average assessment (36.5 percent) and building value \$153,500 (63.5 percent). It is evident from these figures that land value comprises a high share of total residential property value in Falmouth.

Land cost has been identified by area realtors as a barrier to housing affordability in Falmouth. Realtors report that it is now rare to find a house lot for less than \$100,000 in the town, and water view lots in the Foreside routinely sell for \$250,000

to \$1 million. Realtors feel that land value, and not regulatory requirements, is the main obstacle to developing a good product at an affordable price in Falmouth.

From 2000 through 2002, the number of units sold in Falmouth increased from about 150 to more than 210, and the average price rose from \$288,300 to \$354,100, according to the Town Assessor. One sign of weakness in the market is the average days on the market of homes in Falmouth, which went up from 68 days in 2001 to 84 days in 2002.

Single-Family Market Statistics in Falmouth

	2000	2001	2002
Number of Sales	151	210	214
Average Days on Market	73	68	84
Average Price	\$288,300	\$337,200	\$354,100
Average Price/SF	\$119.20	\$138.66	\$150.99
Sale to List Ratio	97.6%	97.1%	95.3%

Source: Maine Real Estate Information System, Inc.;
Town of Falmouth Assessor

As of December 2002, the lowest priced single-family home on the market in Falmouth that was in move-in condition was a three-bedroom split level on Johnson Road with an asking price of \$178,000. According to realtors, it is rare to see a property for that little, as the middle of the resale market is around \$300,000, and new homes routinely sell for \$350,000 and up. Some examples of how the resale market has become less affordable include:

- Town Landing used to be all summer homes, but its stock is now completely occupied by year-round residents, and even small houses are selling for at least \$300,000.
- Homes in Mackworth Point only stay on the market for a few days. A 3BR ranch that sold for \$169,000 in early 1990s just resold for \$389,000, and the only update was the addition of an extra bedroom. A home on the water on McKinley Road just sold for \$500,000.

These examples point out an interesting problem for Falmouth. Most of Falmouth's older stock of housing is located in developments off of either U.S. Route 1 or Foreside Road. As a result, much of the older stock in the Town is located in close proximity to the shoreline, thus making it very valuable land, and making affordability difficult to achieve. The picture to the right illustrates just how close older homes at Town Landing are to the Casco Bay waterfront.



Fee-Simple Townhouse Market

The fee-simple townhouse market typically fills an important market niche between single-family housing and multiplex housing. It also fills an important gap between condominium ownership and fee-simple ownership. This ownership model is very

common in urban areas such as the City of Portland, as many rowhouses in older cities were built with party walls.

Although there are currently no fee-simple townhouses in Falmouth, the consultants feel that it is important to discuss the market for such units, particularly given the high value of land in Falmouth. Fee-simple townhouses can be built at relatively high densities, and usually owners only have to maintain small yards. Also important is that, in a fee-simple ownership model, homeowners do not need to pay association fees. The importance of this distinction is that many prospective condominium buyers are reluctant to sign up to pay association fees.

Rental and Condominium Market

According to realtors, apartments in Falmouth are virtually impossible to find, as there is no new product and vacancy rate of almost zero. Households that look to rent in Falmouth are usually new to the area and either do not have time or do not want to buy right away. Not many houses are on the rental market, and older homes rent for about \$1,200-1,800 per month.

One of the reasons that there has been little pressure for new multi-family development in Falmouth is that many people who may have rented in the past are now buying because interest rates are so low. Renting a three-bedroom unit can cost from \$1,000 to \$1,800, while buying a \$200,000 house won't cost more than \$1,500 per month at current interest rates.

There have been relatively few condominium sales in Falmouth over the past three years, an indication that few units come on the market. From 2000 to 2002, there were only 64 condo units sold, with no fewer than 18 and no more than 24 in any year. Due in part to limited supply, the average price of condo units went up each of the past three years, from \$185,900 in 2000 to \$230,100 in 2001 to \$286,000 in 2002. The average days on the market figure dropped from 69 in 2000 to 53 in 2002.

Condominium Market Statistics in Falmouth

	2000	2001	2002
Number of Sales	18	24	22
Average Days on Market	69	14	53
Average Price	\$185,900	\$230,100	\$286,000
Average Price/SF	\$135.83	\$159.90	\$164.31
Sale to List Ratio	97.5%	99.8%	98.2%

Source: Maine Real Estate Information System, Inc.
Town of Falmouth Assessor

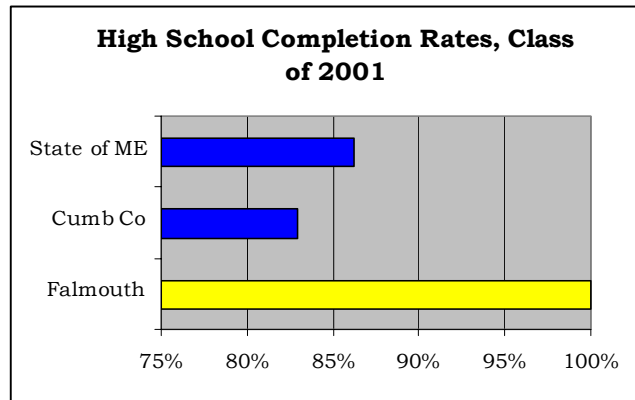
The following examples show how the condominium market in Falmouth has become increasingly expensive:

- Large units in the Woodlands sell for more than \$400,000, and there are also condominium fees.

- Older condominiums in developments like Colonial Village are more affordable, as they resell for around \$150,000-160,000, but very few units come on the market. While the sale prices in Colonial Village are affordable, tacking on the condominium association fees makes its units more difficult to afford for many buyers.
- Units in Applegate resell for about \$225,000 to 250,000. Many retirees have bought these units, and some of these buyers are part-year residents. Strong demand for such units has caused prices to rise to their present levels.

Public School Performance

Falmouth’s public school district is a powerful asset to its housing market, as it has one of the strongest public school systems in Maine. The school district’s position is indicated by its very high completion rate and Maine Educational Assessment Test scores.



The chart at the right shows that 100 percent of Falmouth High School’s class of 2001 graduated, compared with 83 percent of all high school students in Cumberland County and 86 percent of students statewide. Even other top schools in the area such as Cape Elizabeth, Yarmouth, and Greely did not achieve 100 percent completion rates.

The table below compares Falmouth’s Maine Educational Assessment Test performance with state averages. For all three age levels and all seven subjects, Falmouth exceeded state averages, typically by five to seven points. Clearly, Falmouth students do far better on the standardized tests than do other students around the state, thus making its school district an attractive one for parents.

Maine Educational Assessment Test Scores 2000-01 School Year

	Grade 4		Grade 8		Grade 11	
	Statewide	Falmouth	Statewide	Falmouth	Statewide	Falmouth
Reading	539	546	537	546	541	546
Writing	530	535	536	544	538	540
Health	539	543	538	544	538	539
Math	531	539	528	538	528	535
Science	527	531	529	535	527	529
Social Studies	534	541	532	542	530	534
Visual & Perf. Arts	532	541	532	544	527	531

Source: Maine Department of Education

As a result of population growth in Falmouth, student enrollment in its schools has been on the rise for the past several years. From 1996 through 2001, enrollment in the town's schools rose by 34 percent, with most of the growth occurring in Falmouth High School. However, the Town Manager has indicated that it appears that school enrollment is peaking and will begin to level off within the next couple of years. If enrollment does decline, Falmouth would receive less state school aid.

REVIEW OF ZONING AND LAND USE ORDINANCE

This review of the zoning and land use ordinance begins with a summary and then proceeds through the ordinance in numerical order with the consulting team's comments on the existing provisions of the ordinance and its proposed revisions to foster diversity in housing.

Summary and Background

In general, the Falmouth Ordinance emphasizes single-family residences over other types of housing, and encourages the protection of visual character and natural resources. The current regulations do not foster housing diversity.

Affordability is addressed twice in the current ordinance, once in Section 2 - Definitions and again in Section 3.11.4.2.a – Open Space Residential District (OSRD). The OSRD section does not address affordability as a requirement, but as a penalty, as it reduces allowable densities unless 20 percent of units in an OSRD are made affordable. Affordability is not a required criterion anywhere in the present ordinance.

There have been a number of steps taken by the Town to begin to address this issue, including:

- In 1992, the Town's Affordable Housing Alliance advised the Town Council that, *"...diversity is rapidly disappearing in Falmouth as fewer and fewer people can afford homes here."*
- The Town of Falmouth's 2000 Comprehensive Plan Update identified the lack of diversity and affordability in the town's housing stock as a major priority for the future. In the Implementation Strategy section of the plan, the first recommendation reads, *"Adopt flexible residential design guidelines...under various master plans in different residential districts."* Further recommendations in this strategy address promoting new construction by non-profit affordable housing developers and exempting affordable units from impact fees.
- Following on the Comprehensive Plan, a new Diversity in Housing Committee was created by the Town Council in 2001 with the following mandate: *"...to endeavor to create at least 10 percent of the new housing in Falmouth which is more affordable, small units and mixed housing...and with consideration of means to minimize any fiscal impact on the community..."*

The Diversity in Housing Committee thereupon developed a proposal for a consulting firm to prepare “a housing assessment inventory and analysis”, and “an action plan for the Town to work in public/private partnerships to create more affordable housing at the edge of or within the Town’s commercial areas to further the goal of mixing land uses into a village setting,” in accordance with the Committee’s following “Guiding Principles and Goals”:

1. “Preference to have any newly created moderate income housing lots/units dispersed geographically throughout a single-family residential subdivision or throughout a mixed development;
2. Preference to allow for or promote multiplex and rowhouse housing at the end of or within Town’s commercial areas, to further the goals of mixing land uses into a “village” setting;
3. Preference to locate multiplex, rowhouse, or dense housing where there is already public sewer and water;
4. Goal to preserve into the future the affordability of newly created moderate-income housing;
5. Goal for the Zoning Ordinance to be amended to allow more readily the creation of in-law or accessory apartments in current dwellings and their accessory structures, throughout all residential zones;
6. Goal for a zoning/institutional construct to be created by which the Town can collaborate with landowners and developers, though “contract zoning”, to create mixed developments, and to obtain State affordable housing funds (from the \$10 million bond passed by the State voters in November 2001 for affordable housing);
7. Goal to ensure that any contract zoning mixed housing development is small in scale and number, to be mindful of any fiscal impact on the Town and its taxpayers; the goal is to “pace” mixed housing initiatives to avoid any growth surge.”

The consulting team agrees with the overall approach to promoting housing diversity spelled out in these seven guidelines. The consultants do have a few comments regarding these goals and preferences. *These comments represent the professional opinions of Community Current and MRLD, and do not reflect the opinions of the Diversity in Housing Committee.*

- The comment in Goal 1 to disperse affordable housing throughout subdivisions may not be feasible, given recent market experience. The Cross Hill subdivision in Cape Elizabeth (see Appendix C) offers such a model, and it has yet to sell a single affordable lot after nearly five years of marketing. However, having affordable units as part of a mixed-use development is a very viable strategy.
- Goal 4, which states that preserving affordability is a goal, can be tricky to achieve. The only effective way of doing this is to limit the appreciation of property values, thus hampering the ability of individual property owners to realize long-term financial gains from homeownership. This is not to say that maintaining affordability is not desirable, it is only meant as a statement of caution.
- Goal 5 states that accessory units should be allowed in *current* dwellings and accessory structures, but does not address building new structures for accessory units. This raises the question of whether or not an accessory unit in

a newly-built structure would be counted under the town's growth cap whereas an accessory unit in an existing structure would not. This issue needs to be clarified.

- The use of contract zoning, which is discussed in Goals 6 and 7, has been held legal in Maine, but must be conducted in a very careful manner so as to avoid legal challenges. A primer in contract zoning, with clearly stated factual information regarding this topic, is attached to this report as Appendix D
- In the consultant's opinion, the use of floating zones may be better for the Town than the use of contract zoning. Floating zones allow for consistency throughout the Town whereas contract zones offer a different set of rules and restrictions for each individual site.
- The statement in Goal 7 regarding the mitigation of fiscal impacts is very important, and the consultants endorse this approach.

Many of these goals and preferences would require changes to the Town's land use ordinance. Therefore, the Diversity in Housing Committee has asked the consulting team to examine the ordinance very carefully to determine ways in which it does and does not meet the goals of the committee. The evaluation of the ordinance that follows is intended to summarize the consulting team's interpretation of the ordinance through the lens of the Diversity in Housing Committee's guidelines, *irrespective of the consultants' aforementioned views on these guidelines.*

In accordance with steps taken and goals articulated by the Town of Falmouth the consulting team has compiled comments on the Town's ordinances and recommendations to foster diversity in housing. Throughout the remainder of this section, all factual statements from the ordinance are shown in regular type, *and all editorial comments made by the consultants are show in italic type.*

Analysis of Use Definitions

Section 2.2 Accessory Apartment:

- Section 5.22 states that accessory apartments are allowed in all zones except SB1, MUC, BP, OSRD and Exit 10 District.
- *Accessory apartments are a key element in the affordability equation for all types of potential residents: young renters, young homebuyers offsetting the cost of a mortgage and retired parents.*
- **Potential response:** *The definition of accessory apartments should be broadened.*

Section 2.34 Cluster Development:

- This is a type of single-family development for which dimensional standards are reduced below minimum requirements if the gained land is set aside as open space. This development model offers a way to balance resource preservation and development profits.
- This provision does not allow for affordable housing development.

- **Potential response:** *The definition of cluster development can be broadened to include more than just single-family housing (i.e., combination of townhouses, multiplexes, single-family).*

Section 2.46 Dwelling Multiplex

- A dwelling multiplex allows three, but not more than six, attached dwelling units. See also Section 5.9.
- Sites with more than one multiplex shall average four or fewer dwelling units in each dwelling.
- Multiplexes are a conditional use in the RA, RB, SB1 Zones and a permitted use in the MUC as part of a mixed use development, and are only an explicitly permitted use in the VMU District.
- Multiplex units must be separated by 200' per Section 5.9b, "in order to integrate open space." By comparison, the mandated separation of single-family units in the RA district is 40'. Side setbacks for multiplexes are more than double the side setbacks for a single-family home. *These provisions result in having to spread out multiplexes within sites, thus adding to infrastructure costs and restricting the possibility of adding affordable units.*
- Multiplexes require 2.5 parking spaces per dwelling unit where as a single family home requires 2.0 parking spaces according to Section 5.5 Off-Street Parking. *This provision, as with the setback regulations, takes up more land and adds more cost to multiplex projects.*
- Multiplexes are a key component for housing affordability, but are only explicitly permitted in one zone in the Town. *Multiplex units serve the spectrum of the housing market by addressing renters, young, single, and couple buyers, empty nesters, retirees and non nuclear family situations.*
- **Potential Responses:**
 - *Multiplexes could be allowed by contract zoning in specific locations within residential zones as long as they meet particular design and development standards.*
 - *Reduce 200' separation between multiplex buildings, as this provision makes many lots unsuitable for multiplexes.*
 - *Relax parking requirements for multiplexes.*

Section 2.50 Elderly Boarding Home:

- This definition allows an owner of a single family home to board up to four individuals over the age of 60. *This use allows for reasonably affordable care for people over age 60 who do not require the level of care in a nursing home or hospital, and produces no impact on schools.*
- Converting a property to an Elderly Boarding Home does not create a non-conforming use unless there is enlargement to the structure, per Section 5.35. However, according to Section 5.5 Off-Street Parking, a single-family home with four elderly boarders would require six parking spaces, which might be difficult to achieve on many lots.

- **Potential response:** *The one parking space per boarder regulation could be reduced, as many senior citizens do not own vehicles.*

Section 2.68: Habitable Attic:

- This provision allows for accessory apartments or elderly boarding rooms in attics if certain criteria are met.

Section 2.69 Half-Story:

- This provision allows certain attic spaces and basements to be accessory apartments or elderly boarding rooms.

Section 2.90 Manufactured Housing Subdistrict:

- “Modular” and “manufactured” are two different terms according to State and Federal Law. Manufactured homes, traditionally called mobile homes, are built to HUD standards. Modular homes are built to BOCA standards. Once a modular home is placed on a foundation it has the same legal status as a stick built home. Any district allowing single-family homes must allow modular homes. See Maine Statute 4358.2.E.
- *Modular homes are increasingly the choice for homebuyers because of their superior/consistent construction standards, energy efficiency, value and affordability. They are also consistent with the Diversity in Housing Committee’s goal to maintain affordability into the future, as modular units are less expensive to maintain than are stick-built units.*

Section 2.91 Manufactured Housing Unit:

See Above.

Section 2.95 Mixed Use Development:

- It is not clear from the Ordinance if this first floor commercial/second floor apartment concept is technically permitted in the RA Zone. The only district that explicitly allows this arrangement is the MUC District by Exit 10.
- *Pursuant to this provision, an apartment could be located above a business. This urban mix is appealing to segments of the market that would help mitigate the impact on schools, such as young professionals and empty-nesters.*
- **Potential response:** *Allow mixed residential and commercial uses in higher density residential areas as long as they meet certain development standards.*

Section 2.123 Residential Planned Development:

- Residential planned development allows market rate single-family homes, duplexes, and multiplexes to be mixed on one site. As stated above, multiplexes have to be separated by 200’.
- **Issue to explore:** *Can single-family or two-unit structures be built in the 200’ separation between multiplex buildings, or must it be open space? If other housing types are permitted in between, a mixed-density project may be easier to pursue.*

Contract Zoning

At this time, contract zoning is not explicitly defined in Falmouth’s Land Use Ordinance. It is suggested that a provision be added to the Ordinance permitting contract zoning.

The use of contract zoning, which is discussed in Goals 6 and 7 of the Diversity in Housing Committee, is expressly authorized by Maine statute. Under the terms of this statute, any contract zone enacted by the Town Council must be consistent with the Town's comprehensive plan. In contract zoning a municipality and a landowner come to an agreement allowing the landowner to use his/her land in a nonconforming manner. The landowner is restricted to using the land in only the manner sought and the municipality is able to apply restrictive conditions on the land.

Analysis of Zoning Districts

Section 3.2 Farm and Forest District - F

- This district essentially allows standard subdivisions with 80,000 SF lots. Clustering is conditional and Open Space Residential District is allowed if sewer is available.
- *Some potential for affordable housing exists as this district's properties typically have lower values per acre than do more densely built areas.*

Section 3.3 Residential A District - RA

- Under the terms of this provision, as long as a property is on a sewer line, 20,000 SF lots can be reduced to 10,000 SF lots with clustering. Multiplexes are conditional.
- **Issues to explore:**
 - *The minimum lot size in this district could potentially be reduced below 10,000 SF in particular priority locations.*
 - *Query: how many existing non-conforming lots would open up for development if the standards were more flexible?*

Section 3.4 Residential B District - RB

- This district only allows lots of 40,000 SF or more.
- *In this district, sewered areas could be "upzoned" to RA or made more desirable for development through contract zoning.*
- *There appear to be spot zones outside of the large area east of the Yarmouth spur.*

Section 3.5 Residential C District - RC

- In this district, the minimum lot size in the RC district for single-family homes is 60,000 SF, and can be reduced to 30,000 SF with clustering. No multiplexes are allowed.
- Affordable housing development is difficult in this district without having specific set-aside lots priced below market value by contract.

Section 3.6 Route One Business District - SB-1

- Multiplexes are conditional uses in this district, with a minimum net residential lot size is 15,000 SF per unit. *In order to achieve mixed-use densities, this limit would need to be dropped substantially.*
- *There are a number of sites that would be appropriate for mixed-use development.*

- **Issues to explore:** *Is it appropriate to allow explicitly multiplex/townhouse development in this zone? Should such changes be done zone-wide or as site-by-site contract zones?*

Section 3.7 Business and Professional District - BP and the Village Center Overlay - VCO

- No housing is currently allowed in this zone.
- *To achieve the vision for Route 1 as a village center, more residential density is needed in this zone. A development such as the Shops at Falmouth has the feel of a village center, but lacks housing in proximity.*
- *Although the landscaping and pedestrian improvements in this area have definitely improved the visual environment, the village center's appeal could improve with more pedestrian traffic. People who live in the immediate vicinity could walk to the stores and services in the area, such as: Shaw's, Wal-Mart, Casco Bay Books, Coffee by Design, Subway, the skating rink, et cetera.*

Section 3.8 Mixed Use Cluster District - MUC

- The minimum net residential area per dwelling unit on sewer is 10,000 SF. *This could be substantially reduced to allow for the creation of a true mixed-use environment.*
- *This district is limited in size and scope. Parts of the RA district near Route 1, as well as SB-1 and the BP districts, could be made into Mixed Use overlay districts to open up more locations for residential development.*
- *The scope of allowable housing should be more clearly defined. For example, it is not clear whether or not two uses can occupy one building.*

Section 3.9 Village Mixed Use District - VMU

- The minimum net residential area per dwelling unit on sewer is 10,000 SF. *This could be substantially reduced to allow for the creation of a true village scale.*
- *Multiplexes are a permitted use here—development should be pursued.*
- *The linear corridor in this district has promise, but could be better integrated with the Exit 10 area.*
- *Despite the landscaping, streetscaping, and façade requirements near Exit 10, the scale of the area is automobile-oriented. In order to reinforce it as a village, more and higher-density housing is needed in the surroundings.*

Section 3.10 Route 100 Corridor Overlay District - CO

- This overlay district gives the underlying districts more flexibility in terms of density and dimensional standards:
 - 10% density bonus for 100' of buffer along Route 100 for single-family cluster developments.
 - 5% additional density bonus for every additional 50' of buffering for single-family cluster developments.
 - Frontage must be on new side streets to reduce curb cuts and visual impact.
 - Master Plans required for any lots over ten acres or having 500' of frontage on Route 1.

- The minimum separation between multiplexes is not 200' in this district, but the height equivalent of the taller building.

Section 3.11 Open Space Residential District – OSRD

- OSRDs are allowed in F and RA zones on lots of 25 acres or more with sewer and water.
- This district requires 70% open space, but only 10,000 NRA is required in F district and 8,000 NRA in RA district.
- This is the only zoning district that includes an incentive for affordable housing, although affordable housing is not required. If 20% of the units are not affordable the developer loses 25% of the reduced NRA requirements.
- *Despite advantages of this zone, it lengthens the development approval process.*

Specific Requirements in Ordinance

Section 5.5 Off-Street Parking

- As noted above, multiplexes require 2.5 parking spaces per dwelling unit, whereas single-family detached homes only require two spaces.

Section 5.9 Multiplex

- As noted above, multiplexes require 200' of separation. *This requirement adds to the cost of multiplex development and thus mitigates against the affordability of the housing.*

Section 5.22 Accessory Apartments

- *Accessory apartments should be allowed in every zone in which housing is permitted, and definitions should be broadened (see Section 2.2). This is a simple way to help renters and owners alike.*

Section 5.31 Net Residential Area

- Affordability is not taken into account in these calculations. *It is not necessarily recommended to do this, as doing so may not meet the Diversity in Housing Committee's goal of controlling growth and mitigating fiscal impacts.*

Section 5.32 Minimum Suitable Building Area per Lot

- *As more land is taken out of circulation through setbacks, percentages and open space designation, pressure mounts on available lands. Protecting the environment is potentially impacting affordability town wide.*

Section 5.35 Elderly Boarding Care

- *As previously mentioned, this provision helps the owner and the boarder. Parking standards could be reduced to minimize impact on neighborhoods, reduce paved areas and allow lots with minimal space to join the program.*

Section 5.36 Residential Growth Permit

- There is currently in place a growth cap of 100 single-family detached building permits per year. However, the number of such building permits issued in each of the past two years has been less than 60.

- The Town Council is considering lowering the annual growth cap to 65 units. The Diversity in Housing Committee has advised the consultants that it endorses reserving at least 10 percent of such permits issued for affordable housing units.
- Multiplexes, elderly boarding homes, housing units part of a retirement community, elderly boarding care facilities and accessory apartments in an existing single-family home are exempt from the growth cap.

SUMMARY OF FINDINGS FROM HOUSING ASSESSMENT

Based on the above review of economic and demographic trends, housing market data, and town ordinances, the consultants have arrived at some basic conclusions regarding Falmouth's housing situation. The consultants have also identified areas requiring further study. These findings follow.

Economic and Demographic Trends

- Portland's regional economy is still growing, albeit at a slower rate, and job growth is occurring in city and suburbs.
- Short-term job growth will be slow in the Portland area, but long-term growth should be stronger.
- Falmouth has an affluent, older, and well educated population in comparison to region, and this population is growing rapidly.

Housing Market Data

- The housing market in Falmouth is a move-up market for those already in Maine, and is very attractive to out-of-state buyers.
- Falmouth's housing stock has grown considerably since 1990, and thus contains many new units, but there are some areas with older housing units needing rehabilitation.
- Falmouth has experienced strong single-family construction, but, in recent years, there has been very little multi-family construction.
- Housing prices in Falmouth have leveled off somewhat, but are still well above prices of five years ago.
- The inventory of units for sale has increased in the past year, as has the average number of days that homes for sale have been on the market.
- There are very few affordable single-family units on the market in Falmouth, and the stock of affordable multi-family units is limited, as there has been little new construction.

Town Ordinances

- Over the past 10 years, Falmouth’s Town Council and Comprehensive Plan Advisory Committee (CPAC) have both considered the need for more diversified housing in the Town, and diversity in housing is a goal specified in Falmouth’s Comprehensive Plan. However, Falmouth’s zoning and land use ordinances have not yet been revised to foster the achievement of such a goal. The Falmouth Town Council may want to consider the following revisions to the current ordinances:
 - Broadening definitions of accessory units, clustering, and residential planned development;
 - Mandating that a percentage of new and renovated housing units is affordable, and tying this mandate to the Town’s growth cap;
 - Clearly defining the terms “developer,” “affordable housing,” and “workforce housing,” and ensuring that all developers adhere to workforce housing requirements;
 - Allowing multiplex and/or townhouse units in more locations through contract zoning or floating zones;
 - Relaxing setback, spacing, and parking requirements of multiplex units; and
 - Explicitly allowing housing by right in certain zones, and not just as a conditional or accessory use.
- The Diversity in Housing Committee has endorsed an overall approach to the housing action plan that combines incentives and regulations. Elements that will be part of the action plan include:
 - A mandate that a certain percentage and/or number of units allowed under the residential growth cap is affordable;
 - A mandate that a certain percentage of units built by a particular developer be affordable;
 - Only making zone-wide changes regarding housing regulations in certain commercial zoning districts; and
 - Utilizing contract zoning to improve flexibility for affordable housing development.

Issues for Further Review

A number of issues must still be resolved as the Town prepares to enact an action plan for diversified housing:

- The definitions of affordability for both owners and renters;
- Amendments and additions to the definitions section of the land use ordinance;
- Specific changes to be made for zoning districts;
- Specific locations that are most appropriate for diversified housing development; and
- The level and type of involvement of the Town of Falmouth in promoting particular diversified housing projects.

APPENDICES

Appendix A: Economic and Demographic Tables

Appendix B: Real Estate Market Tables

Appendix C: Affordable Housing Precedents for Falmouth

Appendix A

ECONOMIC AND DEMOGRAPHIC TABLES

Table A-1

State of Maine Economic Profile

Item	1980	1990	1995	2000	Annual % Change 1980-2000
Place of Residence Profile					
Personal income (thousands of dollars)	\$9,474,090	\$21,521,461	\$25,045,934	\$32,409,138	6.3%
Nonfarm personal income	9,428,137	21,365,115	24,932,045	32,263,963	6.3%
Farm income	45,953	156,346	113,889	145,175	5.9%
Derivation of personal income					
Net earnings ^{1/}	\$6,512,362	\$14,336,521	\$15,953,525	\$20,988,475	6.0%
Transfer payments	1,468,937	2,980,514	4,401,628	5,402,343	6.7%
Income maintenance ^{2/}	190,898	301,439	434,374	522,904	5.2%
Unemp. insurance benefit payments	76,272	123,236	120,986	86,024	0.6%
Retirement and other	1,201,767	2,555,839	3,846,268	4,793,415	7.2%
Dividends, interest, and rent	1,492,791	4,204,426	4,690,781	6,018,320	7.2%
Population (number of persons) ^{3/}	1,126,860	1,231,719	1,243,480	1,276,961	0.6%
Per capita incomes (dollars) ^{4/}					
Per capita personal income	\$8,408	\$17,473	\$20,142	\$25,380	5.7%
Per capita net earnings	5,779	11,639	12,830	16,436	5.4%
Per capita transfer payments	1,304	2,420	3,540	4,231	6.1%
Per capita income maintenance	169	245	349	409	4.5%
Per capita unemp. insurance benefits	68	100	97	67	-0.1%
Per capita retirement and other	1,066	2,075	3,093	3,754	6.5%
Per capita dividends, interest, and rent	1,325	3,413	3,772	4,713	6.6%
Place of work profile					
Earnings by place of work (\$000)	\$6,815,324	\$15,100,735	\$16,821,410	\$21,999,801	6.0%
Wage and salary disbursements	5,270,444	11,395,922	12,923,435	17,224,303	6.1%
Other labor income	761,018	1,881,136	2,064,805	2,217,458	5.5%
Proprietors' income	783,862	1,823,677	1,833,170	2,558,040	6.1%
Total full-time and part-time employment					
Wage and salary jobs	462,835	576,423	567,955	631,783	1.6%
Number of proprietors	91,985	130,509	143,364	163,702	2.9%
Number of nonfarm proprietors ^{5/}	84,024	123,449	136,284	157,190	3.2%
Number of farm proprietors	7,961	7,060	7,080	6,512	-1.0%
Average earnings per job (dollars)					
Average wage and salary disbursements	11,387	19,770	22,754	27,263	4.5%
Average nonfarm proprietors' income	9,330	14,028	13,148	15,876	2.7%

Source: U.S. Bureau of Economic Analysis

Table A-2

Portland MSA Economic Profile

Item	1980	1990	1995	2000	Annual % Change 1980-2000
Place of Residence Profile					
Personal income (thousands of dollars)	\$2,081,250	\$5,271,391	\$6,284,483	\$8,447,395	7.3%
Nonfarm personal income	2,080,760	5,265,907	6,279,716	8,440,665	7.3%
Farm income	490	5,484	4,767	6,730	14.0%
Derivation of personal income					
Net earnings ^{1/}	\$1,431,015	\$3,546,738	\$4,125,063	\$5,685,204	7.1%
Transfer payments	288,345	576,802	836,623	1,022,045	6.5%
Income maintenance ^{2/}	32,998	54,122	75,268	93,311	5.3%
Unemp. insurance benefit payments	11,109	15,924	13,177	8,603	-1.3%
Retirement and other	244,238	506,756	748,178	920,131	6.9%
Dividends, interest, and rent	361,890	1,147,851	1,322,797	1,740,146	8.2%
Population (number of persons) ^{3/}	216,396	243,865	252,078	265,871	1.0%
Per capita incomes (dollars) ^{4/}					
Per capita personal income	\$9,618	\$21,616	\$24,931	\$31,773	6.2%
Per capita net earnings	6,613	14,544	16,364	21,383	6.0%
Per capita transfer payments	1,332	2,365	3,319	3,844	5.4%
Per capita income maintenance	152	222	299	351	4.3%
Per capita unemp. insurance benefits	51	65	52	32	-2.3%
Per capita retirement and other	1,129	2,078	2,968	3,461	5.8%
Per capita dividends, interest, and rent	1,672	4,707	5,248	6,545	7.1%
Place of work profile					
Earnings by place of work (\$000)	\$1,673,382	\$4,312,254	\$5,039,385	\$6,868,508	7.3%
Wage and salary disbursements	1,328,171	3,422,186	4,037,525	5,626,474	7.5%
Other labor income	182,883	512,326	599,622	665,714	6.7%
Proprietors' income	162,328	377,742	402,238	576,320	6.5%
Total full-time and part-time employment					
Wage and salary jobs	111,578	156,572	159,757	182,673	2.5%
Number of proprietors	17,124	26,424	29,088	33,565	3.4%
Number of nonfarm proprietors ^{5/}	16,553	25,915	28,559	33,072	3.5%
Number of farm proprietors	571	509	529	493	-0.7%
Average earnings per job (dollars)					
Average wage and salary disbursements	11,904	21,857	25,273	30,801	4.9%
Average nonfarm proprietors' income	9,905	14,480	14,085	17,410	2.9%

Source: U.S. Bureau of Economic Analysis

Table A-3

Job Change by Town in Portland MSA, 1990-2000
Ranked by Percent Change

	1990	1997	2000	% Change 1990-2000
Long Island	0	22	30	na
Scarborough	6,307	9,742	10,656	69.0%
Cumberland	752	1,145	1,245	65.6%
North Yarmouth	218	385	359	64.4%
Buxton	646	804	998	54.5%
Raymond	731	986	1,094	49.7%
Hollis	325	319	474	45.8%
Falmouth	3,270	3,685	4,618	41.2%
Standish	1,403	1,872	1,955	39.3%
Gray	1,529	2,403	2,032	32.9%
Yarmouth	2,844	3,166	3,631	27.7%
Casco	575	635	727	26.5%
Westbrook	8,717	10,109	10,541	20.9%
Limington	155	128	181	16.8%
South Portland	20,121	22,384	23,315	15.9%
Portland	60,883	64,048	70,382	15.6%
Cape Elizabeth	1,361	1,210	1,395	2.5%
Windham	5,228	4,224	5,033	-3.7%
Old Orchard Beach	1,402	1,767	1,132	-19.3%
Gorham	4,602	4,863	3,695	-19.7%
Freeport	8,222	7,024	6,189	-24.7%
MSA Total	129,290	140,922	149,682	15.8%

Source: Maine Department of Labor; Community Current, Inc.

Table A-4

Per Capita Personal Income Change, 1980-2000

Area name	1980	1990	1995	2000	Annl % Chg 1980-2000	% of U.S. Total, 2000
U.S. Total	\$10,183	\$19,572	\$23,255	\$29,469	5.5%	100%
Maine Total	\$8,408	\$17,473	\$20,142	\$25,380	5.7%	86%
Androscoggin	8,456	16,614	19,451	24,045	5.4%	82%
Aroostook	7,210	14,368	16,307	20,837	5.4%	71%
Cumberland	9,618	21,616	24,931	31,773	6.2%	108%
Franklin	7,673	14,835	17,012	21,338	5.2%	72%
Hancock	8,338	18,337	20,636	26,174	5.9%	89%
Kennebec	8,652	18,032	20,536	25,309	5.5%	86%
Knox	8,266	17,616	21,124	26,511	6.0%	90%
Lincoln	9,018	19,279	21,816	26,116	5.5%	89%
Oxford	8,176	14,451	16,655	20,388	4.7%	69%
Penobscot	8,141	15,824	18,624	23,653	5.5%	80%
Piscataquis	7,926	13,428	15,874	19,877	4.7%	67%
Sagadahoc	8,547	18,702	21,253	25,816	5.7%	88%
Somerset	6,859	13,929	15,766	19,561	5.4%	66%
Waldo	6,671	13,952	16,378	21,822	6.1%	74%
Washington	7,105	13,514	16,188	20,541	5.5%	70%
York	8,725	18,264	20,318	25,299	5.5%	86%
Maine Metro Portion	8,915	18,838	21,965	27,927	5.9%	95%
Maine Nonmetro Portion	8,066	16,551	18,910	23,661	5.5%	80%

Source: U.S. Bureau of Economic Analysis

Table A-5

Cumberland County Employment Projections, 2000-2015

	2000	2005	2010	2015	Change	% Change
Manufacturing	16,912	14,302	13,455	12,895	-4,017	-23.8%
Durables	8,419	6,702	6,231	6,205	-2,214	-26.3%
Non-Durables	8,493	7,600	7,224	6,690	-1,803	-21.2%
Construction & Mining	13,033	12,936	12,550	12,184	-849	-6.5%
Trans. & Public Util.	8,788	8,936	9,178	9,310	522	5.9%
FIRE	20,934	23,266	24,558	25,238	4,304	20.6%
Retail Trade	41,842	41,609	41,869	41,798	-44	-0.1%
Wholesale Trade	11,812	10,833	10,497	10,364	-1,448	-12.3%
Services	77,248	82,047	90,747	96,527	19,279	25.0%
Government	24,838	27,418	28,734	29,489	4,651	18.7%
Subtotal	215,407	221,347	231,588	237,805	22,398	10.4%

Source: University of Southern Maine Center for Business and Economic Research

Table A-6
**September Employment
 Portland MSA**

Year	Employment	Number Change	Annual % Change
1999	148,600		
2000	154,400	5,800	3.8%
2001	156,900	2,500	1.6%
2002	158,000	1,100	0.7%

Source: Maine Department of Labor

Table A-7
Income Data by County, 2000 Census

Maine Counties	Households by Income				Median Household Income	Per Capita Income
	Under \$25K	\$25-50K	\$50-75K	\$75K+		
Androscoggin County	34.5%	32.6%	19.8%	13.1%	\$35,793	\$18,734
Aroostook County	43.6%	33.2%	15.3%	7.8%	\$28,837	\$15,033
Cumberland County	25.6%	30.6%	21.2%	22.6%	\$44,048	\$23,949
Franklin County	39.5%	34.8%	15.7%	10.0%	\$31,459	\$15,796
Hancock County	33.5%	33.8%	18.0%	14.6%	\$35,811	\$19,809
Kennebec County	33.6%	33.7%	19.4%	13.3%	\$36,498	\$18,520
Knox County	32.1%	34.1%	18.9%	14.8%	\$36,774	\$19,981
Lincoln County	30.4%	35.3%	18.4%	15.9%	\$38,686	\$20,760
Oxford County	36.4%	34.6%	17.8%	11.2%	\$33,435	\$16,945
Penobscot County	36.4%	32.6%	17.8%	13.2%	\$34,274	\$17,801
Piscataquis County	44.9%	33.6%	14.4%	7.0%	\$28,250	\$14,374
Sagadahoc County	25.7%	33.6%	23.3%	17.4%	\$41,908	\$20,378
Somerset County	39.7%	34.9%	15.4%	9.9%	\$30,731	\$15,474
Waldo County	36.6%	32.7%	17.7%	13.0%	\$33,986	\$17,438
Washington County	48.4%	30.7%	13.0%	7.8%	\$25,869	\$14,119
York County	26.2%	31.1%	23.3%	19.4%	\$43,630	\$21,225
Maine Total	32.6%	32.5%	19.4%	15.5%	\$37,240	\$19,533

Source: U.S. Bureau of the Census; Community Current, Inc.

Table A-8

Portland MSA Income Data by Town, 2000 Census

	Households by Income					Median	Per
	Under \$25K	\$25-50K	\$50-75K	\$75-100K	\$100K+	Household Income	Capita Income
Cape Elizabeth	12.5%	22.1%	17.2%	14.5%	33.8%	\$72,359	\$37,983
Cumberland	12.7%	21.3%	21.5%	14.1%	30.4%	\$67,556	\$33,644
Falmouth	14.5%	20.5%	19.9%	12.2%	32.8%	\$66,855	\$36,716
North Yarmouth	10.2%	29.8%	22.3%	19.8%	17.9%	\$60,850	\$25,180
Yarmouth	19.7%	22.0%	21.7%	13.6%	23.0%	\$58,030	\$34,317
Scarborough	18.3%	27.4%	19.3%	18.8%	16.2%	\$56,491	\$26,321
Raymond	13.6%	32.1%	28.2%	10.7%	15.4%	\$52,224	\$25,193
Freeport	23.1%	24.0%	24.2%	11.8%	16.9%	\$52,023	\$27,724
Gorham	21.6%	27.9%	24.4%	13.5%	12.5%	\$50,316	\$21,174
Standish	19.1%	30.3%	31.8%	10.4%	8.4%	\$50,278	\$19,504
Gray	14.6%	35.2%	27.1%	13.0%	10.1%	\$50,107	\$22,050
Buxton	20.3%	30.8%	28.4%	11.7%	8.8%	\$48,958	\$20,179
Hollis	16.9%	34.7%	31.9%	10.4%	6.1%	\$48,846	\$19,065
Windham	20.6%	33.6%	26.2%	10.9%	8.7%	\$46,526	\$19,890
South Portland	25.2%	33.0%	24.3%	9.6%	7.9%	\$42,770	\$22,781
Limington	27.0%	34.8%	24.0%	8.9%	5.3%	\$42,023	\$17,097
Casco	25.9%	33.7%	21.0%	11.3%	8.2%	\$41,629	\$19,306
Westbrook	30.9%	32.6%	22.1%	8.9%	5.4%	\$37,873	\$19,501
Old Orchard Beach	33.8%	32.6%	22.8%	6.3%	4.5%	\$36,568	\$20,929
Long Island	34.9%	31.4%	31.4%	0.0%	2.3%	\$35,833	\$15,278
Portland	34.0%	32.3%	18.1%	8.6%	7.0%	\$35,650	\$22,698
MSA TOTALS	25.2%	30.2%	22.0%	10.9%	11.7%	\$44,707	\$24,132

Source: U.S. Bureau of the Census; Community Current, Inc.

Table A-9

Comparison of Falmouth and Cumberland County Demographics, 2000 Census

AGE	0-5	5-14	15-24	25-44	45-64	65+	Median
Cumberland Co	5.8%	13.6%	12.4%	31.3%	23.6%	13.3%	37.6
Falmouth	6.9%	16.5%	7.0%	28.0%	25.4%	16.2%	40.7

HOUSEHOLD TYPE	Fam w/Kids	Fam, no kids	Nonfamily
Cumberland Co	30.1%	32.6%	37.3%
Falmouth	37.1%	34.8%	28.1%

TENURE	Owner Occ	Renter Occ
Cumberland Co	66.8%	33.2%
Falmouth	83.3%	16.7%

EDUCATION	HS Grads	Coll. Grads
Cumberland Co	90.1%	42.4%
Falmouth	95.5%	60.1%

EMP. BY OCCUPATION	Mgmt/Prof	Service	Sales/Ofc	Ag/Fish/For	Constr	Mfg/Mov'g
Cumberland Co	38.8%	14.2%	28.2%	0.6%	7.2%	11.1%
Falmouth	51.0%	7.4%	29.1%	0.4%	5.7%	6.5%

HOUSEHOLD INCOME	Under \$25K	\$25-50K	\$50-75K	\$75-100K	\$100K+	Median
Cumberland Co	25.6%	30.6%	21.2%	10.9%	11.7%	\$44,048
Falmouth	14.5%	20.5%	19.9%	12.2%	32.8%	\$66,855

HOUSING TENURE	Owner-Occ	Renter-Occ
Cumberland Co	66.8%	33.2%
Falmouth	83.3%	16.7%

RESIDENCE IN 1995	Same House	In Cumb Co	Other Maine	Out-of-State
Cumberland Co	54.2%	25.8%	7.4%	12.6%
Falmouth	56.3%	26.8%	5.0%	11.9%

Source: U.S. Bureau of the Census, Community Current, Inc.

Table A-10

Comparison of Falmouth and Cumberland County Housing Data, 2000 Census

HOUSING PROFILE	SF Detached	SF Attached	Multi-Fam	Mobile/RV
Cumberland Co	63.1%	4.1%	28.2%	4.6%
Falmouth	81.1%	5.4%	13.0%	0.4%

HOUSING TENURE	Owner-Occ	Renter-Occ
Cumberland Co	66.8%	33.2%
Falmouth	83.3%	16.7%

YEAR UNIT BUILT	1990-00	1980-89	1960-79	1940-59	Pre-1940
Cumberland Co	13.7%	15.7%	24.0%	17.5%	29.0%
Falmouth	20.3%	14.8%	16.0%	24.0%	24.9%

ROOMS IN UNIT	5 or Less	6	7	8+	Median
Cumberland Co	50.8%	18.4%	13.4%	17.5%	5.5
Falmouth	29.7%	18.9%	16.9%	34.5%	6.6

VALUE OF OWNER- OCCUPIED UNITS	Under \$50K	\$50-100K	\$100-150K	\$150-200K	\$200K+	Median
Cumberland Co	1.0%	22.6%	39.3%	17.2%	19.9%	\$135,258
Falmouth	0.3%	6.7%	15.7%	22.7%	54.6%	\$216,336

GROSS RENT	Under \$500	\$500-749	\$750-999	\$1000+	Median
Cumberland Co	29.8%	42.4%	20.5%	7.3%	\$615
Falmouth	16.4%	21.5%	36.9%	25.2%	\$847

Source: U.S. Bureau of the Census, Community Current, Inc.

Table A-11

Commuting Patterns Data, 2000 Census

	Town of Falmouth		Cumberland County	
	1990	2000	1990	2000
MEANS OF TRANSPORTATION TO WORK				
Workers 16 years and over	3,650	4,694	122,741	137,256
Drove alone	85.7%	84.0%	76.2%	88.3%
Carpooled	6.4%	5.9%	11.6%	10.6%
Public transportation (including taxicab)	0.3%	0.4%	1.6%	1.8%
Bicycle or walked	2.4%	1.4%	6.3%	5.4%
Motorcycle or other means	0.8%	0.9%	0.6%	0.6%
Worked at home	4.4%	7.4%	3.6%	5.1%
TRAVEL TIME TO WORK				
Workers who did not work at home	3,490	4,347	118,290	130,953
Less than 5 minutes	3.6%	5.8%	4.5%	4.5%
5 to 9 minutes	13.4%	10.9%	14.6%	13.9%
10 to 14 minutes	21.0%	21.5%	19.8%	21.2%
15 to 19 minutes	24.1%	33.5%	19.8%	20.2%
20 to 29 minutes	24.6%	29.2%	20.1%	22.8%
30 to 44 minutes	9.6%	14.0%	14.1%	17.3%
45 or more minutes	3.7%	9.6%	7.0%	10.9%
Mean travel time to work (minutes)	17.2	22.0	18.7	22.0

Source: U.S. Bureau of the Census

Table A-12

Commuting Patterns To and From Falmouth, 1990

COMMUTING TO FALMOUTH			COMMUTING FROM FALMOUTH		
Place of Residence	No. of Emp	% of Total	Place of Work	No. of Emp	% of Total
Falmouth	735	21.5%	Portland	1,631	44.7%
Portland	657	19.2%	Falmouth	735	20.1%
Cumberland	217	6.4%	South Portland	268	7.3%
Yarmouth	209	6.1%	Westbrook	163	4.5%
South Portland	174	5.1%	Yarmouth	150	4.1%
Freeport	127	3.7%	Scarborough	125	3.4%
Gorham	115	3.4%	Freeport	62	1.7%
Gray	110	3.2%	Cumberland	57	1.6%
Westbrook	101	3.0%	Augusta	57	1.6%
North Yarmouth	88	2.6%	Cape Elizabeth	39	1.1%
Topsham	79	2.3%	Gray	39	1.1%
Windham	74	2.2%	Saco	38	1.0%
Saco	58	1.7%	Biddeford	25	0.7%
Standish	57	1.7%	Gorham	23	0.6%
Scarborough	52	1.5%	Auburn	20	0.5%
Brunswick	47	1.4%	Windham	20	0.5%
Cape Elizabeth	46	1.3%	Lewiston	13	0.4%
New Gloucester	41	1.2%	Standish	12	0.3%
Old Orchard Beach	33	1.0%	Brunswick	9	0.2%
Lisbon	26	0.8%	Fairfield	9	0.2%
Casco	25	0.7%	North Yarmouth	7	0.2%
Auburn	21	0.6%	Topsham	7	0.2%
Buxton	21	0.6%	Turner	6	0.2%
Lewiston	20	0.6%	Raymond	6	0.2%
Kennebunk	17	0.5%	Chelsea	6	0.2%
Durham	16	0.5%	Rome	6	0.2%
Poland	16	0.5%	Rumford	6	0.2%
Harpswell	16	0.5%	Bath	5	0.1%
Pownal	14	0.4%	Hollis	5	0.1%
Biddeford	12	0.4%	Old Orchard Beach	5	0.1%
Waterboro	12	0.4%	Out of State	96	2.6%
Other Maine Towns	136	4.0%	Total	3,650	
Out of State	41	1.2%			
Total	3,413				

Source: U.S. Bureau of the Census

Table A-13

**Maine Educational Assessment Test Scores
2000-01 School Year**

	Grade 4		Grade 8		Grade 11	
	Statewide	Falmouth	Statewide	Falmouth	Statewide	Falmouth
Reading	539	546	537	546	541	546
Writing	530	535	536	544	538	540
Health	539	543	538	544	538	539
Math	531	539	528	538	528	535
Science	527	531	529	535	527	529
Social Studies	534	541	532	542	530	534
Visual & Perf. Arts	532	541	532	544	527	531

Source: Maine Department of Education

Table A-14

**High School Completion Rates
Cumberland County High School Classes of 2001**

Districts/Schools	Total Completers 2000-01	Dropouts by Year				Completion Rate for Class of 01
		12th Grade 2000-01	11th Grade 1999-00	10th Grade 1998-99	9th Grade 1997-98	
Brunswick	232	9	15	15	7	83.5%
Cape Elizabeth	113	0	2	0	0	98.3%
Greely	149	0	1	4	0	96.8%
Falmouth	123	0	0	0	0	100.0%
Freeport	79	2	6	4	2	84.9%
Gorham	153	10	10	1	4	86.0%
Gray-New Gloucester	125	0	5	12	10	82.2%
Lakes Region	134	1	8	9	1	87.6%
Portland (Portland & Deering)	478	33	92	65	54	66.2%
Scarborough	165	3	1	0	2	96.5%
South Portland	198	12	4	18	13	80.8%
Westbrook	162	8	6	12	8	82.7%
Windham	189	6	6	7	5	88.7%
Yarmouth	114	4	1	0	0	95.8%
Countywide Average	2,414	88	157	147	106	82.9%
Statewide Average	13,722	508	597	582	501	86.2%

Source: Maine Department of Education; Community Current, Inc.

Table A-15

**School Enrollment by Place of Residence
1996-2001**

	Falmouth			Maine Total		
	Elementary	Secondary	Total	Elementary	Secondary	Total
1996	1,197	351	1,548	155,206	63,388	218,594
1997	1,254	399	1,653	153,400	64,170	217,570
1998	1,304	433	1,737	150,893	65,228	216,121
1999	1,419	487	1,906	148,686	66,299	214,985
2000	1,463	548	2,011	145,710	67,241	212,951
2001	1,519	558	2,077	143,558	67,500	211,058
Num. Change	322	207	529	-11,648	4,112	-7,536
Percent Change	26.9%	59.0%	34.2%	-7.5%	6.5%	-3.4%

Source: Maine Department of Education; Community Current, Inc.

Table A-16

**School Profiles
Falmouth School Department**

	Elementary Schools			Falmouth Middle	Falmouth High	Total Enrollment
	D.W. Lunt	Plummer-Motz	Subtotal Elementary			
1999-2000	474	469	943	474	487	1,904
2000-2001	478	501	979	483	548	2,010
2001-2002	516	357	873	665	578	2,116
Change	42	-112	-70	191	91	212

Source: Maine Department of Education; Community Current, Inc.

Appendix B

REAL ESTATE MARKET TABLES

Table B-1

Single-Family Market Statistics in Falmouth

	2000	2001	2002
Number of Sales	151	210	214
Average Days on Market	73	68	84
Average Price	\$288,300	\$337,200	\$354,100
Average Price/SF	\$119.20	\$138.66	\$150.99
Sale to List Ratio	97.6%	97.1%	95.3%

Source: Maine Real Estate Information System, Inc.;
Town of Falmouth Assessor

Table B-2

Condominium Market Statistics in Falmouth

	2000	2001	2002
Number of Sales	18	24	22
Average Days on Market	69	14	53
Average Price	\$185,900	\$230,100	\$286,000
Average Price/SF	\$135.83	\$159.90	\$164.31
Sale to List Ratio	97.5%	99.8%	98.2%

Source: Maine Real Estate Information System, Inc.
Town of Falmouth Assessor

Table B-3

Median Single-Family Sales Prices

	Oct-01	Oct-02
State of Maine Total	\$128,000	\$144,000
Cumberland County	\$165,000	\$207,250
Falmouth (2002 Tot)	\$328,868	\$312,500
Falmouth Ratio to:		
State of Maine	2.57	2.17
Cumberland County	1.99	1.51

Source: Maine Real Estate Information System, Inc.

Table B-4 Table B-6

Sales in Selected Housing Valuations in Falmouth, 2000-2002 by Category
Shows All Sales, Regardless of Age of Home Sold
December, 2002

	2002		2001		2000		Total Sales
	Sales	Avg Price	Sales	Avg Price	Sales	Avg Price	
Woodlands	7	\$636,000	1	\$674,700	Percent	\$540,100	27
Falmouth on the Green	7	\$498,500	8	\$456,800	7.1%	\$490,700	20
Presumpscot River Place	4	\$525,750	9	\$515,400	4	\$470,400	17
Rivers Edge	3	\$596,600	1	\$550,000	24.8%	\$471,000	7
Cornerstone Estates	1	\$355,000	2	\$331,100	19.7%	\$241,100	4
Highland Lakes	7	\$181,250	2	\$142,750	14.8%	\$240,500	12
		\$250,000-299,999		327	9.6%		
Total	29	\$465,517	34	\$445,125	24	\$408,967	87
		\$300,000-399,999		420	12.3%		
		\$400,000-499,999		209	6.1%		
		\$500,000-749,999		136	4.0%		
		\$750,000-999,999		32	0.9%		
		\$1,000,000+		22	0.6%		
Total				3,419			

Source: Town of Falmouth Assessor; Community Current, Inc.

Table B-5
Single-Family Sales by Year Built, 2002

Non Single-Family	No. of Sales	Median Price	Percent
Year Built			
Under \$50,000	5	\$398,000	8.2%
\$50,000-99,999	18	\$400,000	4.8%
\$100,000-124,999	9	\$510,000	21.3%
\$125,000-149,999	16	\$320,000	12.0%
\$150,000-199,999	15	\$270,000	12.0%
\$200,000-249,999	18	\$242,000	31.4%
Total	81	\$312,500	13.8%
\$250,000+	32		8.5%
Total	376		

Source: Maine REIS; Community Current, Inc.

Source: Town of Falmouth; Community Current, Inc.

Table B-7

**Housing Valuations in Falmouth
December, 2002**

	Single- Family	Non Single- Family
Number of Properties		
Land Only	3,419	376
Land and Building	3,419	346
Land Value		
Total Value	\$301,935,400	\$21,851,300
Average per Property	\$88,311	\$58,115
Building Value		
Total Value	\$524,911,600	\$38,155,000
Average per Property	\$153,528	\$110,275
Total Value		
Total Value	\$826,847,000	\$60,006,300
Average per Property	\$241,839	\$159,591

Source: Town of Falmouth; Community Current, Inc.

Appendix C

AFFORDABLE HOUSING PRECEDENTS FOR FALMOUTH

Affordable Housing Precedents for Falmouth

1. Cross Hill – Cape Elizabeth

Cross Hill is a housing development located on Sawyer Road in the southwestern corner of Cape Elizabeth, consisting of 97 parcels. Five of the lots have been designated for affordable housing units. The affordable housing units are a product of a town ordinance devised by the Planning Board that requires new subdivisions to incorporate a certain amount of Affordable Housing. The five units in Cross Hill came about as a result of this formula.

A realtor representing the project was interviewed by Community Current, and he believes that the Town's ordinance was ill-conceived and non-functional for both the developer and the owners of the affordable units, for the following reasons:

- The developer is not compensated for land or infrastructure of the affordable units, and must take them as losses.
- For the home owners it takes away pride in home ownership because their hands are tied in regard to what they can get in resale value. He points out that for many people home ownership is an investment in the future. By limiting the resale value of these homes their ability to build equity in their homes is taken away.

At this time, 65 of the 92 market rate lots have sold, but **not a single affordable lot has sold**. The realtor says that he is making sure that people who are looking at these units are fully informed about the deeds by making them have a lawyer read through it with them. This added caution has reduced interest in the affordable lots.

In the opinion of the realtor, forcing developers to build affordable housing is not effective. He thinks that if the town wants affordable housing it should require developers pay a fee which would in turn go to a land bank. With this money the town could purchase land and develop it with affordable housing.

Attitudes of those purchasing the market rate units towards the affordable units have been outwardly accepting, as market rate buyers may feel guilty if they do not publicly embrace the affordable units. However, privately, many buyers have expressed the opinion that they would prefer not to have the affordable units in their neighborhood.

Summary: Cross Hill was a well-intentioned project, but it has not worked, as it forces developers, market rate buyers and moderate income buyers into an uncomfortable arrangement. It also has not worked for the Town, as, after nearly five years, not a single moderate income family is living there. Furthermore, this project is located in a fairly remote area of the Town, about two miles from retail stores and schools.

2. Rockwood - Cumberland

Rockwood is a 66-unit age-restricted condominium development, located on Thomas Drive, just off Route 1, near the Cumberland/Yarmouth line. Since its residents must all be over the age of 55, and do not add to the Town's school enrollment, Rockwood was exempted from Cumberland's growth management restrictions. The project was also granted a density bonus for adding to the stock of senior housing.

Rockwood's units have two bedrooms and average about 1,600 square feet. Prices for the units begin at \$229,000 and have sold for as much as \$250,000. These prices are not necessarily "affordable," but they are lower than typically found for new housing in the coastal towns to the north of Portland. Rockwood's sales have been fairly slow, and realtors have expressed the opinion that many seniors are simply reluctant to buy condos, as they prefer having houses. However, the project is too new, having only broken ground in the summer of 2002, to truly pass judgment on its success.

Summary: Rockwood is a good model for densely built, relatively affordable housing. However, it is an age-restricted property with just one unit type, and is not available to a diverse range of ages or socioeconomic levels. Also, it is located in a relatively remote area of Cumberland, and is far from the Town's retail, recreation, and services center. It is, however, fairly close to such amenities in Yarmouth.

3. Small's Brook Crossing - Cumberland

Small's Brook Crossing is located off of Tuttle Road near Cumberland Center, and consist of 49 single-family homes. The Town of Cumberland developed this project in conjunction with Casco Bay Partners, and a realtor was retained to manage the initial sale of the homes. The project, which was started in the early 1990s, has a number of provisions in it to maintain its units as affordable, owner-occupied units for as long as possible:

- Eligible buyers must earn less than 140 percent of the Portland MSA's median household income, so the maximum household income of buyers is \$72,380. Eligibility is also tied to financial assets, not just income.
- The Town offers an incentive of a \$20,000 silent second mortgage to qualifying buyers, which has helped keep the prices more affordable. If an owner wants to sell, interest on the silent mortgage must be paid at closing at an annual rate of 4 percent. If the new buyer qualifies for the income level, the seller does not have to pay off the silent mortgage—it is transferred. If the new buyer does not qualify, the seller must pay off the balance of the silent mortgage.

When the units in Small's Brook Crossing were built, prices were around \$110,000, but the real cost to buyers was around \$90,000, due to the silent second mortgage. While prices have escalated since then, resales in this project average about \$180,000—considerably less than the prices for other homes in the area. The reason that prices have remained fairly low is the presence of the silent mortgage, which presents a disincentive for the seller to sell to the highest bidder.

Summary: Small's Brook Crossing has worked as an ongoing, owner-occupied, affordable housing development. Its success is due to the Town's strong support from the beginning, and the disincentive to sellers to sell to the highest bidder.

4. Frenchtown Redevelopment – Westbrook

People's Regional Opportunity Program (PROP) has been buying up old buildings in the Frenchtown neighborhood, across the Presumpscot River from downtown Westbrook, rehabilitating them, and reselling them to both low-income and market-rate buyers. PROP has also built new modular units on vacant and/or underused lots in the neighborhood. The units have market prices of \$144,000, with subsidies

available to low and moderate-income buyers on a sliding scale. The subsidies come from the City of Westbrook, PROP's tax credits, and the Federal Reserve Bank of Boston.

Although these buildings are not contiguous, they are all part of one condo association, and the association manages a total of 19 units. Neighbors living in nearby homes that are not part of the condo association are happy with the arrangement, as surrounding properties are more attractive, better maintained, and safer than in the past.

Summary: PROP's status as a non-profit housing developer has allowed it to tap into many different pools of funding to make affordable housing redevelopment a reality. While this model is for an older, dense urban area, it could be adapted to Falmouth's older suburban areas as well.