

## APPENDIX A7 HOUSING

(September 10, 2002)

A house or apartment is more than just a shelter. It represents security, privacy, health, community and all of the other things we associate with “home.” It is a basic necessity of life. Many would argue that safe, decent, affordable housing is a right that all Americans should enjoy.

Unfortunately, that is not always the case. Rising land values, sprawl, and the consequent demand for more services that eventually raise taxes can all create housing affordability challenges for Sanford residents. Rising taxes can make meeting expenses difficult for elderly residents on fixed incomes who own their homes. Rising land prices, increased lot sizes, lower zoning densities, and overzealous infrastructure requirements can drive the cost of housing up and exclude young people and families just starting out. Lower and middle income people wanting to move to Sanford may not be able to find an affordable place to live.

Housing affordability has far reaching effects. It plays a role in the Town of Sanford’s ability to attract business. The cost and variety of housing help determines whether the town’s population will be homogenous or diverse. It helps determine the culture of the community. This cost of housing determines whether the people who serve the community, cashiers, wait people, plow truck drivers, police officers, teachers, and others can live in the community they serve. It determines whether families can remain in Sanford/Springvale from one generation to the next.

This chapter examines the supply and condition of housing in Sanford/Springvale, considers its affordability in relation to local incomes, and analyzes its availability, especially for lower income households.

### A. Housing Stock

According to the 2000 Census, the Town of Sanford had 8,576 year-round housing units, plus an additional 231 seasonal housing units. By geographic area, the year-round units were distributed as follows (Figure A7-1):

- X Springvale CDP<sup>1</sup>– Springvale and its immediately surrounding areas accounted for 17% of the total housing units in the Town of Sanford

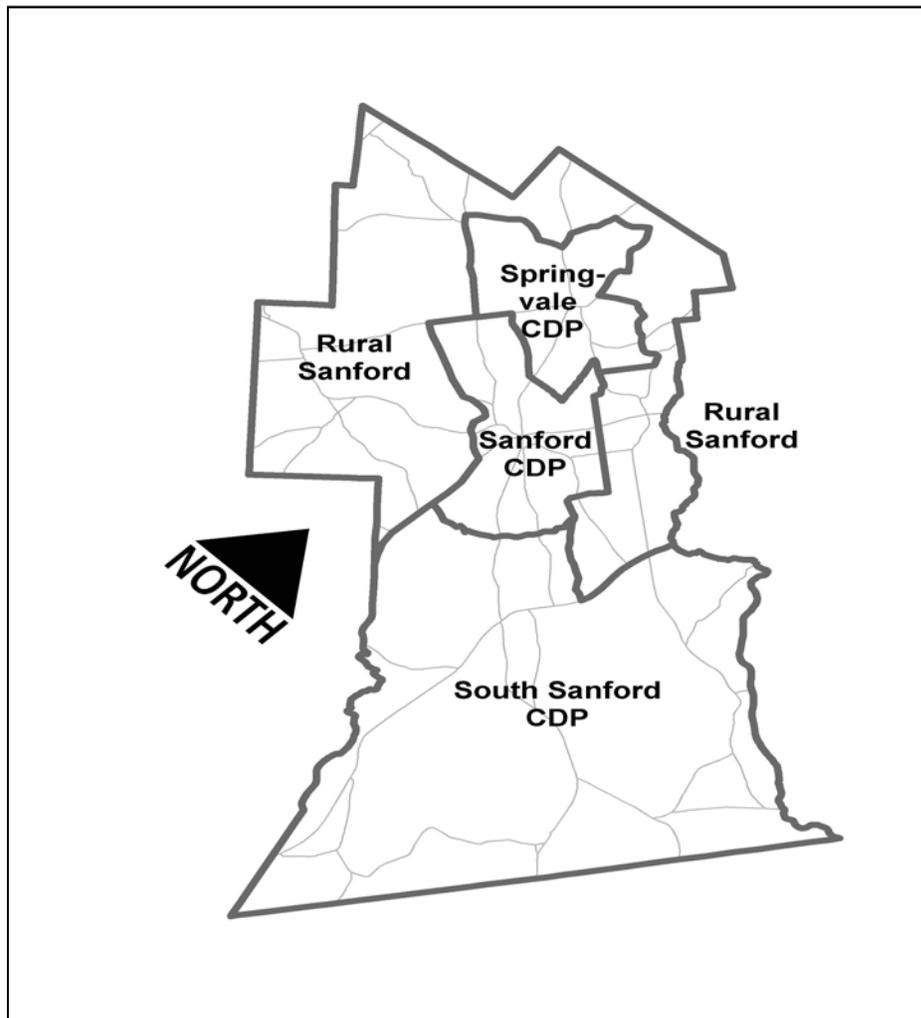
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<sup>1</sup>A Census Designated Place is delineated by the US Census and defined as densely settled concentrations of population that are identifiable by name, but are not legally incorporated places.

(1,501 units). Of these, 9 units are used for recreation or seasonal use (4% of the seasonal units).

- X Sanford CDP<sup>1</sup>– Sanford and its surrounding area accounted for nearly half of the total housing units (4,338 units). Of these, 29 were used for recreation or seasonal use (13% of the seasonal units).
- X South Sanford CDP<sup>1</sup>– South Sanford– which includes all of the area south of Route 4 as well as the Route 109 corridor up to Downtown Sanford– accounted for 21% of the housing units in town. Of these, 174 were used for recreation or seasonal uses. This accounts for three-quarters of the total seasonal housing units, most of which are clustered along the shores of Estes Lake and Bauneg Beg Pond.

**Figure A7-1. Census Geography, Sanford/Springvale 2000**



Source: US Census

- X Rural Sanford– which includes the uplands that encompass Springvale and Downtown Sanford– accounted for 1,117 total housing units (13% of the total). Of these, 19 were used for recreation or seasonal use (8% of the total seasonal units).

Assessing records from the Town suggest that an additional 128 housing units have been added to the Town’s housing stock between when the Census was taken and December 2001. Of these, an estimated 114 were single-family housing units, two units were in a duplex, and an estimated 12 units were in apartment buildings.

**Table A7-1.  
Housing Units by Type, 1990 - 2002**

	1990	1990 - 2002		2002 (est*)
		Absolute Change	Percent New Units	
<b>Single-family units</b>	4731	545	89.5%	5276
<b>Mobile Home units</b>	508	24	3.9%	532
<b>Duplex units</b>	1170	4	0.7%	1174
<b>Multi-family units</b>	1917	36	5.9%	1953
<b>Total</b>	8,326	609	100.0%	8,935

*\* estimate by Planning Decisions based on Assessing Department records  
Source: US Census, Planning Decisions, Inc*

Since 1990, single-family housing units have accounted for 90% of the new residential development in Sanford/Springvale. Mobile homes accounted for 4% of the development, multi-family units accounted for 6%, and duplexes less than 1%.

## **B. Tenure**

Of the 8,935 total housing units in Sanford/Springvale, an estimated 231 units are used for recreation or seasonal use. Of the remaining 8,704 units, an estimated 8,356 housing units were occupied in 2002.

Sanford/Springvale has a large number of rental housing units. Of the occupied housing units, Planning Decisions estimates that 5,306 were owner-occupied housing units (or 63.5%). The remaining 3,050 (or 36.5%) housing units were renter-occupied. While the renter-to-homeowner ratio appears large, it is in fact very similar to other large service center communities throughout the State.

The 2000 Census reported that the majority of the rental units were concentrated in the Sanford CDP (65% of all rental housing units) (Figure A7-1). This is a relic of the town's industrial past. One-fifth of the rental units were in Springvale CDP, 11% in South Sanford, and 5% in Rural Sanford.

### C. Age of Housing Units

Sanford's housing stock is relatively old. Of the 8,935 total housing units in town, an estimated 609 (or 7%) of them have been built since 1990 (Table A7-2). More than one-third of the housing units were built before 1940. This could impact future demographic trends because older housing units are typically smaller than newer housing units and therefore are attractive to smaller or single-person households, which could further push down the average household size (and the town's population). Nearly 40% of the housing units in Sanford/Springvale were constructed during the rapid real estate expansion in the 1970s and 1980s.

**Table A7-2.  
Age of Housing Units, Sanford/Springvale 2002**

Year	Number of Housing Units	Percent of Total
2000 - 2001	128	1.4%
1990 - 1999	481	5.4%
1980 - 1989	1,876	21.0%
1970 - 1979	1,621	18.1%
1960 - 1969	655	7.3%
1950 - 1959	533	6.0%
1940 - 1949	552	6.2%
pre- 1940	3,089	34.6%
Total	8,935	100.0%

*Source: US Census, Planning Decisions, Inc.*

### D. Comprehensive Housing Assessment

The Town of Sanford and its Community Development Advisory Committee recently completed a Comprehensive Housing Assessment. The study was conducted by Bruce Mayberry, Planning Consultant. The recommended housing strategy from this study is included in Appendix E. The complete assessment can be obtained from Town Hall. The assessment's summary observations are:

## 1. Market Trends

- a. Recent market changes suggest that Sanford/Springvale is becoming part of a larger regional housing market, evidenced by low rental vacancy rates and a recent increase in rents and home prices. Low costs in Sanford/Springvale are attracting residents from a larger regional market. The US Census for 2000 indicates that Sanford/Springvale had the 4<sup>th</sup> lowest rental vacancy rate in the State among communities of 15,000 or more.
- b. Single-family home prices in Sanford/Springvale surged during the 1980s, reaching an average of about \$100,000 in 1988. This was followed by an extended period (1989-1999) during which average prices remained in the \$80,000 - \$90,000 range. Only in the last two years has the average single-family home price in Sanford/Springvale again climbed above the \$100,000 mark, after a nearly 10-year period of flat prices.
- c. The average single-family home price last year was about \$103,000 and the average listing was about \$110,000 in Sanford/Springvale. The average listing price in the Sanford Labor Market Area (LMA) outside the Town of Sanford was \$145,000. Homes listed outside the town are generally newer, larger, and on bigger lots than homes available within Sanford. Given the relative affordability of homes in Sanford/Springvale, Maine State Housing Authority (MSHA) first-time buyer mortgages appear to have supported the majority of single-family home sales within the community in recent years.
- d. Local rental costs and purchase prices, though now increasing, are lower than in the faster growing coastal markets. Sanford/Springvale remains relatively affordable in the southern Maine region—buyers can still purchase a home in the Town of Sanford for just over \$100,000.
- e. Property taxes paid by the average homeowner in the Town of Sanford are lower than in most of Maine's large cities and towns with similar services. However, as of 2000, Sanford's taxable value per capita was quite low in comparison to these communities.
- f. During the past 15 years, the number of sales of developed residential property in Sanford/Springvale was equivalent to about 33% of the number of such properties. However, due to multiples of sales of the same properties, only 15% of all developed residential parcels in Sanford/Springvale changed hands at all during that period.

- g. The recent increase in sales activity of duplex and multifamily property, and increasing rents, indicate an opportunity to increase the level of local investment in the multifamily stock, and a potential market for increased owner-occupancy in the community's 2-4 family structures.
- h. During the 1980s and the 1990s, between 38-40% of the net increase in housing units with the Sanford Labor Market Area took place in the Town of Sanford. During the 1990s, Sanford/Springvale represented only 16% of the activity as the direction of new development turned increasingly to the outlying towns of the area.
- i. Sanford/Springvale presents a potentially good market for retirees, and a demonstrably good market for first time homebuyers. It probably has less appeal to the move-up market among buyers age 35-44 than the rural communities of greater Sanford and those on the coast. The Town is the region's principal service center, and its resources represent a potential marketing tool that could help retain more of this market.

## **2. Low Income Demands and Assisted Rental Housing Inventory**

- a. Sanford/Springvale serves as the principal provider of rental housing in the Labor Market. With nearly 1,200 households residing in some form of assisted rental housing, Sanford/Springvale is virtually the sole provider of low cost rental housing for its region (90% of the Labor Market Area's<sup>2</sup> assisted renter households live in Sanford/Springvale).
- b. The concentration of rental housing in Sanford/Springvale is a natural outgrowth of its role as an economic center. In comparison to other cities and towns of 15,000 or more in Maine, the Town of Sanford has ratios of assisted housing units per capita that are comparable to other urban centers.
- c. A comparison of the State's TANF (Temporary Assistance for Needy Families) caseload in Maine's largest communities indicates that the Town of Sanford has one of the highest ratios of TANF recipients per capita (second only to Lewiston based on this measure). The concentration in Sanford/Springvale is partly the result of in-migration of low income households from areas with higher housing costs.

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<sup>2</sup>The Maine Department of Labor defines a Labor Market Area as a central city or cities and the surrounding territory within commuting distance. It is an economically integrated geographical unit within which workers may readily change jobs without changing their place of residence.

Sanford's older housing stock, with its lower costs, provides comparatively affordable housing in the broader regional context of the southern Maine and New England housing markets.

- d. Very little market-rate rental housing has been produced in Sanford/Springvale over the past 30 years; most rental housing production in the town has been government assisted. Moderate income, market-rate rental alternatives exist principally within a very old rental stock.

### **3. Housing Age and Condition**

- a. Sanford/Springvale has a very old, high density multifamily housing stock and related needs for investments in maintenance and improvements. Based on assessment data for 2001 for two or more family properties in Sanford/Springvale:

- X Over 80% were built prior to 1940;
- X 73% are more than 75 years old; and
- X 33% are over 100 years old.

- b. In 1990, 25% of all housing units in Sanford/Springvale were in 2 to 4 family structures; 36% were in 2 or more family structures. The Town's public water and sewer utilities are subject to topographic and environmental constraints that will limit higher-density residential development in the future. This means more pressure is likely to be placed on the older, high density housing stock to supply lower cost units. The average lot size of single-family homes built in Sanford/Springvale has been increasing each decade, as new homes consume more land farther from utilities.
- c. The location of the lowest value residential properties in Sanford/Springvale correlates with the neighborhoods having the oldest housing units in town, and with places of relatively high concentrations of lower income households according to the US Census.
- d. A sample of the Town's code enforcement logs for residential properties over the past two years indicates that the average structure subject to code enforcement action was built in 1926. Among duplex and multifamily properties in code enforcement responses, the average structure was built in the early 1900s, or typically about 100 years old.

- e. Over 2/3 of the assessed valuation in the Town of Sanford is residential. As of May 2001, there was roughly \$600 million in residential assessed value in Sanford. Should that value decline by 5% due to disinvestment, it would represent a loss of \$30 million in taxable value. This underscores the fact that, while expansion of commercial and industrial values is important to economic development, so is the preservation of the quality and value of the Town's housing stock.