

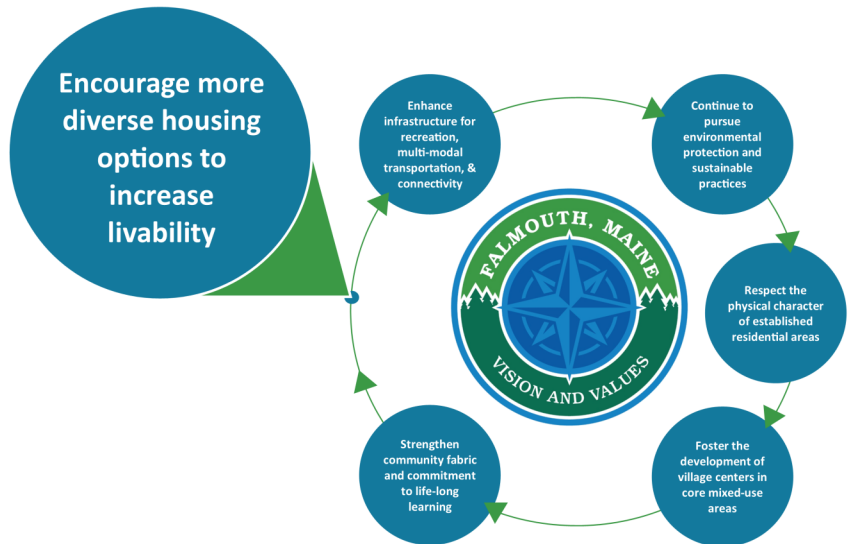
# Housing Affordability In Falmouth

## A Decades-Old Challenge

*Over the past two decades, attempts have been made to bring more affordable housing to Falmouth.*

Both the 2000 and 2013 Comprehensive Plans identified addressing the lack of diverse and affordable housing options as a future priority for the community. The Town has long focused on the Town-owned property on Woods Road adjacent to the Falmouth Police Department as a suitable location for new housing at a moderate price point. However, past efforts never progressed to a development project.

More recently, Falmouth's Vision & Values project further underscored the ongoing need for more diverse housing to increase livability, choice, and options to age in place. To achieve this goal, a more diverse housing stock, including housing that is more affordable than the existing inventory, is required.



Falmouth's Median Home Price  
**\$804,500**



Income Needed to Buy It  
**\$254,959**

## The Need for More Affordable Housing in Falmouth

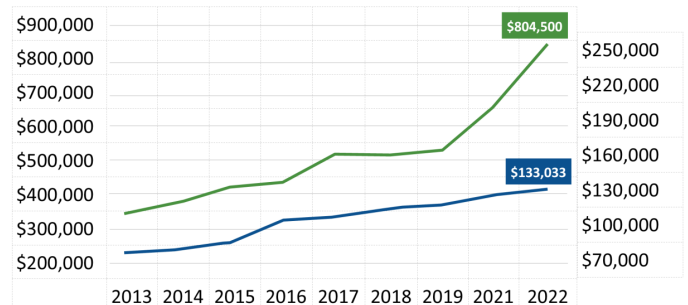
*Falmouth is a desirable community to live in. It's location, school system, recreational amenities, open space, and overall quality of life means that demand for housing is high and commands a premium price.*

### Housing Prices Exceed Income

Like much of southern Maine, the community is experiencing home prices

that exceed the limits of the region's median wage earner. The lack of inventory makes buying a home in Falmouth difficult for those working in Falmouth, considering working in Falmouth, or currently living in Falmouth and wanting to move to a new housing type.

Median Home Price In Falmouth Compared to Income



Source: Maine Housing; 2022 ACS 5-year estimates

**Limited Workforce Housing**

“Workforce Housing” is generally defined as housing affordable to those making between 80% and 120% of the area median income. In Cumberland County, that would be between \$85,150 and \$129,060 per year for a three-

**What is “Workforce Housing”?**

Workforce housing is affordable to those making 80%-120% of the area median income.

For example, in Cumberland County, workforce housing would target a three-person household earning between \$85,150 and \$129,060 per year.

Source: 2023 Department of Housing and Urban Development Fair Market Rents and Income Limits



person household. These households are more able to meet median market prices but still would have difficulty competing in a for-sale market with low inventory, like Falmouth. These income ranges incorporate professional jobs common in the area, including public sector jobs.

The lack of local housing options drives Falmouth’s workforce to live farther away, contributes to traffic and pollution and, as local business owners have noted, makes recruitment and retention difficult. In this tight labor market, the high cost of housing can be a factor in an applicant’s employment decisions. The high cost of housing also contributes to employees leaving to work in communities where housing is more affordable. The Town of Falmouth has experienced this issue first-hand, both in its recent hirings and in attrition among Town employees – few live in Falmouth or could afford to live here, and the lack of workforce housing in and around Falmouth is often a factor when Town employees take jobs elsewhere. The Town increasingly faces difficulties filling positions, and having employees living far away could also impact Town services, especially during severe weather events or other emergencies. If police, fire, public works, and wastewater employees cannot live in Falmouth or nearby, there is a chance they would not be readily available when most needed.

**Limited Options for Seniors to Down-Size or Age In-Place**

In Falmouth, 81% of housing units are single-family residential homes, many on multi-acre lots (2022 ACS 5-year estimates). These large homes are perfect for raising a family, a draw for many who seek Falmouth for its excellent schools. However, what happens when children are grown? Options to relocate within Falmouth to a smaller home and more manageable property are scarce. Aside from Falmouth’s senior and assisted living communities, there are few options in town for single-floor living and aging-in-place.




The senior population in Falmouth has been increasing over the last decade. Nearly 30% of Falmouth residents are over age 60 and approximately 22% are over age 65.

Source: 2022 ACS 5-year estimates; US Census

**Limited Options for Young Families**

With empty nesters unable to downsize to another property in Falmouth, many remain in their large homes, making them unavailable to new families with children. This decrease in housing inventory further drives up market rates.

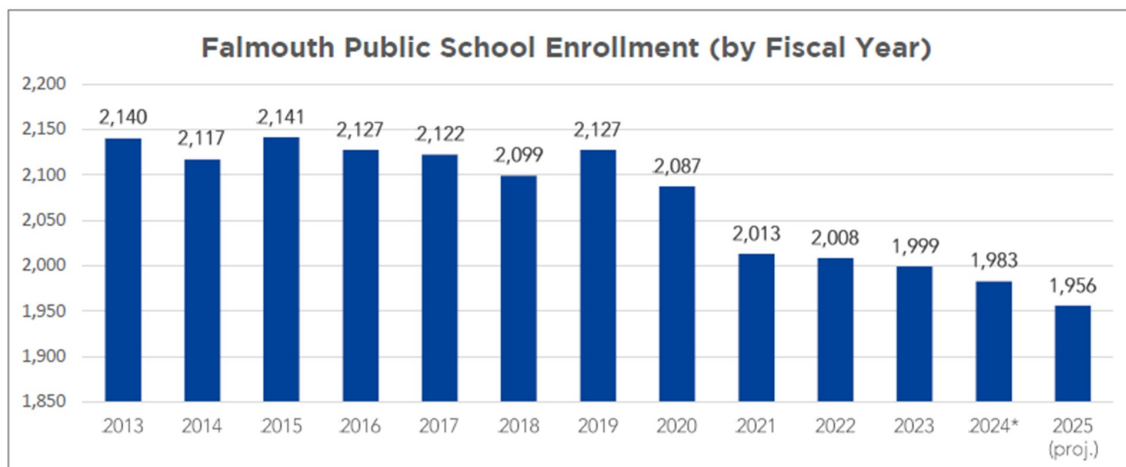
The rising median home cost and lack of starter homes for young families make it increasingly difficult for Falmouth’s children to return to their hometown to raise their own families.





For the past several years, school enrollment has declined. The lack of varied and affordable housing for young families will only accelerate this trend.

The percent of Falmouth households with school-aged children (ages 6-17 years) declined 5.5% from 2010 (1,124) to 2022 (1062).



\*Includes the addition of 48 pre-K students, beginning in FY 2024.  
Source: Falmouth Public Schools

School enrollment is expected to continue to decline through FY 2025.

## A New Working Group to Address the Challenges of Housing Affordability

Recognizing the benefits of more affordable housing in Falmouth, the Town Council formed a working group in 2022 to investigate housing options that would appeal to people working in Falmouth, considering working in Falmouth, or currently living in Falmouth and interested in changing housing types.

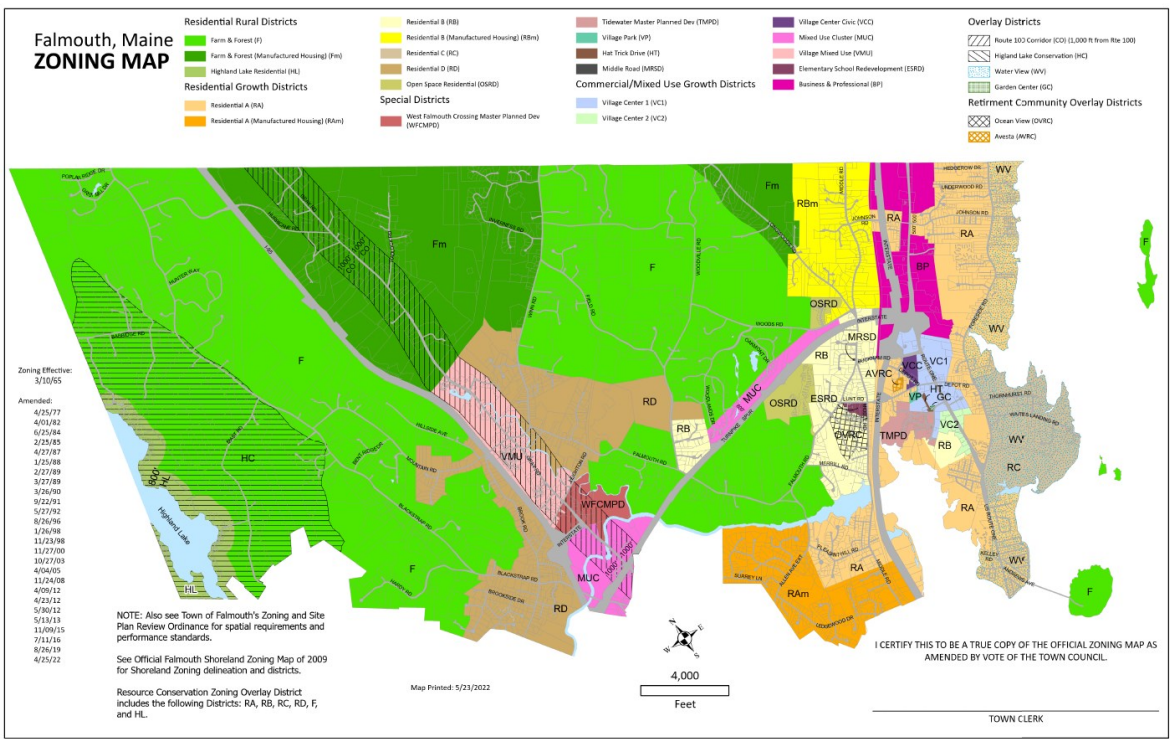
The group also considered for-sale and rental units, and even market rate units if that would help support long-term affordability.

Falmouth has identified growth areas available for housing development; however, market conditions are not favorable for developers to voluntarily create lower priced housing. The

existing low-density zoning regime combined with the high costs of land, labor, materials, and financing ensure that new developments focusing on the higher end of the market generate the highest rate of return. The Town does have some mechanisms to incentivize developers to build different types of housing. For example, growth cap exemptions for affordable units in certain areas or for senior housing units are two examples that have been used in the past.

### Benefits of Home Ownership

- Increase in Net Worth**  
Unlike rent, mortgage payments help build equity.
- Potential Tax Deductions**  
You can usually deduct a mortgage payment on your tax return.
- Appreciation**  
Over time, the value of your home generally increases.
- Borrowing Power**  
Equity may help you qualify for future loans.
- Stability**  
You are not subject to whims of a landlord selling the property or raising the rent.



The working group met multiple times in late 2022 and early 2023 to discuss the best path forward for creating housing that is more affordable to middle-income buyers. Discussions centered on restarting the effort to find a development partner for the Woods Road site. The

[Click here for larger map](#)

working group discussed various ways to engage the development community but ultimately settled on a call for projects that would be open to anyone with an interest in housing. The goal was to review any project submittals and present a recommendation to the Town Council for action. To gauge developer interest and potential development types, they chose to issue a broad request for qualifications (RFQ) which was released on March 20, 2023.

### The Woods Road Site

*The Town Council determined that the Woods Road site remains a viable option for an affordable or workforce housing development.*

The working group considered the following criteria in reviewing three submissions from New Ventures/Avesta Housing, Scittery Woods Partners, and Westbrook Development Corporation/Habitat for Humanity:

- Affordability
- Sustainable construction
- Compatibility with existing zoning
- Home ownership vs. rental opportunities
- Project timeframe

At a Town Council Workshop on October 11, 2023, the working group provided an update on the Woods Road site RFQ process and the responses received and discussed the implications of moving forward with a development. The



Council proposed several questions for the respondents to consider. A second workshop was held on November 27 to review and discuss the respondents' responses and determine next steps. At that workshop, the Council expressed interest in refining the proposal from Scittery Woods Partners.

**Public Comment** At its meeting on **Monday, February 12, at 7pm**, the Town Council will consider action to move the Woods Road Housing Project forward. This meeting will include a public comment opportunity.

### Next Steps

*The Town is interested in public feedback and is developing a process for additional public input as the project moves forward. Next steps include:*

- Workshop, Monday, February 12, 5:00pm: The public is invited to attend an in-person workshop at Town Hall to include an update on the status of the project.
- Town Council Meeting, Monday, February 12, 7:00pm: The Town Council will consider action to move the Woods Road Project forward. **This meeting will include a public comment opportunity. The meeting will be held in-person at Town Hall with an option to attend via Zoom. Find the agenda and Zoom link at: <https://www.falmouthme.org/>**

