#### HOUSING

Since the adoption of the 2009 Comprehensive Plan, significant changes have occurred in the community with regard to housing. There have been 187 new units of housing built, ranging from affordable to market rate, rentals to ownership. Many of these new units resulted from the implementation of the 2009 Plan. But there is still more to be done. Additional recommended actions are included below. (Added: 2014 Plan Update)

The type and affordability of available housing directly affects the character of community. If the desirability of a community is high, whether it be due to its location (such as proximity to a major city) or the amenities and services it offers (such as ocean access, recreational areas and good schools), then housing prices reflect this increased demand. If supply is held constant or is restrained due to lack of developable land or limitations on new construction (i.e., growth permits) then prices rise.

This has been the case with the town of Cumberland. It is within easy commuting distance to two major metropolitan areas: Portland and Lewiston. It offers an abundance of recreational opportunities that include the Twin Brook Recreation area with numerous fields and trails, the Val Halla Golf and Recreation Center which is a municipally-owned facility offering golf and tennis in the warmer months and sledding and cross country skiing in the winter. There are many miles of trails and acres of open space throughout the town. While there is very limited public access to the ocean, Cumberland is a coastal community which means that home values in the neighborhoods along the shore are high. Finally, the schools in Cumberland have been consistently rated as among the best in the state. For all these reasons, the Town of Cumberland has typically been among the highest housing cost communities in the state. It currently ranks eighth; only one other town in Cumberland County – Falmouth - had a higher median value for housing according to the 2000 census.

Here are some facts the Comprehensive Plan Committee considered as it developed its goals and recommended actions relating to housing:

- Housing prices have risen 55% over the first half of the decade since the 2000 census.
- 96% of Cumberland's housing is comprised of high-priced, owneroccupied, single-family homes.
- 91% of the housing units in Cumberland are owner occupied, according to the 2000 census -- well above the state rate of 72% or the county rate of 67%.
- The number of multi-family units has increased since 1990 but still comprises only 2.1% of the housing units.

• More than 62% of the households in Cumberland could not afford the median priced home in town (\$340,000).

Based on this information, the Committee developed the following goal and actions:

# 2009 Comprehensive Plan Housing Goal and Actions:

#### **GOAL:**

Continue to encourage the development of housing which provides for a mix of people from all income strata, ages, trades and professions.

#### ACTIONS:

- 1. Consider providing incentives to developers who create a portion of the lots for buyers who meet affordable income guidelines.
- 2. Provide incentives for the construction of smaller, single family homes.
- 3. Exempt homes under 1500 sq. ft. from the Growth Management and Impact Fee Ordinances.
- 4. Develop a Request for Proposals (RFP) for the build-out of the Doane property that would include construction of affordable housing units for all age groups and income levels. Explore feasibility of creating units for handicapped residents. Include both ownership and rental units.
- 3. Work with potential developers to create rental housing for young people (ages 20-30) so that they have an affordable and flexible option for housing should they wish to live in Cumberland following high school or college.
- 4. Consider establishing an Affordable Housing Overlay Zone in West Cumberland near the Industrial District. This would allow for greater density thereby reducing the cost per unit of new housing.
- 5. Continue to work with potential developers for the construction of Phase 2 of the Village Green Revitalization plan. This phase could include rental housing to fit the needs of the growing number of single resident households. Studio (efficiencies) and one bedroom units located above ground floor retail or office space would be desirable.
- 6. Continue to expand options for the creation of accessory dwelling units.

  These units could be created within larger single family homes, or in detached structures on a parcel with an existing house located on it.

#### **BACKGROUND**

### **Housing Types**

Cumberland's housing stock is overwhelmingly comprised of single family homes. According to the 2000 census almost 96% of the housing units in town (2822 out off 2945) were single family homes. In 1990, single family homes made up about 97% of the housing stock. The percentage of single family homes in Cumberland is significantly greater than the proportion for the county or the state which had 67% and 77% respectively according to the census data.

Cumberland Housing Units by Type						
	1990		2000	2000		
	#	% of	#	% of		
	Units	Total	Units	Total		
Single						
Family	2304	97.4%	2,822	95.8%		
Two						
Family	39	1.6%	38	1.3%		
Multi-						
Family	10	0.4%	62	2.1%		
Mobile						
home	3	0.1%	23	0.8%		
Other	9	0.4%	0	0.0%		
Total	2365	100.0%	2945	100.0%		

As of the time of the 2000 census Cumberland had 38 two-family units, 62 multifamily units and 23 mobile homes. The multi-family category showed a large increase on a percentage basis between 1990 and 2000, increasing by a factor of six<sup>1</sup>. However the percentage of multi-family housing units in Cumberland is 2.1% which is quite low compared to the state (16%) and the county (21%).

Source: U.S. Census

Bureau

2000 Housing Units by Type					
	Maine	Cumb. County	Cumberland		

<sup>&</sup>lt;sup>1</sup> The census asks respondents to provide the best description of the building in which they are housed at the time they respond to the census. The choices are mobile home, one family detached, one family attached to one or more houses, or a building with some number of apartments. In 1990 respondents indicated 10 housing units in apartment buildings were occupied. In 2000 respondents indicated 62 housing units in apartment buildings were occupied. About 30 of these units are attributable to senior rental housing known as Cumberland Meadows developed in the 1990s by the town. The town's assessing records do not indicate any other apartment buildings were built between 1990 and 2000. It is likely that some portion of the remaining increase can be attributed to units that were not occupied in 1990 being occupied in 2000, from reporting errors, or a combination of both.

		% of		% of	#	% of
	# Units	Total	# Units	Total	Units	Total
Single Family	453,846	77.3%	82,378	67.2%	2,822	95.8%
2 Family	36,565	6.2%	8,657	7.1%	38	1.3%
Multi-family	95,777	16.3%	25,887	21.1%	62	2.1%
Mobile home or						
trailer	63,902	10.9%	5,636	4.6%	23	0.8%
Other	1,811	0.3%	42	0.0%	0	0.0%
Total	651,901	100.0%	122,600	100.0%	2,945	100.0%

Source: U.S. Census Bureau

The town's 2005 assessing data largely confirms the census data. The two data sets are not entirely comparable because the housing types are not categorized in the same way in each data set. The assessing data indicates the town had about 2980 single family homes in 2005 out of about 3174 taxable housing units meaning about 94% of the housing stock was single family homes. The assessing data also identified 171 condominiums and 12 mobile homes. Only a few other mainland towns in Cumberland County have percentages of single family housing that compares with that of Cumberland – Cape Elizabeth. North Yarmouth, Pownal, Raymond and Sebago – all above 90% - with Cumberland and Pownal in a virtual tie for the highest percentage.

# **Housing Units**

Number of year-round housing units

Data in the population chapter indicates Cumberland experienced relatively rapid 22% population growth between 1990 and 2000 and a corresponding 26% increase in the number of households in town. The census also collects data about the number of **housing units**. Housing units are living quarters in which the occupants live separately from any other individuals in the building<sup>2</sup> while households refer to the people who occupy a housing unit as their usual place of residence. Though a "housing unit" often corresponds directly with a "household," the two are different measurements.

Cumberland gained 580 housing units in the 1990s, a 24.5% increase. This rate of increase was more than twice that of the average increase in housing units across the state (11%) and across Cumberland County (11.6%). Between 1990 and 2000 Cumberland was among the fastest four growing towns in Cumberland

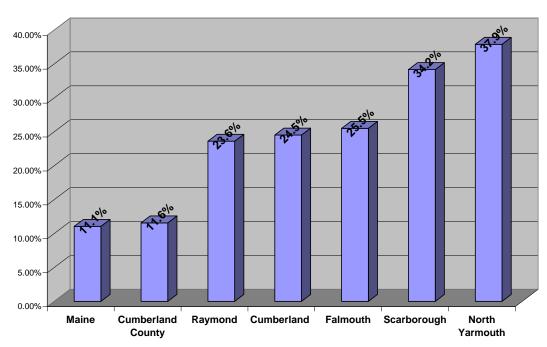
<sup>&</sup>lt;sup>2</sup> The Census Bureaus' full definition of a "housing unit" is a house, an apartment, a mobile home or trailer, a group of rooms, or a single room occupied as a separate living quarters, or if vacant, intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live separately from any other individuals in the building and which have direct access from outside the building or through a common hall. For vacant units, the criteria of separateness and direct access are applied to the intended occupants whenever possible.

County in terms of number of housing units. Only North Yarmouth (37%), Scarborough (34%), and Falmouth (25.5%) had larger percent increases in housing.

Change in Housing Units 1990 - 2000					
	1990	2000	Change	% Change	
Maine	587,045	651,901	64,856	11.05%	
Cumberland					
Cnty	109,890	122,600	12,710	11.57%	
Cumberland	2,365	2,945	580	24.52%	
Scarborough	5,391	7,233	1,842	34.17%	
Falmouth	3,322	4,169	847	25.50%	
North Yarmouth	833	1,142	309	37.09%	
Raymond	2,050	2,534	484	23.61%	

Source: U.S. Census Bureau

% Change of Housing Units 1990 - 2000 Cumberland and Comparisons



Estimates of the increase in occupied housing units over the 2000 - 2015 timeframe suggest a substantial slowing of the rate of growth for Cumberland and a moderate decrease in the rate of housing growth for the county and for the state as a whole. It is estimated that during the decade between 2000 and 2010 Cumberland's occupied housing units will increase by about 13% and for the ten

year period between 2005 and 2015 will increase about 10%. The state is expected to see about a 9% increase between 2000 and 2010 and a little less than a 9% increase for the 2005 – 2015 period.

Projections for Occupied Housing Unit 2000 - 2015						
	2000	2005		% increase 2000 - 2010		% increase 2005 - 2015
Cumberland	2,559	2,752	2,889	12.9%	3,027	10.0%
<b>Cumberland Cnty</b>	109,796	115,174	119,370	8.7%	123,826	7.5%
Maine	530,221	555,417	577,842	9.0%	603,086	8.6%

Source: Maine State Planning Office

These predicted trends for housing units are comparable to the trends estimated for population and household increase over similar time frames.

## **Vacancy Rates**

The 2000 census data indicates that Cumberland had 397 vacant housing units, or 13.5% of its total housing stock. 349 of those, or 11.8% of the total housing units, are seasonal units. These vacant and seasonal housing unit percentages did not change much from the 1990 census. In 1990 14.5% of the total housing was vacant while 12.3% of the total housing stock was seasonal. Though vacant housing and seasonal housing as a percent of the total housing went down slightly from 1990 to 2000, seasonal housing continued to make up the large portion of the town's vacant housing – 84.6% in 1990 and almost 88% in 2000.

Cumberland's proportion of vacant and seasonal housing is a little higher than the Cumberland County average but continues to be lower than the state average. Maine has had a housing vacancy rate of a little over 20% in each of the last two census periods with about 15% of the total housing defined as seasonal. About 75% of the state's vacant housing is seasonal housing.

HOUSING OCCUPANCY - 1990							
	Total Housing Units	Occupied housing units	% of Total	Vacant housing units	% of Total	Vacant: seasonal	% of Total
Cumberland	2,365	2,021	85.45%	344	14.55%	291	12.30%
Cumberland							
Cnty	109,890	88,039	80.12%	15,378	13.99%	10,234	9.31%
Maine	587,045	465,312	79.30%	121,733	20.74%	87,831	14.96%

Source: U.S. Census Bureau

#### **HOUSING OCCUPANCY - 2000**

	Total Housing Units	Occupied housing units	% of Total	Vacant housing units	% of Total	Vacant: seasonal	% of Total
Cumberland	2,945	2,548	86.52%	397	13.48%	349	11.85%
Cumberland							
Cnty	122,600	107,989	88.08%	14,611	11.92%	10,846	8.85%
Maine	651,901	518,200	79.50%	133,701	20.50%	101,470	15.57%
Chebeague							
Island	499	170	34.07%	329	65.93%	314	62.93%

Source: U.S. Census Bureau

Vacancy rate figures will change fairly significantly after the succession of Chebeague Island as 329 of its 499 units, or 66% of its total housing, are vacant. This represented about 83% of the town's total vacant housing in the 2000 census. Chebeague's 314 seasonal homes represent 90% of the town's seasonal housing. Deducting Chebeague's housing units from the 2000 census data yields a town vacancy rate of less than 3%.

#### **Housing Tenure**

Cumberland Housing Tenure 1990, 2000 & 2006 (est.)						
	1990 2000 2006 (est.)					
Owner						
occupied	1,873	2,323	2,522			
Renter						
occupied	148	225	261			
Total	2,021	2,548	2,783			

Housing in Cumberland is predominately owner occupied. 2332 of the 2548 occupied units were occupied by owners according to the 2000 census. This 91% owner occupancy rate is slightly lower than it was in 1990 (93%), though in absolute terms 450 more units were owner

% Owner Occupancy 1990, 2000 & 2006 (est.) for Cumberland and Comparisons					
Maine Cumberland Cumberland					
1990	70.5%	64.3%	92.7%		
2000	71.6%	66.8%	91.2%		
2006	74.3%	67.1%	90.6%		

occupied in 2000 than in 1990. It is estimated that the town has added an additional 199 owner occupied units since 2000.

# Housing Condition

Data on housing conditions is not generally readily available or easily accessible but the age of the housing is often used as an indicator of the condition of the overall housing stock. This may be a less reliable indicator of condition in locations where some of the older housing is likely to have been renovated. In a community such as Cumberland where much of the housing is high-value, owner-occupied, single-family homes and where some of the older housing is of historic value, age of the housing stock probably does not equate with condition of the housing stock. Nevertheless, the age of the housing provides an historical look at housing development and some indication of housing condition.

According to the 1997 Comprehensive Plan, the 1997 revaluation provided an inventory of housing condition, which, though now ten years old, may be a source for a more detailed description of the condition of the housing stock if issues arise that require a more in-depth look at the condition of housing in Cumberland.

Cumberland Housing Age				
YEAR BUILT	#	%		
1999 to March				
2000	63	2.1		
1995 to 1998	267	9.1		
1990 to 1994	317	10.8		
1980 to 1989	474	16.1		
1970 to 1979	374	12.7		
1960 to 1969	448	15.2		
1940 to 1959	323	11		
1939 or earlier	679	23.1		

Cumberland's housing stock has nearly doubled since about 1970. About half of the units have been built since 1970, and nearly a quarter (22%) was built new in the 1990's. The 1990's saw about a 60% greater increase in new housing in Cumberland as compared to Cumberland County. A little over a third of the town's housing was built before 1960.

Source: U.S. Census

Bureau

According to the assessing data, about 280 out of the 3174 existing housing structures were built in the 18<sup>th</sup> and 19<sup>th</sup> century. About a quarter of those antique structures are located on Chebeague Island which is no longer part of Cumberland.

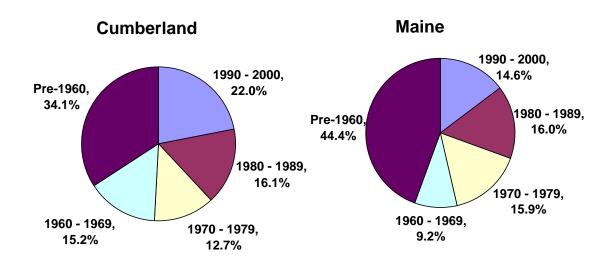
Cumberland's housing stock is generally newer than that of Cumberland County and the state. Over 46% of the county's housing was built before 1960 and more than 44% of the state's housing was built in that time period. While (as of the 2000 census) 22% of Cumberland's housing was built between 1990 and 2000,

only about 14% of the county housing and about 15% of the state housing was that new.

Percent of Housing Units by Year Built - Cumberland and Comparisons					
	1990- 2000	1980- 89	1970- 79	1960- 69	Pre-1960
Cumberland	22.0%	16.1%	12.7%	15.2%	34.1%
Cumberland					
Cnty	13.7%	15.7%	14.3%	9.8%	46.5%
Maine	14.6%	16.0%	15.9%	9.2%	44.4%

Source: U.S. Census

Bureau



# Affordability of Housing

Cumberland currently has among the least affordable housing in the State of Maine. The following map of Cumberland County, based on the 2000 census data, categorizes median values for owner occupied housing units<sup>3</sup> for each of the towns in the County. Cumberland ranks in the highest four mainland<sup>4</sup> towns along with Falmouth, Cape Elizabeth and Yarmouth.

<sup>&</sup>lt;sup>3</sup> The census determines housing value based on the respondent's estimate of how much the property (house and lot, mobile home and lot, or condominium unit) would sell for if it were for sale.

<sup>&</sup>lt;sup>4</sup> Long Island has the highest median value for owner occupied units but it also has only 58 units.

# Maine Municipalities with Highest Median Value Owner-Occupied Housing (2000)

Rank	Municipality	Median
1	Kennebunkport	\$240,700
2	Southport	\$231,700
3	Castine	\$229,000
4	Falmouth	\$215,500
5	Ogunquit	\$208,600
6	York	\$190,500
7	Mount Desert	\$189,300
<u>8</u>	<u>Cumberland</u>	<u>\$185,800</u>
9	Cape Elizabeth	\$184,600
10	Yarmouth	\$184,400

Note: Does not include towns with less than

100 housing units

Source: U.S. Census Bureau

State-wide, according to the 2000 census, Cumberland ranks eighth highest in terms of median value of owner-occupied housing<sup>5</sup>. The median value of owner occupied housing in Cumberland was about 29% higher than that of Cumberland County, which had a median value of \$131,200, and almost 47% higher than the state, which had a median value of \$98,700.

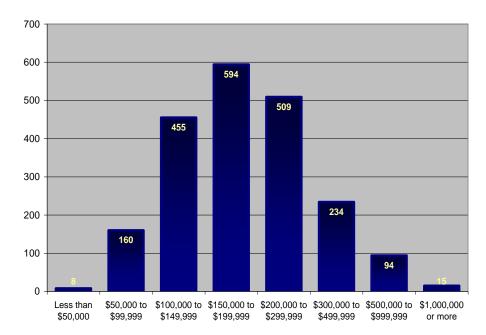
The census data (for median value of owner occupied housing) is also grouped by categories of price ranges. A graph of the numbers of housing units that fall into each price range shows the distribution of housing by price. The number of units peaks at a little less than 600 units in the \$150,000

- \$199,999 range. These make up almost 30% of the units. A little over 40% of the units are valued at \$200,000 or above and about 30% are valued at less than \$150,000.

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<sup>&</sup>lt;sup>5</sup> Excluding towns with less than 100 housing units. Long Island and the Cranberry Isles had higher median priced housing but have 58 and 37 owner occupied housing units respectively.

#### Value of Owner Occupied Housing Units in Cumberland Based on 2000 Census Data

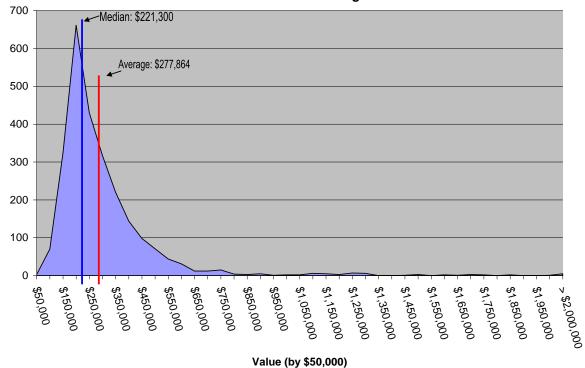


Though the graph of the census data of housing unit values appears to be fairly evenly distributed, the census bureau method of grouping the data distorts the true picture. Units below \$200,000 are grouped in categories of \$50,000 increments, while above that, the increments increase in size. This has the effect of making the distribution of housing values appear more uniform than they are.

The town's assessing data provides another measure of housing values and because each unit of housing is separately reported, the data can provide a more realistic picture of the distribution of housing values. The number of units peak in the \$150,000 - \$200,000 range with about 660 units. The median value is \$221,300 but the mean (average)<sup>6</sup> value is over \$56,000 higher due to the influence of some significantly higher value housing including 51 units assessed at over \$1,000,000 with five of those units assessed at over \$2,000,000.

<sup>&</sup>lt;sup>6</sup> "Median" is a measure of the midpoint of a set of data – half the values are above the median and half are below. "Mean" or average is derived by dividing the sum of a group of numerical items by the total number of items in that group. Because a few high housing values often increase the mean, median is usually used as the measurement of "typical" housing values.

# Distribution of Single Family Home Values Excluding Chebeague Island Town of Cumberland Assessing Data 2006



According to data assembled by the Maine State Housing Authority (MSHA) on the actual prices of homes for sale, the median home price (for all types of housing)<sup>7</sup> in Cumberland in 2000 was \$220,000. MSHA's data indicates the median home price in Cumberland has risen steadily over recent years and in 2005 stood at \$340,000. This represents a 55% increase over the five year period. The median price in 2005 for a single family home increased to \$347,000 and the median price for a condominium climbed to \$316,850. MSHA's data also indicates that in 2005, the median home price for Cumberland County was \$239,900, about 30% less than the town, and the median home price for the State of Maine was \$184,000, about 46% less than the town median home price.

Median Home Sale Prices - Cumberland							
	2001	2002	2003	2004	2005		
All Homes	\$242,460	\$285,000	\$279,900	\$315,500	\$340,000		
Single Family	\$243,730	\$281,875	\$305,000	\$328,750	\$347,000		
Condominium			\$239,900	\$264,920	\$316,850		

Source: Maine State Housing

**Authority** 

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<sup>&</sup>lt;sup>7</sup> MSHA's data on median home price is derived from the Maine Real Estate Information System (sometimes referred to as the "multiple listing service").

A household with the median income in Cumberland in 2005 would be able to

afford a house with a price of up to \$229,357. The income required to afford the median priced home in Cumberland in 2005 was \$116,040. This is 45% higher than the income required to afford a home at the median price for Cumberland County and 88% more income than that required to afford a home at the median price for Maine.

MSHA has developed an affordability index to gauge whether the housing in a town is affordable to the members of that community based on their median income<sup>8</sup>. An Index of less than 1 is considered unaffordable, while an index of more than 1 is affordable. For 2005 Cumberland had an

By State rules, "Affordable housing" means decent, safe, and sanitary living accommodations that are affordable to lower income households and moderate income households

An owner-occupied housing unit is "Affordable" to a household if the unit's expected sales price is reasonably anticipated to result in monthly housing costs ... that do not exceed 28% to 33% of the household's gross monthly income.

A renter-occupied housing unit is "affordable" to a household if the unit's monthly housing costs ... do not exceed 28% to 33% of the household's gross monthly income.

A "lower income household" is a household with a gross income less than or equal to 80% of the applicable MSA/County median income... The "applicable MSA/County median income" is the median family income most recently published by the U.S. Department of Housing and Urban Development for the federally-designated Metropolitan Statistical Area (MSA) or County (non-MSA part) in which the housing unit is located.

07-105 Chapter 100, Code of Maine Rules

index of 0.67. This indicates that a median priced house in Cumberland is not affordable to anyone making the median income (\$78,278) and that their income is only 67% of what would be required to afford the median priced home in town.

By this measurement Cumberland housing is less affordable to its residents than is Maine housing to the residents of Maine, but only by a little bit (the index for Maine is 0.70). But, also by this index, Cumberland housing is more affordable to its residents than is the housing in Cumberland County to its residents.

Among the points this index highlights, is that housing affordability depends not just on the price of housing, but also on the income of the people seeking that housing. It also emphasizes that housing affordability is a statewide issue. And finally, it points out that despite the significantly higher prices for housing in Cumberland, the level of affordability of housing in Cumberland for Cumberland residents appears to be on a par with that of both the County and the State.

<sup>&</sup>lt;sup>8</sup> The index is the ratio of the home price that is affordable to someone with the median income for that community to the actual median home price for that community.

2005 Affordability Index

				Home	Income
				Price	Needed
		Median		Affordable	to Afford
		Home	Median	to Median	Median
	Index	Price	Income	Income	Price
Cumberland	0.67	\$340,000	\$78,278	\$229,357	\$116,040
Maine	0.70	\$184,000	\$43,370	\$129,445	\$61,648
Cumberland					
County	0.65	\$239,900	\$51,806	\$155,288	\$80,033
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Note: An Index of less than 1 is considered unaffordable, an Index of more than 1 is affordable.

Source: Maine State Housing Authority

Data about the percentage of households unable to afford median home prices indicates that 62.5% of the households in Cumberland do not have sufficient income to afford the typically priced home in town. While this is a significant percent of the households, Cumberland does somewhat better than the state as a whole, where 68% are unable to afford the median priced home, and better still compared with the Portland/ South Portland housing market and Cumberland County, which both have about 73% of their households unable to afford their median priced home.

## **Households Unable to Afford Median Home**

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	Percent of	Number of				
	Households	Households				
	Unable to Afford	Unable to Afford				
	Median Home	Median Home				
	Price	Price				
Portland-South Portland						
Housing Market	73.50%	107,478				
Cumberland County	73.40%	82,883				
Maine	68.00%	372,491				
Cumberland	62.50%	1,694				

Source: Maine State Housing

Authority

#### **Subsidized Housing**

According to MSHA, Cumberland has 12 Subsidized Rental Units and an additional six units that participate in the federal Section 8 voucher program<sup>9</sup>.

#### **Town Efforts to Provide Affordable Housing:**

In 1990, the town participated in a public-private partnership to develop 49 single family affordable homes. The town reduced the minimum lot size and the setback requirements in order to increase density and reduce infrastructure costs. The town also participated in lowering the purchase cost by holding a \$20,000 silent second mortgage on each of the homes. The project was a success, perhaps too successful because the homes appreciated so quickly and to such an extent that sellers were choosing to sell their homes to "non-affordable" purchasers even though this meant that the \$20,000 silent second mortgage would have to be paid back to the town.....with interest. Several of the homes are now "out of the program" and are no longer benefitting from the reduced price from the silent second mortgage. Other homes have had improvements done (e.g., garages and additions) which has greatly increased their value to the point where the homes are no longer affordable.

In 1991, the town purchased the development rights to 30 unfinished condominium units. It completed the units and began renting them to seniors age 55 and older. Since then, Cumberland Meadows Senior Housing has been at full occupancy with lengthy waiting lists. The units are a mix of one and two bedroom units with a one-story floor plan and attached garages. The Cumberland Housing Authority, which owns and operates the units, offers 8 subsidized units to those current tenants who meet eligibility requirements.

In 2006-07, the Cumberland Town Council granted two separate contract zoning agreements to private developers who agreed to develop 10% of their new units for affordable buyers in exchange for a density bonus. These are a mix of one and two story units with garages. Both developments are located in the center of town, as is the Cumberland Meadows Senior Housing development.

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<sup>&</sup>lt;sup>9</sup> An inquiry about the source and the accuracy of this data has been sent to MSHA. They are in the process of researching this and this data may be revised based on the results of the MSHA research.