

## APPENDIX G: HOUSING

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A house or apartment is more than just shelter; it is where a life is built. It represents security, privacy, health, community, and all of the other things associated with “home.” Many would argue that safe, decent, affordable housing is a basic right that all Americans should enjoy. Unfortunately, that is not always the case. Construction costs, rising land values and sprawl (and the consequent demand for additional services that eventually increases taxes), contribute to housing affordability challenges. Higher taxes can make meeting expenses difficult for elderly residents on fixed incomes. Higher land prices, excessive lot sizes, lower zoning densities, and overzealous infrastructure requirements can drive up the cost of housing and exclude young people and families just starting out from the market. Low and middle income people wanting to stay in or to move to Saco may not be able to find an affordable place to live.

The cost and variety of housing help determine the diversity or homogeneity of a population; housing affordability contributes to the culture of a community; housing affordability influences Saco’s ability to attract business; and it determines whether or not families can remain in Saco from one generation to the next. Additionally, the cost of housing determines whether the people who serve the community, including Saco’s cashiers, food servers, plow truck drivers, police officers, teachers, and others can live in the community they work in.

This chapter examines the supply and condition of housing in Saco, its affordability in relation to local incomes, and its availability, especially for lower-income households.

### A. HOUSING STOCK

Between 2000 and 2009, Saco added an estimated 1,741 year-round housing units, an increase of nearly 25.5% (see Table G.1) **while between 2009 and 2014, an estimated additional 98 units were added.** Single family homes accounted for 50% of the new year-round housing units built during ~~this~~ **the 2000-2009 period and 58% during the 2010-2014.** **During 2000-2009, At the same time,** the City lost 277 multi-family units (in buildings with 3 or more units) but gained 760 duplex and attached single family units, primarily as part of a boom in condominium development. 85 mobile homes were lost, decreasing the percentage of mobile homes in Saco from 3.0% in 2000 to 1.9% in 2009. As of April 2009, Saco had a total year round housing stock of approximately 8,542 units.

During the 2010-2014 period, according to estimates, the City lost 103 single-family detached homes, 41 single-family attached homes and 41 mobile homes. The Downtown Focus Area (DFA) contains nearly 3,000 residential units. Nearly 68% are two-family or multi-family (three or more units) residences while the rest are single-family homes of various types.

	2000	2009	Housing units as % of 2009 Total
Total Housing Units	6,801	8,542	100.0%
Single family, detached	3,875	5,225	61.2%
Single family, attached	240	772	9.0%
Duplex	834	1,062	12.4%
Multi-Family (3 + unit)	1,448	1,171	13.7%
Mobile home	397	312	3.7%
Boat, RV, van, etc.	7	n/a	n/a

Sources: 2009 Saco Housing Strategy Report

**Year Round Housing Stock, 2010 - 2014**

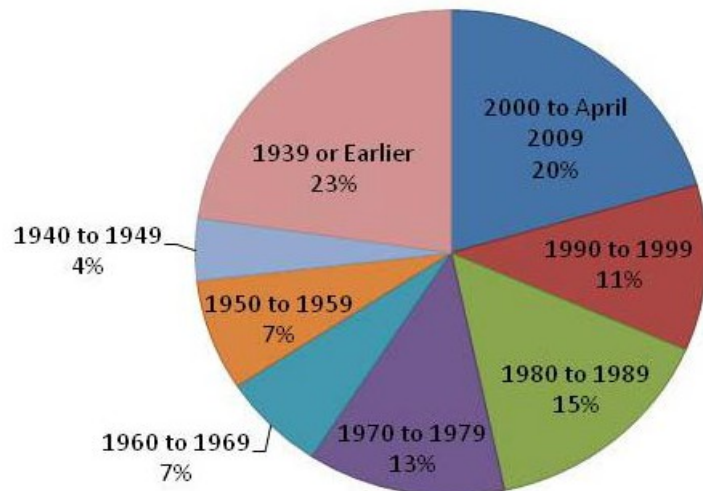
	Saco			Saco Downtown Focus Area		
	2010	2014	Housing Units as % of 2014 Total	2010	2014	Housing Units as % of 2014 Total
<b>Total Housing Units</b>	8,549	8,640	-	-	2,998	-
<b>Single Family, Detached</b>	5,114	5,011	58.0%	-	821	27.4%
<b>Single Family, Attached</b>	399	358	4.1%	-	80	2.7%
<b>Duplex</b>	814	973	11.3%	-	655	21.8%
<b>3 - 4 Units</b>	682	684	7.9%	-	442	14.7%
<b>5 - 9 Units</b>	693	702	8.1%	-	459	15.3%
<b>10 - 19 Units</b>	30	139	1.6%	-	120	4.0%
<b>20 + Units</b>	504	508	5.9%	-	388	12.9%
<b>Mobile Home</b>	313	265	3.1%	-	33	1.1%
<b>Boat / RV / Van / Etc.</b>	0	0	0.0%	-	0	0.0%

Source: U.S. Census Bureau, 2014 & ESRI Community Analyst, 2014

### 1. Age and Condition of the Housing

Of Saco’s approximately 8,542 total housing units in 2009, 20% were built after 2000. 11% were built during the 1990s, and 15% during the 1980’s. Nearly 60% of Saco’s housing units were built since 1970. 23% were built in 1939 or earlier (see Figure G.1).

**Figure G.1: AGE OF SACO’S HOUSING STOCK**

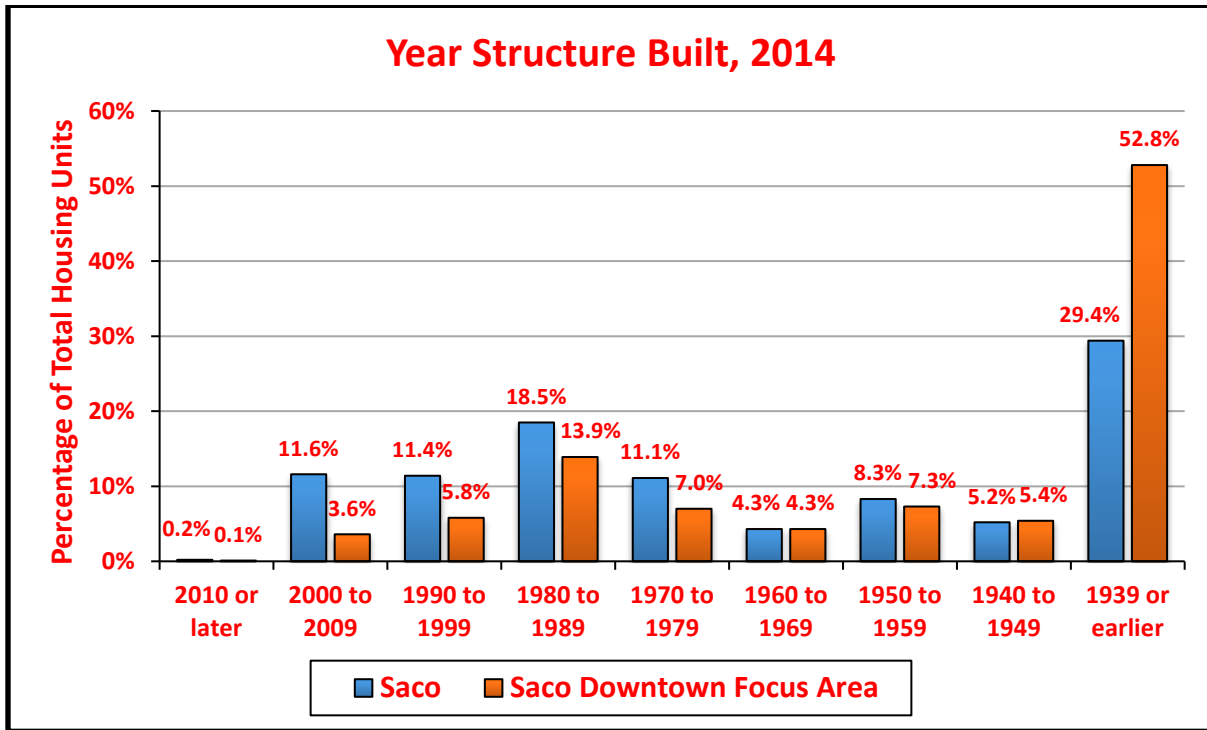


While most of Saco’s housing stock built in the last two decades is in relatively good condition, there are issues with some of the older housing stock (built prior to 1960). Deterioration and sub-standard housing conditions are a concern. According to a recent City housing report, “The city assessing department has rated

87 properties in Saco rated as “poor quality.” The city uses Marshall & Swift’s definition, in which poor condition (worn out) means, *repair and overhaul needed on painted surfaces, roofing, plumbing, heating, numerous functional inadequacies, substandard utilities etc. (found only in extraordinary circumstances). Excessive deferred maintenance and abuse, limited value-in-use, approaching abandonment or major reconstruction, reuse or change in occupancy is imminent. Effective age is near the end of the scale regardless of the actual chronological age.* 51 of these properties (59%) are single family homes, 23 are multi-family buildings (26%), and 9 are mobile homes (10%). The homes and apartments are scattered throughout the City, and are not concentrated in any specific neighborhood.”<sup>1</sup>

According to the 2015 Census and Esri Community Analyst (maker of Geographic Information Systems and provider of demographic and marketing data similar to Claritas), approximately 47% of Saco’s housing was built prior to 1960, and only about .2% of the housing stock has been built since 2010. As might be expected, given historical growth patterns, the DFA’s housing stock is older overall, with over half of its residences built prior to 1939 and nearly 70% built prior to 1960.

<sup>1</sup> 2009 Saco Housing Strategy Draft Report



Source: U.S. Census Bureau, 2014 & ESRI Community Analyst, 2014

**B. AFFORDABILITY**

Many consider having a dry, warm place to sleep a basic right. However for some Saco residents, housing can consume an inordinate amount of their income. Affordable housing for homeowners is defined in Maine’s Growth Management Act as housing in which the mortgage payment, taxes, insurance, condominium fees, and utilities do not exceed 33% of the homeowner’s gross income. For renters, the standard is 30% of gross income for rent and utilities.

According to the 2000 U.S. Census, 22.9% of renters, and one out of every six homeowners living in Saco was paying 35% or more of their income in housing costs in 2000 (see Table G.2). As a group, those earning less than \$10,000 were especially hard hit, with 56.7% of renters and 65.6% of homeowners spending more than 35% of their income on housing. Among renters, 52.7% of those earning between \$10,000 and \$20,000 exceed the

Table G.2: PERCENTAGE OF HOUSEHOLDS PAYING MORE THAN 35% FOR SHELTER 2000 CENSUS		
	Saco	Maine
<b>Renters*</b>		
< \$10,000	56.7%	60.1%
\$10,000 - \$19,999	52.7%	48.1%
\$20,000 - \$34,999	8.3%	12.0%
\$35,000+	0.0%	2.6%
All Renters	22.9%	27.4%
<b>Homeowners**</b>		
< \$10,000	65.6%	68.1%
\$10,001 - \$19,999	53.6%	39.6%
\$20,000 - \$34,999	37.5%	23.6%
\$35,000 +	21.8%	14.8%
All Homeowners	16.4%	14.7%

Sources: 2000 U.S. Census “Specified owner and renter occupied housing units (These units differ from total units in that they exclude properties with a housing unit on 10 acres or more and housing units with a commercial establishment or medical office on the property.)

\* Renter costs are based on gross rent

\*\* Owner costs are based on monthly expenses including mortgages, insurance, utilities, and ownership fees

affordability threshold. For homeowners, the situation was similar, with just over half exceeding the threshold. Compared to state averages, a smaller percentage of Saco renters earning less than \$10,000 exceed the threshold (56.7% vs. 60.1%), but a larger percentage of homeowners do (68.1% vs. 65.6%). The higher rate of homeowners exceeding the threshold compared to state averages is likely a reflection of there being few very low cost homes in the Saco market

**Percentage of Household Income Spent on Monthly Rent\* / Mortgage\*\***

<b>Renters</b>	
<b>&lt; 20%</b>	29.4%
<b>20 - 24.9%</b>	12.8%
<b>25 - 29.9%</b>	10.1%
<b>30 - 34.9%</b>	10.2%
<b>35% +</b>	37.6%
<b>Owners</b>	
<b>&lt; 20%</b>	30.9%
<b>20 - 24.9%</b>	17.2%
<b>25 - 29.9%</b>	14.2%
<b>30 - 34.9%</b>	13.0%
<b>35% +</b>	24.8%

Source: U.S. Census Bureau, 2014

\*Renter costs are based on gross monthly rent

\*\*Owner costs are based on monthly expenses including mortgages, insurance, utilities, and ownership fees

According to 2014 U.S. Census data, nearly 38% (compared to nearly 23% in 2000) of Saco households spent 35% or more of their income on rent and one out of four homeowners (in 2000, this was one out of every six homeowners) were paying mortgages that were 35% or more of their income. There has been a marked increase in the number of households who are paying more for their housing than is deemed affordable by Maine’s Growth Management Act.

Table G.3 compares changes in the median rent, the median home sales price, and the median household income in Saco between 2000 and the most recent housing cost and income estimates available. The changes reflect larger trends in the region over the last decade. From the initial housing boom years to the peak in the housing market in 2006, there was a significant jump in the price of housing. Lower home rental and sales prices in 2009 reflect the decline of the housing market in the last two years.

	2000	2006	2009
Median rent (2 bedroom incl. utilities)	\$886	\$934	\$923
Median home sales price	\$119,800	\$236,150	\$202,500
Median household income	\$45,105	\$53,148	\$55,072*

Sources: 2000 U.S. Census, Saco Housing Strategy Draft Report, State Planning Office

\* 2008 estimate from Maine State Housing Authority

**Trends in Income & Housing Expense, 2014**

	Saco	Saco Downtown Focus Area (2016 Est.)
<b>Median Monthly Rent (includes all apartments, not just two-bedroom)</b>	\$865	\$771
<b>Median Home Value</b>	\$235,200	\$214,297
<b>Median Home Price (2015)</b>	\$210,000	-
<b>Median Household Income</b>	\$52,611	\$41,512

Source: U.S. Census Bureau, 2014; Maine Housing, 2015; ESRI Community Analyst, 2016

**1. Definition of Very Low-, Low-, and Moderate-Income Households**

A State of Maine objective is to ensure a supply of housing that is affordable to households in three income groups: very low-income (less than 50% of county median household income); low-income (51%-80% of county median household income); and moderate-income (81%-150% of county median household income).

Table G.4 on the following page provides the incomes for each of these groups in York County. The median household income in York County was \$53,366 in 2008 and \$56,701 in 2014. In Saco, a very low-income household earned less than \$26,683 per year in 2008 and less than \$28,350 in 2014. A low-income household earned between \$26,687 and \$42,693 in 2008 and between \$28,917 and \$45,360 in 2014. and a moderate-income household earned between \$42,693 and \$80,049 in 2008 and between \$45,928 and \$85,052 in 2014.

Table G.4 also shows the rent and home purchase price ranges affordable to households in each of the income categories, as well as the estimated number of households in each in 2008. The estimated number of households is:<sup>2</sup>

- 1,657 very low-income households (earning less than \$25,000)
- 1,096 low-income households (earning between \$25,000 - \$40,000)
- 2,373 moderate-income households (earning between \$40,000- \$75,000).

Table G.4: AFFORDABILITY SUMMARY FOR SACO BASED ON 2008 YORK COUNTY MEDIAN INCOME OF \$53,366			
	Very Low- Income	Low- Income	Moderate- Income
% of County Median Income	50%	51% - 80%	81% - 150%
Household Income	=<\$26,683	\$26,684 - \$42,693	\$42,693 - \$80,049
# of Households (est.)	1,657*	1,096 *	2,373*
Rental Market			
Affordable Gross Rent* (at 30% of income)	<\$667	\$667 - \$1,067	\$1,068 - \$2,001
Home Purchase			
Affordable Mortgage (inc. PITI and utilities at 33% of income)	<\$733	\$734 - \$1,173	\$1,174 - \$2,201
Minus property taxes, insurance and utilities	\$300 <sup>1</sup>	\$300 <sup>1</sup> - \$380 <sup>2</sup>	380 <sup>2</sup> - \$410 <sup>3</sup>
Affordable Principal and Interest Mortgage Payment	<\$483	\$484-\$713	\$713-\$1156
Affordable House Purchase Price with MSHA program 10% down, at 5.7% interest for 30 years (including PMI)	\$92,000	\$92,000 - \$136,000	\$136,000 - \$214,000

Sources: Planning Decisions, Claritas

- 1) assuming monthly costs of \$100 for taxes and insurance, \$200 for utilities
- 2) assuming monthly costs of \$180 for taxes and insurance, \$200 for utilities
- 3) assuming monthly costs of \$210 for taxes and insurance, \$200 for utilities

<sup>2</sup> Estimates are based on Claritas data for 2008 with ranges defined by standard income breakdowns provided.



**Affordability Summary for Saco Based on 2014 York County Median Income of \$61,083**

	<b>Very Low Income</b>	<b>Low Income</b>	<b>Moderate Income</b>	<b>Market Income</b>
<b>% of County Median Income</b>	< 50%	50% - 80%	80% - 120%	> 120%
<b>Household Income</b>	< \$30,541.50	\$30,541.50 - \$48,866.40	\$48,866.40 - \$73,299.60	> \$73,299.60
<b># of Households (Estimate)</b>	1,940	1,701	1,412	2,740
<b>Rental Market</b>				
<b>Affordable Gross Monthly Rent (at 30% of Median Income)</b>	< \$764	\$764 - \$1,222	\$1,222 - \$1,832	> \$1,832
<b>Home Purchase</b>				
<b>Affordable Mortgage (Including PITI &amp; Utilities at 33% of Income)</b>	< \$840	\$840 - \$1,344	\$1,344 - \$2,016	> \$2,016

Source: U.S. Census Bureau, 2014 & Maine Housing, 2014

## 2. Housing Affordability

The maximum affordable rent for households in the very low-income group is below the median market rent in Saco (\$667 vs. \$763).<sup>3</sup> Although Saco has 639 units with subsidized rents according to Avesta Housing, there are few non-subsidized apartments available for rent in Saco in this price range.

The elderly can be especially hard hit by a lack of affordable housing. Claritas<sup>4</sup> estimates that 730 Saco households headed by a person age 65 or older have incomes of less than \$25,000 per year (46% of the total). Census estimates for 2015 indicate that there are 852 Saco households headed by a person age 65 or older with incomes of less than \$30,000 per year (47% of the total). Many may be living in homes in which the mortgage has been paid off, or in which the payment is low, based on purchase prices and interest rates prevalent in the 1970s. For others, or those for whom their single family home has become too much to care for, there are 200 subsidized senior rental housing units in Saco.

Opportunities for home ownership are limited for those in the very low-income bracket. In April 2009, the Multiple Listing Service (MLS) had just one property listed below \$92,500 (the affordable price for a very low-income household) in Saco, a 2-bedroom manufactured home.

## 3. Number of Households in Need of Affordable Housing

Not all households earning very low-, low-, and moderate-incomes have an unmet housing need. Some are renters in an acceptable unit at a price that is affordable for them, perhaps a subsidized unit or an older private market unit. Some are renters who because of their age or employment status would not choose to buy a home even if they had the opportunity. Some, including many senior households or people who inherit family property, may have a relatively low income but already own their home and are content where they are.

There are several specific groups that may have unmet affordable housing needs in Saco:

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<sup>3</sup> Based on medium gross rent as calculated by the 2009 Housing Affordability Study by the Housing Affordability Initiative at the MIT Center for Real Estate.

<sup>4</sup> Claritas is a marketing firm specializing in demographic projections based on U.S. Census data.

1. Moderate income households in their typical home buying years, including Saco households headed by a person age 25-44, with a household income between \$40,000 and \$75,000. There ~~are~~ were approximately 1,032 such households in Saco **in 2009**. The 2008 American Community Survey conducted by the US Census reports that 58.6% of Maine households inside urban areas own homes. This percentage suggests that that **as of 2008** there ~~is~~ **was** a need for approximately 607 affordable owner homes in Saco.
2. Very low-income elderly households with a need/desire to rent. Approximately 46% households headed by a person age 65 or over in Saco have household income less than \$25,000 **in 2009, and 47% in 2015 have household incomes less than \$30,000**. According to the Maine State Housing Authority (MSHA), about 99 seniors in Saco with incomes in this range (50% AMI) are in need of housing (Saco Housing Strategy Report, page 30).
3. Low-income non-elderly households with a need/desire to rent. Saco ~~had~~ approximately 927 households headed by a person younger than age 65, with a household income of less than \$25,000 **in 2009**. The Maine State Housing Authority estimates that approximately 341 of these households are currently in need of rental housing where the total monthly housing cost is less than \$667. **In 2015, with updates to the data, there were approximately 916 households with incomes of less than \$30,000.**

**The Maine State Housing Authority estimated that for 2015 approximately 59.8% of renter households in York County were unable to afford the average two-bedroom apartment rent (including utilities) of \$1,064. In Saco, this would be equivalent to approximately 1,726 households.**

**As stated earlier, the median price for a home in Saco in 2015 was \$210,000 while Saco residents had a median income of about \$56,405. According to the Maine State Housing Authority, 54% (4,295) of Saco's households could not afford that median priced home.**

#### 4. Supply of Affordable Housing

The City of Saco has a wide range of affordable housing opportunities, both rental and owner.

Over the past thirty years, a number of both market rate and subsidized rental housing units have been added to the City's housing stock. The availability of land served by public water and sewerage, combined with relatively liberal treatment of multi-family housing and reasonably high residential development densities, have helped keep housing relatively affordable.

The City's land use regulations (including the use of contract zoning) allow new multi-family housing to be constructed in a number of areas of the City at relatively high densities. Higher densities are also allowed for elderly housing. In 2008, Saco amended its land use ordinance to allow accessory apartments in all residential and most business zones. Two accessory units have been developed as a result. **More have likely been built in the following years.**

#### 5. Saco Housing Strategy Report

In December of 2008, the Saco City Council, as part of its annual strategic plan, established the goal of completing a plan for housing affordability in 2009. The Saco Housing Strategy Report assessed the current affordability of housing in Saco, Maine, and identified possible solutions. It also includes information and policies needed to satisfy State of Maine Growth Management standards, and is incorporated into this Update of the Saco Comprehensive Plan as an appendix document. Portions of the following sections are excerpted from the Saco Housing Strategy Report.<sup>5</sup>

##### Homes for first time buyers

Local realtors describe Saco as a desirable location, between Portland and Portsmouth, and with a nice downtown and nearby beaches. *The housing market in Saco is more expensive than in surrounding communities, so that people looking for less expensive homes to purchase often look out of the city. A home that would cost \$250,000 in Saco for example might be \$199,000 in Lyman, Arundel, or Dayton.* Right now, with prices a little lower and decent interest rates available, realtors report they are seeing people who already own a home elsewhere but who have family ties to Saco selling their homes and buying in the city.

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<sup>5</sup> Saco Housing Strategy Report, Nov 6, 2009, pg 37-39.

Despite the lower prices, local observers say that first-time homebuyers still have a hard time buying in Saco, whether they are looking to buy a new or existing home. *For new homes, the cost of land is too high for housing to be affordable -- a lot would need to be available for less than \$50,000 to make a house under \$200,000 feasible. Of 65 lots currently available, the least expensive is \$64,000. The least expensive new home in a subdivision is \$225,000. High municipal impact fees -- which can run around \$17,000 -- also contribute to higher prices (though the ordinance has a provision that enables the Council to set aside open space and recreation impact fees on affordable houses -- sewer impact fees do not have this provision). A York homebuilders study shows that for every thousand dollars that is added to the house price, hundreds of households are priced out of the market.*

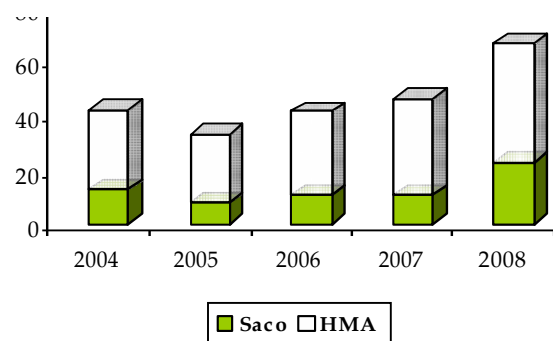
Local realtors describe that among existing homes, there are foreclosures available, but they are often in need of a lot of work, which first-time homebuyer loans from FHA don't allow. *Timing is also an issue, as foreclosure sales can drag on for many months. Few homes for sale in Saco are priced affordably. Of 122 single family homes currently for sale in Saco, just 22 are priced under \$200,000. Condos are another option for first-time buyers, with prices ranging from \$125,000 in mills to \$300,000. The realtors said they are appealing especially to single women because they are low maintenance, safe, and affordable on one income. There are currently 44 condos on the market, 22 of which are under \$200,000, all 2- bedrooms.*

Despite these issues, Saco is attractive to first-time buyers, as is evidenced by the fact that Saco consistently attracts about a third of 1<sup>st</sup>-time regional buyers (Figure G.2).

**Assisted rental housing for low- to moderate-income renters**

The Maine State Housing Authority estimates that there are 2,337 families and 393 senior households in need of housing assistance within the overall market area.

**Figure G.2: SACO FIRST TIME HOMEBUYERS**



In 2009, the Massachusetts Institute of Technology conducted a major study of housing affordability in Maine.<sup>6</sup> The study covered four different scenarios for low and moderate income households looking for apartments in Greater Portland. In Saco, only the two-parent, two-income family had the income necessary to afford an apartment (afford meaning that the households would pay only 30% of its income for gross rent) (see Table G.5).

Table G.5: SELECTED HOUSEHOLDS APARTMENT NEEDS, 2009			
	Needs	Can Afford	Median Gross Rent
Single elderly person earning \$13,320	1 BR	\$331	\$596
Disabled parent with one child earning \$7,356	2 BR	\$184	\$835
Single working parent, 2 teen children, earning \$28,350	3 BR	\$709	\$860
Two parent, two-income household with one child, earning \$45,360	3 BR	\$1,134	\$860

Source: [Housing Affordability in Maine](#)

### Assisted rental housing for very low-income renters

Saco has 14 housing projects with a total of 502 subsidized housing units designated for very low-income and special needs households. Of the total number of very low-income project units, 302 are for non-elderly and special needs households, and 200 are for elderly. In addition, the City provides 137 Section 8 Vouchers, which subsidize private rentals so that the tenant’s share of the rent is limited to 30% of their income.

Not noted in the Saco Housing Strategy Report because it happened after the report was published, another project with 30 more units for people 55 years old or older earning 50%-60% of the area’s median income was completed in Saco in 2012.

<sup>6</sup> [Housing Affordability in Maine: Taking Stock](#), MIT Center for Real Estate, for the Maine Affordable Housing Coalition, March 2009.

	New Family housing	Senior housing	Special needs housing	Section 8 Vouchers	Total	Total Renters getting aid	% Subsidized
Market Area	653	863	139	555	2,210	11,973	18.5%
Saco	259	200	43	137	639	2,536	25.2%
<i>Saco Percent</i>	<i>39.7%</i>	<i>23.2%</i>	<i>30.9%</i>	<i>24.7%</i>	<i>28.9%</i>	<i>21.2%</i>	

Housing Complex	Population	Year Built	# Units
<b>Cascade Brook</b>	<b>People over 55 years old</b>	<b>2012</b>	<b>30</b>
Golden Village	Elderly and People w/Disabilities	1977	12
Kallock Terrace	Elderly and People w/ Disabilities	1982	20
Ledgewood North	Families	1983	24
Ledgewood Terrace	Families	1980	30
Lincoln Apartments	Families	Pre-1960	21
Lord Pepperell	Elderly and People w/ Disabilities	1980	66
Maple Grove	Elderly and People w/ Disabilities	1977	8
Park Village	Elderly and People w/ Disabilities	1976	12
Pleasant St. Apartments	Elderly and People w/ Disabilities; Families	1982	45
Nottingham Woods	Families	1984	52
Pine Ledge	Families	1995	48
River View Apartments	Families	1985	61
Paul Hazelton House	Elderly and People w/ Disabilities	1999	36
Wardwell Commons	Elderly and People w/ Disabilities	1992	14

Source: [Maine State Housing Authority](#)

### C. AFFORDABLE HOUSING GOAL

The State of Maine requires that each municipality, “seek to achieve a level of 10% of new residential development, based on a 5-year historical average of residential development in the municipality, meeting the definition of affordable housing. Municipalities are encouraged to seek creative approaches to assist in the development of affordable housing, including, but not limited to, cluster zoning, reducing minimum lot and frontage sizes, increasing densities, and use of municipally owned land.”<sup>7</sup>

The average number of new housing units built annually in Saco between 2004 and 2009 was 104 units. **This data reflects all residential units built, including apartments. Because the City cannot easily report on residential unit permitting, this data is not available currently for 2010-2015.** Ten affordable units built each year would meet the 10% state requirement. To help reach this goal, the City has implemented contract zoning amendments to allow new elderly and affordable housing developments (Wardwell and Volunteers of America)..

## **D. HOUSING ASSISTANCE**

### **1. General Assistance**

The City of Saco has a general assistance program to help residents having difficulty meeting basic needs. Basic needs assistance includes support for housing, utilities (electricity and heating fuel), and food. General Assistance provides "a specific amount and type of aid for defined needs during a limited period of time and is not intended to be a continuing 'grant-in-aid' or 'categorical' welfare program. The program is funded by local property taxes with a 50% reimbursement from the state."<sup>8</sup>

### **2. Avesta Housing Development Corporation**

The Avesta Housing Development Corporation (formerly known as the York Cumberland Housing Development Corporation), is a non-profit housing organization which manages 52 subsidized elderly housing units in Saco in ~~three~~ **four** projects: **Cascade Brook**, Golden Pond Village, Maple Grove Apartments, and Kallock Terrace. They also manage Section 8 Vouchers on the City's behalf. ~~In May 2010 AVESTA received preliminary approval for a 30-unit elder housing project on outer Route 1.~~

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<sup>7</sup> Saco Housing Strategy Report, Nov 6, 2009

<sup>8</sup> <http://www.sacomaine.org/departments/generalassistance/generalassistance.shtml>



### **3. Wardwell Home for the Aging**

The Wardwell Home is a non-profit organization that has been providing housing for the elderly in Saco since 1890. They currently own and manage a total of 92 apartments. Sixteen of the units are full residential care facilities and are not federally subsidized. Wardwell Gardens includes thirty units of subsidized congregate/assisted living units with a tenant income limit of \$27,300. The out of pocket rent expense for tenants of these units is between \$358 and \$877 per month. Wardwell Commons has 14 subsidized independent living units with a tenant income limit of \$22,750; the tenant's out of pocket income expense is limited to 30% of income. Wardwell Apartments and Terrace include 32 apartments without subsidies, but which are in the lower range of market rents in Saco: \$775 for a one bedroom (including utilities), and \$1,350 for a two bedroom unit.

## **E. ISSUES AND IMPLICATIONS**

- Despite lower prices, first-time homebuyers still have a hard time buying in Saco, whether they are looking to buy a new or existing home. Affordable purchase options in Saco are limited.
- Furthermore the housing needs of aging baby boomers are changing, with many looking to downsize. This may create continuing demand for condominium and similar smaller units.
- Some of the barriers to affordable housing are development costs. For example, the City's parking requirements can hinder the development of high-density housing. The City requires 2 spaces for each single family unit, and an additional 1 space per unit for 6-unit buildings.
- Saco has a large number of older houses. The cost for heating these houses is high. The City should consider expanded opportunities for weatherization programs.
- A substantial share of the City's rental housing stock is in older multifamily buildings of varying condition. The City should consider efforts to work with the owners of these properties to assure that they are well maintained and offer desirable housing.

- Very little conventional rental housing has been built in the City in the last decade. The City should explore ways to enable the private market to develop additional market-rate rental housing especially in intown locations.