

**Board of Selectmen Meeting  
Village Fire Station – 32 North Street  
January 25, 2018 – 6:00 PM**

Minutes of the Selectmen's Meeting of January 25, 2018

**Selectmen Attending:** Stuart Barwise, Patrick A. Briggs, Allen Daggett, Sheila Matthews-Bull, Edward Hutchins

**Others:** Barbara Barwise, Jim Burrows, Adam Burnett, Michael Claus, Jim Damici, Michael Davis, Tom Dworetsky, Jim Fitzgerald, Werner Gilliam, Noel Graydon, Paul Hogan, David James, David Kling, Dan Lay, Ki Leffler, Bill Leffler, Jen Lord, Jim McMann, Arlene McMurray, Nina Pearlmutter, Molly Reinfried, John Salo, Dan Saunders, Bob Sherman, Laurie Smith, and others

**1. Call to Order.**

Chair Briggs called the meeting to order at 6:01 PM.

**2. Approve the January 9, and 11, 2017, selectmen meeting minutes.**

**Motion** by Selectman Hutchins, seconded by Selectman Daggett, to approve the January 9, and 11, 2017, selectmen meeting minutes. **Vote:** 4-0-1/Selectmen Barwise abstained because he did not attend those meetings.

**3. Public Forum (This is an opportunity for anyone who wants to address the Board of Selectmen with any issue that is not on the agenda.).**

Nina Pearlmutter stated that Kennebunkport is in serious need of an environmental plan. She said she would like to live the rest of her life here and would like residents to do things to beautify the Town. She asked that the Town be reasonable to new development. She reiterated a list from a speech given by Carolyn Sherman at another meeting. Some of her concerns are protection of:

- Wildlife
- Wetlands
- Shoreline
- Soil
- Marshlands (no dogs)

Ms. Pearlmutter said there is the need for:

- Regular testing of septic systems, especially near preserves
- Regulation of kayaking (She doesn't see any Bald Eagles in the summer.)
- Environmental education for homeowners
- Less removal of trees by developers

**4. Consider a liquor license renewal application for Sheila W. Matthews-Bull, DBA Rhumb Line Resort, 41 Turbats Creek Road.**

**Motion** by Selectman Daggett, seconded by Selectman Hutchins, to approve the liquor license renewal application for Sheila W. Matthews-Bull, DBA Rhumb Line Resort, 41 Turbats Creek Road. **Vote:** 4-0-1/Selectman Matthews-Bull recused herself.

**5. Consider a special amusement permit renewal application for Sheila W. Mathews-Bull, DBA Rhumb Line Resort, 41 Turbats Creek Road.**

**Motion** by Selectman Daggett, seconded by Selectman Barwise, to approve the special amusement permit renewal application for Sheila W. Mathews-Bull, DBA Rhumb Line Resort, 41 Turbats Creek Road. **Vote:** 4-0-1/Selectman Matthews-Bull recused herself.

**6. H.M. Payson presents annual investment report.**

Molly Reinfried gave the investment presentation. (See Exhibit A)

Dan Lay added that the portfolio is designed so that the funds will continue to grow.

Chair Briggs thanked the presenters from H.M. Payson for their financial advice to the Town and added that they assisted with the Town's Investment Policy.

Town Manager Laurie Smith commented that the Town also has an Investment Committee.

**7. Housing Assessment Study presentation.**

Jim Damicis, of Camoin Associates, presented the Housing Assessment Study and answered questions from the audience. (See Exhibit B)

Bill Leffler, John Salo, and Bob Sherman asked questions.

Chair Briggs thanked the presenters and said now the Town needs to develop a strategy on how to proceed.

Ms. Smith thanked Camoin Associates and the Growth Planning Committee who worked with them. She mentioned that she asked for public input on what people see as the Town's biggest challenges and opportunities in the year(s) ahead, and what our Boards and staff should be focused on. She stated that the two topics people were most concerned about were affordable housing and sustaining Consolidated School.

**Motion** by Selectman Hutchins, seconded by Selectman Daggett, to ask the Town Boards/Committees to provide the Board with input on how to proceed. **Vote:** 5-0.

**Motion** by Selectman Hutchins, seconded by Selectman Barwise, to accept the Housing Study report from Camoin Associates. **Vote:** 5-0.

**8. Consider the following tax abatement requests:**

Property Owner	Location	Map	Blk	Lot(s)	Tax Abatements 2017
William F. Casey, CKM Realty Trst.	272 Mills RD, Unit 1D	37	2	2-1D	Denied
William F. Casey, CKM Realty Trst.	272 Mills RD, Unit 2B	37	2	2-2B	Denied
William F. Casey, CKM Realty Trst.	272 Mills RD, Unit C9	37	2	2-C	Denied

Director of Planning and Development Werner Gilliam spoke on behalf of Assessors Agent Becky Nolette. She found that the current assessments are equitable and a reduction in value of these units is not warranted.

**Motion** by Selectman Daggett, seconded by Selectman Barwise, to deny the abatement requests for William F. Casey, CKM Realty Trust, 272 Mills RD, Units 1D, 2B, and 2C9 per the recommendation of Assessors Agent Becky Nolette. **Vote:** 5-0.

**9. Award the bid for relining deteriorating storm drain pipe to correct drainage problem on Ocean Avenue.**

Acting Wastewater Superintendent Michael Claus explained that a storm drain pipe has deteriorated and it is not possible to dig and replace it because it is underneath the Yachtsman Motel. The motel will work with the Town to improve the drainage issues and perform the site excavation at the motel's expense. There are only two contractors that perform this work: Ecoline and Ted Berry and Sons. In 2016, the original quote from Ecoline was \$21, 500. This year, their revised quote is \$17,168. Ted Berry and Son's quote is \$14,000. He recommends awarding the bid to Ted Berry and Sons. He said he would pay for this out of the highway capital budget.

**Motion** by Selectman Hutchins, seconded by Selectman Matthews-Bull, to award the bid to Ted Berry and Company at a cost of \$14,000 for relining the deteriorating storm drain pipe to correct the drainage problem on Ocean Avenue. **Vote:** 5-0.

**10. Accept \$100 donation from Karen Macgregor to the nurses general account.**

**Motion** by Selectman Barwise, seconded by Selectman Matthews-Bull, to accept the \$100 donation from Karen Macgregor to the nurses general account. **Vote:** 5-0.

**11. Other business.**

There was no other business.

**12. Approve the January 25, 2018, Treasurer's warrant.**

**Motion** by Selectman Barwise, seconded by Selectman Matthews-Bull, to approve the January 25, 2018, Treasurer's Warrant. **Vote:** 5-0.

**13. Executive session per MRSA 1, §405-6D to discuss union negotiations and per MRSA 1, §405-6A to discuss personnel.**

**Motion** by Selectman Barwise, seconded by Selectman Hutchins, to go into executive session per MRSA 1, §405-6D to discuss union negotiations and per MRSA 1, §405-6A to discuss personnel. **Vote:** 5-0.

The Board went into executive session at 7:40 PM.

At 9:10 PM the Board came out of executive session.

No action was taken.

**14. Adjournment.**

**Motion** by Selectman Barwise, seconded by Selectman Hutchins, to adjourn the meeting. **Vote:** 5-0.

The meeting adjourned at 9:10 PM.

Submitted by Arlene McMurray  
Administrative Assistant

**HM**Payson

# Investment Review

Town of Kennebunkport

Daniel M. Lay, Esq.  
COUNSEL MANAGER

Molly C. Reinfried, CFP®  
RELATIONSHIP MANAGER

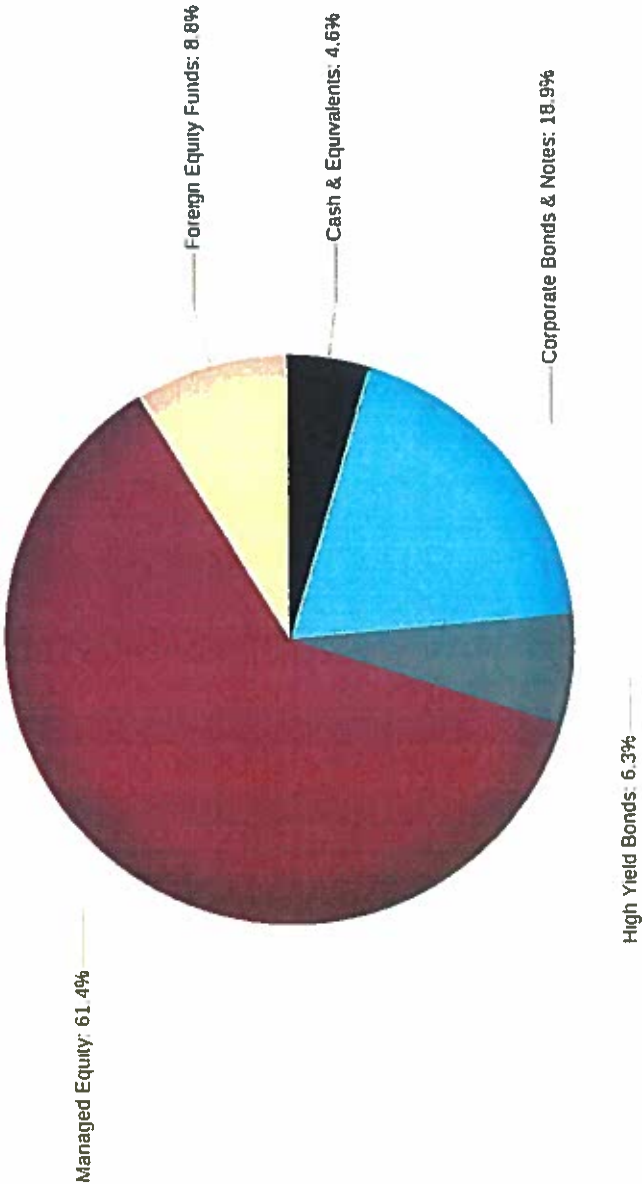
Jenny Lynd Robinson  
ASSISTANT MANAGER

## Town of Kennebunkport Portfolio Composition

Trust	Market Value 12/31/2017	Beneficiaries
Kittredge Trust	\$786,296.54	Vehicles for fire companies (per trust %)
Macomber Trust	\$0.00	Support public health nurse
Picavet Trust	\$529,007.39	½ Police Department equipment ½ Equipment and supplies for Public Health and Nursing Service

# Asset Allocation by Account

TOWN OF KENNEBUNKPORT



Style Class	Current Value	Current Percent
Cash & Equivalents	\$60,193	4.6%
Corporate Bonds & Notes	\$248,640	18.9%
High Yield Bonds	\$82,680	6.3%
Managed Equity	\$807,745	61.4%
Foreign Equity Funds	\$116,100	8.8%
Total	\$1,315,358	100.0%

Account Activity Summary

Fiscal YTD beginning 7/1  
\$1,220,165

Start Value	
Dividend Income	\$15,057
Interest Income	\$0
Net Contribution	\$0
Management Fees	(\$4,637)
Other Expenses	(\$29)
Change in Value of Securities Held	\$84,254
Change in Value of Securities Sold	\$548
Ending Value	\$1,315,358



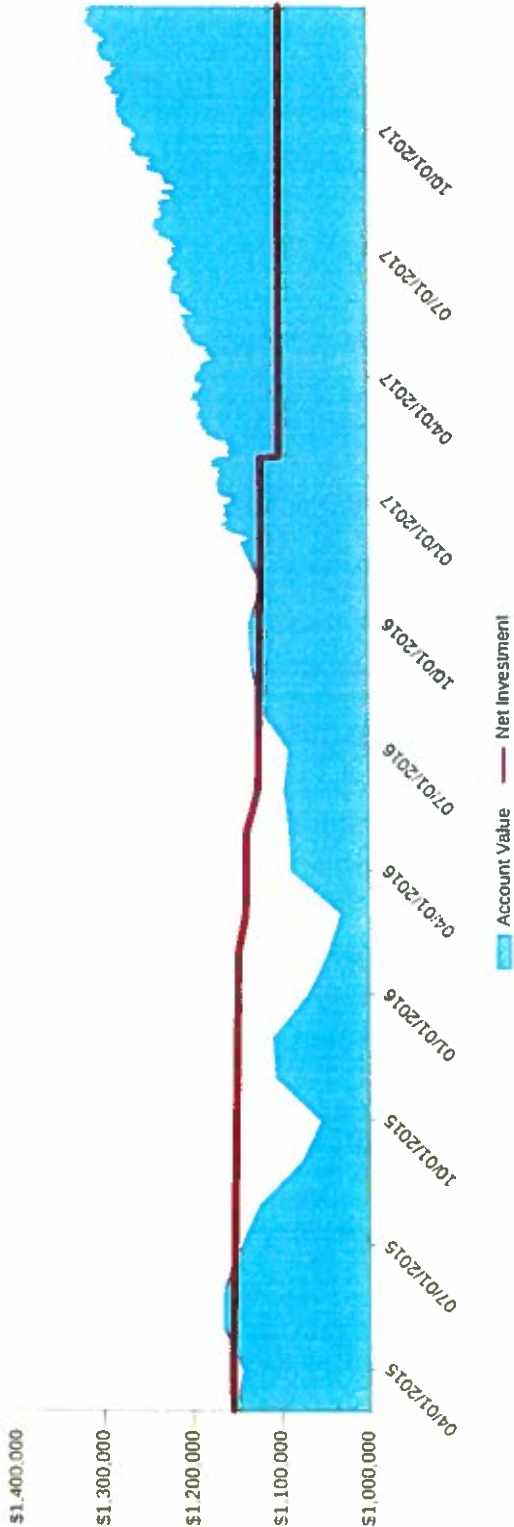
## Individual Account Gross Performance

## TOWN OF KENNEBUNKPORT

	Value	Weight	Fiscal YTD beginning 7/1 Gross Return	Previous 12 Months Gross Return	Inception to Date (02/28/2015) Gross Return
Cash & Equiv	\$60,193	4.6%	0.7%	1.0%	0.4%
Fixed Income	\$331,320	25.2%	0.7%	2.5%	* 1.9%
Equity	\$923,845	70.2%	11.8%	24.2%	9.7%
75% S&P 500, 25% ACWI ex-US			11.4%	23.2%	10.0%
<b>Total</b>	<b>\$1,315,358</b>	<b>100.0%</b>	<b>8.2%</b>	<b>16.8%</b>	<b>6.9%</b>

\* Partial period return  
Returns for periods exceeding 12 months are annualized

Account Value vs. Net Investment



Fiscal YTD beginning 7/1	
Start Value	\$1,220,165
Net Contribution	\$0
Investment Gain/Loss	\$95,193
Ending Value	\$1,315,358

Inception to Date (02/28/2015)	
	\$1,154,444
	(\$54,670)
	\$215,583
	\$1,315,358

# Town of Kennebunkport Income Review as of 12/31/2017

	2015	2016	2017	Since Inception through 9/30/17
Kittredge Trust	\$ 12,021.77	\$ 16,483.10	\$16,381.87	\$ 44,886.74
Macomber Trust	\$ 100.18	\$ 137.80	\$8.10	\$ 246.08
Picavet Trust	\$ 7,914.33	\$ 10,886.23	\$11,005.34	\$ 29,805.91
<b>TOTAL</b>	<b>\$ 20,036.29</b>	<b>\$ 27,507.13</b>	<b>\$27,395.31</b>	<b>\$ 74,938.73</b>

# TOWN OF KENNEBUNKPORT (5990438786, Endowment)

Holdings as of: December 29, 2017

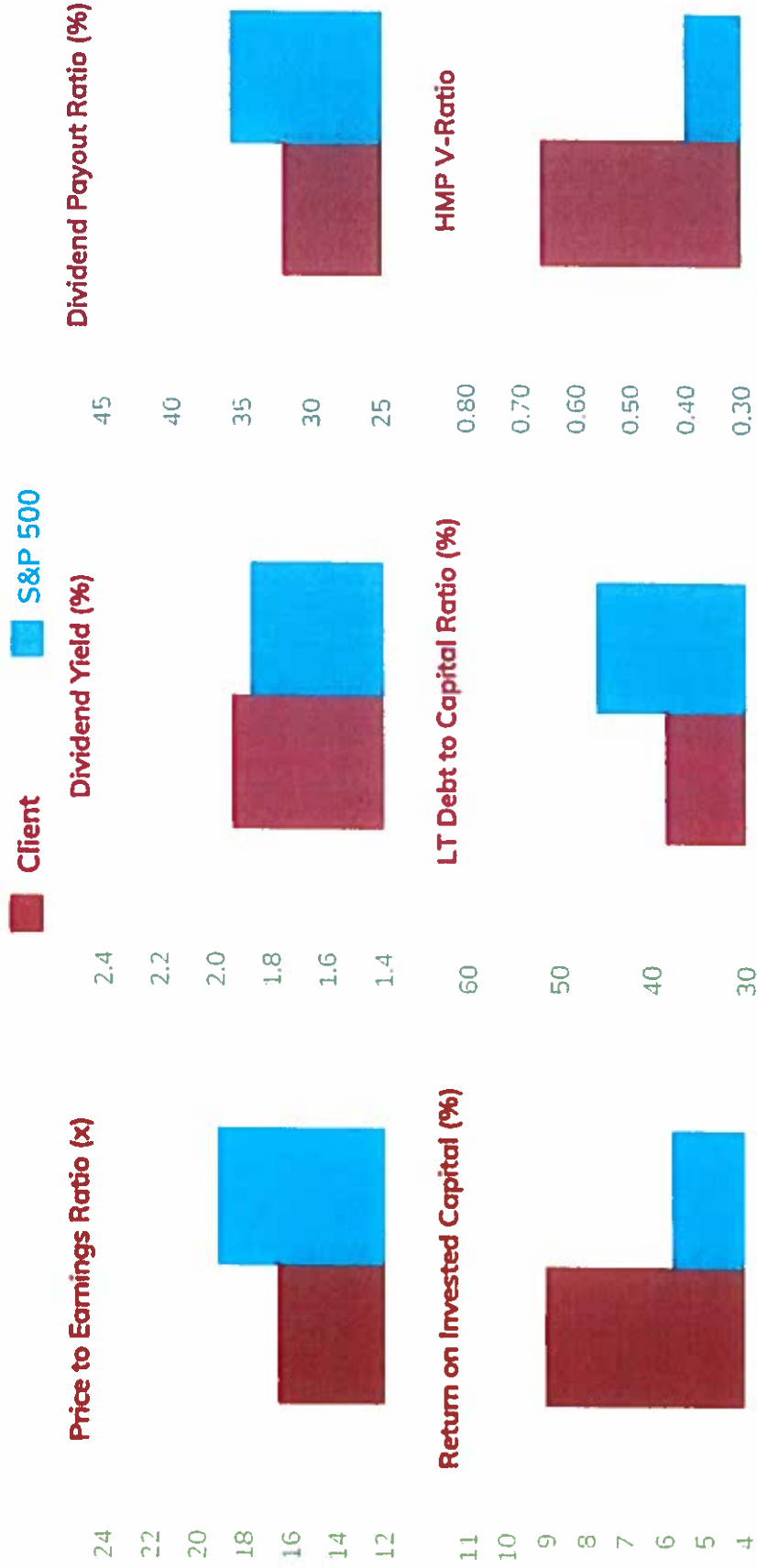
$$\text{V-Ratio} = \frac{\text{ROIC} + \text{Dividend Yield}}{\text{Price-to-Earnings Ratio}}$$

$$\text{ROIC} = \frac{(\text{Earnings} - \text{Dividends})}{\text{Total Capital}}$$

Consistently profitable companies with shareholder-friendly capital allocation tend to outperform over time. We believe that portfolios constructed around these characteristics, combined with a disciplined approach toward valuation, offer enhanced potential long-term returns. HM Payson's V-Ratio captures these features by weighing an approximation of quality against a measure of price.

Characteristics Summary	Client	S&P 500
Price to Earnings (x)	16.5	19.1
Dividend Yield (%)	1.9	1.9
Payout Ratio (%)	32	36
Return on Invested Capital (%)	9.0	5.8
Long term Debt to Capital (%)	39	46
V-Ratio	0.66	0.40

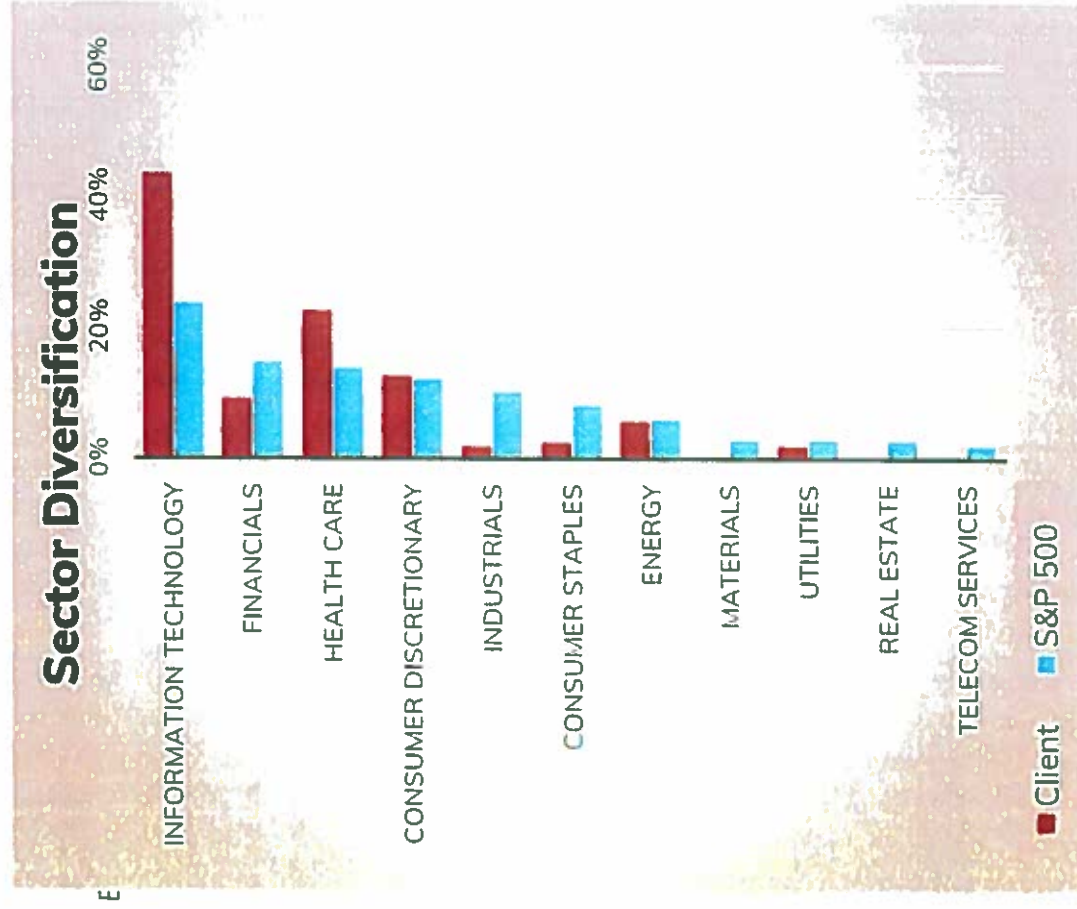
Excluded securities: Delphi Technologies Plc Shs



# TOWN OF KENNEBUNKPORT (5990438786, Endowment)

Holdings as of: December 29, 2017

Excluded securities: Delphi Technologies Plc Shs



Sector	Client	S&P 500	+/-
Information Technology	43.6%	23.8%	+19.9%
Financials	9.2%	14.8%	-5.6%
Health Care	22.5%	13.8%	+8.7%
Consumer Discretionary	12.6%	12.2%	+0.4%
Industrials	1.9%	10.3%	-8.4%
Consumer Staples	2.5%	8.2%	-5.7%
Energy	5.7%	6.1%	-0.4%
Materials	0.0%	3.0%	-3.0%
Utilities	1.9%	2.9%	-1.0%
Real Estate	0.0%	2.9%	-2.9%
Telecom Services	0.0%	2.1%	-2.1%

# TOWN OF KENNEBUNKPORT (5990438786, Endowment)

Holdings as of: December 29, 2017

## Stock Characteristics - 10 Largest Holdings

Company	Sector	Weight	Yield	Payout	5 Yr Div Growth	5 Yr EPS Growth	P/E	ROIC	LT Debt to Capital
Phillips 66 Com	Energy	5.7%	2.8%	50.5%	NM	-17.0%	18.2	4.4%	29.7%
QUALCOMM Inc	Information Technology	5.4%	3.6%	62.9%	18.8%	-10.2%	17.7	4.0%	38.7%
Apple Inc	Information Technology	5.0%	1.5%	21.5%	44.7%	7.9%	14.4	20.7%	42.0%
Berkshire Hathaway	Financials	4.9%	0.0%	0.0%	NM	18.7%	26.4	4.5%	24.4%
Cisco Systems Inc	Information Technology	4.8%	3.0%	45.9%	31.5%	5.0%	15.2	7.5%	28.2%
Pfizer Inc	Health Care	4.7%	3.5%	47.9%	8.3%	1.1%	13.5	8.8%	36.2%
Amgen Inc	Health Care	4.3%	3.0%	41.5%	48.2%	20.4%	13.7	8.3%	51.2%
Intel Corp	Information Technology	4.0%	2.4%	33.6%	5.9%	-2.4%	14.2	10.5%	27.7%
Mastercard Incorporated	Information Technology	4.0%	0.7%	20.1%	67.5%	19.9%	30.5	35.8%	45.6%
Johnson & Johnson	Health Care	3.9%	2.4%	44.4%	7.0%	11.2%	18.4	11.5%	26.5%
<hr/>									
Top 10 Stocks		46.7%	2.3%	39.3%	17.6%	2.1%	17.0	7.8%	33.2%
Total Stock Portfolio			1.9%	32.0%	13.3%	6.1%	16.5	9.0%	38.5%
S&P 500 Index			1.9%	35.9%	9.8%	3.7%	19.1	5.8%	46.1%



# Holdings by Account

TOWN OF KENNEBUNKPORT

Description	Quantity	Cost Basis	Value	Weight	Annual Income	Current Yield
<b>Cash &amp; Equivalents</b>						
Cash		\$60,193	\$60,193	4.6%	\$674	1.1%
Income Cash		\$60,193	\$60,193	4.6%	\$674	1.1%
Principal Cash		\$22,143	\$22,143	1.7%	\$248	1.1%
		\$38,050	\$38,050	2.9%	\$426	1.1%
<b>Corporate Bonds &amp; Notes</b>						
Investment Grade Corporates		\$250,853	\$248,640	18.9%	\$4,295	1.7%
iShares 1-3 Year Credit Bond ETF		\$250,853	\$248,640	18.9%	\$4,295	1.7%
Vanguard Short-Term Investment-Grade Adm	1,870	\$197,753	\$195,490	14.9%	\$3,202	1.6%
	5,000.000	\$53,100	\$53,150	4.0%	\$1,093	2.1%
<b>High Yield Bonds</b>						
High Yield Bonds		\$85,149	\$82,680	6.3%	\$4,706	5.7%
SPDR® Barclays Short Term Hi Yld Bd ETF	3,000	\$85,149	\$82,680	6.3%	\$4,706	5.7%
<b>Managed Equity</b>						
Consumer Discretionary		\$640,652	\$807,745	61.4%	\$15,551	1.9%
Adient Plc Ord Shs	300	\$84,988	\$106,610	8.1%	\$598	0.6%
Amazon.com Inc	25	\$21,273	\$23,610	1.8%	\$330	1.4%
Apiv Plc	305	\$19,594	\$29,237	2.2%	\$0	0.0%
Delphi Technologies Plc Shs	305	\$17,445	\$25,873	2.0%	\$268	1.0%
Priceline Group Inc (The)	101	\$3,409	\$5,299	0.4%	\$0	0.0%
	13	\$23,266	\$22,591	1.7%	\$0	0.0%
<b>Consumer Staples</b>						
Unilever Plc Sponsored Adr	365	\$14,308	\$20,199	1.5%	\$563	2.8%
		\$14,308	\$20,199	1.5%	\$563	2.8%
<b>Energy</b>						
Enbridge Inc Com	400	\$51,537	\$61,162	4.6%	\$2,095	3.4%
Phillips 66 Com	450	\$16,322	\$15,644	1.2%	\$835	5.3%
		\$35,216	\$45,518	3.5%	\$1,260	2.8%

As of December 31, 2017

## Holdings by Account

## TOWN OF KENNEBUNKPORT

Description	Quantity	Cost Basis	Value	Weight	Annual Income	Current Yield
<b>Managed Equity</b>		<b>\$640,652</b>	<b>\$807,745</b>	<b>61.4%</b>	<b>\$15,551</b>	<b>1.9%</b>
<b>Financials</b>		<b>\$48,865</b>	<b>\$73,680</b>	<b>5.6%</b>	<b>\$705</b>	<b>1.0%</b>
Aflac Inc	205	\$12,378	\$17,995	1.4%	\$369	2.1%
Berkshire Hathaway	200	\$27,802	\$39,644	3.0%	\$0	0.0%
JPMorgan Chase & Co	150	\$8,684	\$16,041	1.2%	\$336	2.1%
<b>Health Care</b>		<b>\$169,376</b>	<b>\$180,844</b>	<b>13.7%</b>	<b>\$4,370</b>	<b>2.4%</b>
Amgen Inc	200	\$33,179	\$34,780	2.6%	\$1,056	3.0%
Celgene Corp	250	\$28,908	\$26,090	2.0%	\$0	0.0%
Danaher Corp	160	\$10,364	\$14,851	1.1%	\$90	0.6%
Gilead Sciences Inc	250	\$24,545	\$17,910	1.4%	\$520	2.9%
Johnson & Johnson	225	\$21,173	\$31,437	2.4%	\$756	2.4%
Merck & Co Inc	325	\$17,431	\$18,288	1.4%	\$624	3.4%
Pfizer Inc	1,035	\$33,775	\$37,488	2.9%	\$1,325	3.5%
<b>Industrials</b>		<b>\$17,718</b>	<b>\$15,244</b>	<b>1.2%</b>	<b>\$416</b>	<b>2.7%</b>
Johnson Controls International PLC	400	\$17,718	\$15,244	1.2%	\$416	2.7%
<b>Information Tech</b>		<b>\$253,861</b>	<b>\$350,007</b>	<b>26.6%</b>	<b>\$6,803</b>	<b>1.9%</b>
Accenture Plc Ireland Shs Cl A	150	\$18,178	\$22,964	1.7%	\$399	1.7%
Alphabet Inc Class A Common Stock	10	\$7,556	\$10,534	0.8%	\$0	0.0%
Alphabet Inc Class C Capital Stock	25	\$18,462	\$26,160	2.0%	\$0	0.0%
Apple Inc	235	\$26,625	\$39,769	3.0%	\$592	1.5%
Applied Materials Inc	265	\$12,460	\$13,547	1.0%	\$106	0.8%
Cisco Systems Inc	1,000	\$27,549	\$38,300	2.9%	\$1,160	3.0%
Intel Corp	700	\$21,182	\$32,312	2.5%	\$763	2.4%
International Business Machines Corp	195	\$29,535	\$29,917	2.3%	\$1,170	3.9%
Mastercard Incorporated	210	\$19,681	\$31,786	2.4%	\$210	0.7%

As of December 31, 2017



## Holdings by Account

TOWN OF KENNEBUNKPORT

Description	Quantity	Cost Basis	Value	Weight	Annual Income	Current Yield
<b>Managed Equity</b>		\$640,652	\$807,745	61.4%	\$15,551	1.9%
Information Tech		\$253,861	\$350,007	26.6%	\$6,803	1.9%
Microsoft Corp	290	\$12,319	\$24,807	1.9%	\$487	2.0%
QUALCOMM Inc	680	\$35,757	\$43,534	3.3%	\$1,550	3.6%
Skyworks Solutions Inc	185	\$12,497	\$17,566	1.3%	\$237	1.3%
Visa Inc Cl A Common Stock	165	\$12,061	\$18,813	1.4%	\$129	0.7%
<b>Foreign Equity Funds</b>		\$99,804	\$116,100	8.8%	\$2,225	1.9%
International Emerging Market Equity		\$99,804	\$116,100	8.8%	\$2,225	1.9%
DFA Emerging Markets Core Equity I	5,000.000	\$99,804	\$116,100	8.8%	\$2,225	1.9%
<b>Total</b>		<b>\$1,136,651</b>	<b>\$1,315,358</b>	<b>100.0%</b>	<b>\$27,451</b>	<b>2.1%</b>

# Housing Needs Analysis and Assessment: Town of Kennebunkport, ME

**DRAFT**

January 2018

Prepared for:

Town of Kennebunkport  
4 E. Street  
Kennebunkport, ME 04045



20 West Avenue, Suite 307  
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[www.camoinassociates.com](http://www.camoinassociates.com)

## About Camoin Associates

Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to California; corporations and organizations that include Lowes Home Improvement, FedEx, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of \$600 million. Our reputation for detailed, place-specific, and accurate analysis has led to projects in 29 states and garnered attention from national media outlets including *Marketplace* (NPR), *Forbes* magazine, and *The Wall Street Journal*. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects in order to build public support and leverage additional funding. We are based in Saratoga Springs, NY, with regional offices in Portland, ME; Boston, MA, and Brattleboro VT. To learn more about our experience and projects in all of our service lines, please visit our website at [www.camoinassociates.com](http://www.camoinassociates.com). You can also find us on Twitter [@camoinassociate](https://twitter.com/camoinassociate) and on [Facebook](https://www.facebook.com/camoinassociates).

## The Project Team

Jim Damicis  
*Principal*

Tom Dworetzky  
*Project Manager*

Anna Winslow  
*Analyst*



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## Executive Summary

With its picturesque coastal location and quaint village center, the Town of Kennebunkport is well known for its high quality of life, making it a popular tourist destination throughout Maine and the Northeast. Its popularity among tourists and vacationers, however, has led to rising housing costs as more and more people desire to live and vacation in town. While higher home values are certainly a positive for existing residents who own their homes, the increasing cost of housing limits Kennebunkport to only high-income households who can afford it. Moderate-income families simply cannot afford to call Kennebunkport home.

In response, the Town has engaged Camoin Associates to conduct a Housing Needs Analysis and Assessment (the "Assessment"). The purpose of this Assessment is to understand and quantify the housing affordability challenge, envision how the town's high quality of life could change in light of a rising median age and rising housing costs, and provide tools and strategies for addressing the issue.

### Key Findings

The key findings from the Assessment are summarized as follows:

- **Housing affordability is a challenge for the Town of Kennebunkport.** The median home value in the town is nearly \$474,000, or almost twice the York County median of \$251,000. In order to afford monthly mortgage and property taxes associated with homeownership for the median home in town, a household would require an income of \$95,000.<sup>1</sup> This is substantially higher than Kennebunkport's median household income of \$72,000, and much higher than the York County median household income of \$61,000.
- **Homeownership costs have risen faster than incomes.** Since 2000, the median home value in Kennebunkport has increased by 102%, more than doubling from \$234,000 to \$474,000. Meanwhile, household incomes have only grown by 32%, with the median income rising from \$54,000 to \$72,000 over this period. If growth in housing costs continues to outpace income growth, the affordability problem will continue to worsen.
- **The constrained supply of year-round rental units limits options for households inclined to rent.** Approximately 19% of permanently occupied (i.e. non-seasonal) units in Kennebunkport are rental units, compared to 29% in York County, 31% in Maine, and 37% nationally. Young professionals, young families, the elderly, and other groups inclined to rent are unlikely to find many adequate and affordable rental options in town.
- **The town's popularity as a vacation destination drives up the cost of land and housing.** High demand for seasonal homes coupled with a limited supply of land translates into high housing costs, meaning that year-round residents and workers must compete with the seasonal population over a finite housing stock.
- **High land costs combined with large-lot zoning result in the construction of high-priced homes.** As the cost of land increases, developers build larger, more expensive homes to maximize their return on investment. This dynamic is exacerbated when zoning requires large minimum lot sizes. New modest, affordable homes are therefore not built in town.

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<sup>1</sup> Housing is considered "affordable" if no more than 30 percent of a household's income is allocated to housing costs.

- **Short-term vacation rentals further constrain the year-round rental housing stock.** Oftentimes a homeowner can obtain a higher profit from short-term vacation rentals than renting to a local resident. This creates an incentive to rent to vacationers over year-round residents, therefore limiting the supply of year-round rental options.
- **Housing affordability challenges contribute to limited income diversity.** The high price of housing in Kennebunkport means that only higher-income households can afford to live in town. As housing costs continue to rise, existing long-time residents of modest means may find themselves struggling to make mortgage or rent payments, or pay for utilities. They may eventually be priced out of the town and forced to seek housing elsewhere. Only the highest-income households will be able to move into Kennebunkport, causing the median income to continue rising and income diversity to decline.
- **Kennebunkport's population is heavily skewed toward seniors, and will continue to age.** The median age for Kennebunkport is nearly 55, well above the median of 45 for both York County and Maine. Meanwhile, the younger middle-age population in Kennebunkport is significantly underrepresented. Only 14% of the population falls within the 25-to-44 range, compared to 23% in both York County and Maine. This is the prime age for forming households, having children, and purchasing homes. The availability of affordable housing options strongly impacts the representation of this age cohort.
- **Declining enrollment threatens the long-term viability of Kennebunkport Consolidated School.** The town's school-age population (5- to 18-year-olds) is slightly below but comparable to that of the county (14% vs. 16%). However, projections from the RSU 21 school district indicate that enrollment is expected to decline into the future as resident births slow. Kennebunkport Consolidated School is the only school in the district currently experiencing declining enrollment, and as a result, 2017-18 is the first year that the school has only one kindergarten class instead of two.
- **A high degree of cross-commuting reflects a mismatch between jobs and housing.** Eighty percent (80%) of those who work in Kennebunkport commute into town from elsewhere, while 86% of employed town residents commute out of town for work. These high levels of commuter inflow and outflow indicate that employment and housing opportunities are not aligned.
- **The small share of Town staff living in Kennebunkport will continue to shrink as employees retire.** The Town itself is among the largest employers in Kennebunkport, and only a quarter of full-time Town employees live in town. Over the next five years, 11 of the Town's 47 current full-time employees will reach age 65 and likely retire. Additionally, the median age for volunteer firefighters in Kennebunkport is 54, and 76% of top responders are over the age of 55. The town's small pool of working-age residents and high housing costs means that these vacant positions are unlikely to be filled by Kennebunkport residents, contributing to further decline in the share of Town employees living in town. This aging workforce issue is not unique to Town employees, as businesses have echoed similar concerns.
- **There is substantial undeveloped land remaining in the town that could be used for housing.** Enough undeveloped land still exists to accommodate over 2,800 units under current zoning. Much of this land is located in the rural areas to the north of the town center and inland from the coast.
- **Employer attitudes toward the housing affordability issue vary significantly based on business size and seasonality.** According to survey results, the town's employers tend to agree that it is difficult for their workers to find housing in Kennebunkport. However, employers were split as to whether a lack of housing affordability negatively impacts their businesses.



## Case Studies

Case studies were conducted for three communities with comparable housing challenges to Kennebunkport. The strategies outlined in these cases are meant to serve as examples of concrete actions that the Town can take to mitigate its housing affordability issues. The three case studies include the Island Housing Trust (Mount Desert Island, Maine); the Town of Scarborough, Maine; and the Town of Provincetown, Massachusetts. Major themes from the three cases are summarized as follows:

1. Dedicated personnel through a committee or staff person, or both. While a committee is a good oversight body, increasing overall capacity the most will come from a staff person. This could come in the form of hiring a new full or part time staff member, or adding these responsibilities to someone already on payroll.
2. Regulation that impacts future building principles.
3. Channeling funds to a pot of money that can help develop affordable housing.
4. Partnerships with private sector and/or affordable housing developers such as Avesta Housing and Habitat for Humanity.
5. An acknowledgement of affordable housing as an important issue in comprehensive plans, with specific objectives outlined.

## Setting an Affordable Housing Goal

Based on data and analysis contained in this Assessment, a review of case studies for similar communities, interviews with businesses, and the 2012 Comprehensive Plan, we recommend the following housing affordability goal:

At a minimum, the Town should strive to add 23 new units of "affordable" housing over the next ten years (by 2028). This is equivalent to 10% of the projected increase in total new housing units in the town over this period. Affordable units are defined as units that are affordable to households earning between 80% and 120% of the town's median household income as provided by the Maine State Housing Authority Housing Affordability Index. Affordable for-sale units would be available at a price between approximately \$254,000 and \$382,000, based on 2016 income data.

The Board of Selectmen should consider this recommended goal and continue to revise it in the future to meet the needs of the community.

## Strategies and Tools to Consider

The appropriate approach for addressing Kennebunkport's housing challenges depends on the target populations that the Town wishes to assist. There are three key demographic groups the Town may choose to target: existing year-round residents, year-round workers, and seasonal workers. Strategies for ensuring housing affordability will vary across these groups. No matter which market segment the Town chooses to target, solutions will need to address cost of development in Kennebunkport. Due to relatively high land costs, this must include policies to reduce the cost of land. The private market has not and likely will not take care of housing issues without partnerships to reduce development costs so housing units (both rental and for-sale units) can be delivered at various levels of affordability. Success will require partnerships between the Town and other stakeholders or entities with complementary interests. This might include landowners, developers, affordable housing organizations, the State, and other communities within the region. The following are strategies and tools that the Town may wish to consider:

- **Housing Alliance or Housing Trusts** – typically a nonprofit or quasi-governmental entity whose mission is to develop and implement policies or programs for affordable housing. Such an entity could be partially or

fully funded by private sources and assist with the development of new units or with buying down the cost of existing units.

- **Donation of Land to Developer or Housing Entity** – involves the Town providing land to a developer at little or no cost in exchange for the creation of a specified development plan to ensure affordability.
- **Zoning Policies** – including policies such as clustering or density bonuses to increase development potential of a given site relative to land costs.
- **Affordable Housing Tax Increment Financing** – program of Maine State Housing that allows municipalities to dedicate future property tax revenues from affordable housing development to be used to help developers pay for the costs of development including land acquisition, site and infrastructure costs, and management costs.<sup>2</sup>
- **Partnering with Affordable Housing Developers** – this can be accomplished through issuance of a request for qualifications or proposals in which the Town provides clarity on objectives and policies it is willing to use to achieve them and then solicits development plans through an open process. Resulting partnerships, if proposals are brought to fruition, would likely include a combination of tools to create affordability including land-use policies to allow density, land contributions, or tax increment financing. This can include non-profit development entities such as Habitat for Humanity.

In all cases to be sure the Town is addressing affordable housing over the long term for the target populations it chooses to address, policies or programs implemented must contain methods for:

- (1) ensuring units remain affordable regardless of turnover in owners or renters; and
- (2) ensuring existing residents or workers have an opportunity to access the housing in addition to interested new residents

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<sup>2</sup> <http://www.mainehousing.org/programs-services/housing-development/developmentdetails/affordable-housing-tax-increment-financing>

## Introduction

With its picturesque coastal location and quaint village center, the Town of Kennebunkport is well known for its high quality of life, making it a popular tourist destination throughout Maine and the Northeast. Its popularity among tourists and vacationers, however, has led to rising housing costs as more and more people desire to live and vacation in town. While higher home values are certainly a positive for existing residents who own their homes, the increasing cost of housing limits Kennebunkport to only high-income households who can afford it. Moderate-income families simply cannot afford to call Kennebunkport home.

In response, the Town has engaged Camoin Associates to conduct a Housing Needs Analysis and Assessment (the "Assessment"). The purpose of this Assessment is to understand and quantify the housing affordability challenge, envision how the town's high quality of life could change in light of a rising median age and rising housing costs, and provide tools and strategies for addressing the issue.

The process for completing the Assessment included 5 major components: research and data analysis, interviews with stakeholders, an employer survey, case studies, development of tools and strategies, and three public meetings.

1. **Research and Data Analysis** – Camoin Associates gathered and analyzed demographic, socioeconomic, and housing data from a variety of public and proprietary sources. See Appendix A for the detailed data analysis and Appendix D for a list of sources consulted.
2. **Interviews with Stakeholders** – To better understand the town's housing challenges, Camoin Associates conducted interviews with members of the local business community, Town departments, the RSU 21 school district, and local real estate brokers.
3. **Employer Survey** – A survey was distributed to the town's employers to solicit feedback on how housing impacts the local workforce availability. See Appendix C for complete survey results.
4. **Case Studies** – Camoin Associates developed case studies for three comparable communities—Mt. Desert Island, Cumberland, and Scarborough—as examples of housing strategies that Kennebunkport could undertake.
5. **Tools and Strategies** – We researched tools and strategies that could be applied to achieve various housing goals.
6. **Public Engagement** – We participated in two public meetings with the Town's Growth Planning Committee to understand needs, present findings, and solicit public feedback. These meetings were held on October 5 and November 6, 2017.

It should be stressed that the purpose of this Assessment is to quantify the town's housing situation today, understand the future of the town if it continues on its current trajectory, and provide a menu of options for working toward various housing goals. The Assessment is not meant to prescribe what the Town *should* do, but instead describe what it *can* do. Armed with this Assessment, the Town will be able to work with the public to set a course of action that aligns with the desires of the community.

## Why Address Housing Affordability?

Affordable housing is important to the economic vitality of communities. Affordable homes support the local workforce so they can live close to their jobs. Shorter commutes allow workers to spend more time with their families while the community benefits from reduction in traffic congestion, air pollution, and expenditures on roads. In revitalizing communities, the construction of affordable homes can also help to stimulate economic growth. A healthy mix of housing options, from market-rate and affordable rental housing, single-family homes, and duplexes, as well as developments for seniors, ensures opportunities for all individuals to improve their economic situation and contribute to their communities.<sup>3</sup>

Offering affordable housing options in Kennebunkport would have numerous benefits for the community. Many of these benefits were recognized in the Town's 2012 Comprehensive Plan, which identified a lack of affordable housing to be a significant issue. A housing stock that employees at the town's businesses can afford supports businesses by making it easier to access and retain workers. It also benefits the community's seniors, allowing them to continue to live in town as they age. Furthermore, allowing people to live close to where they work supports community culture and volunteerism, encouraging people to become invested in the community. It also ensures that a steady flow of younger residents will put down roots in the town and enroll students in the town's schools, join volunteer organizations, and support community groups.

## Themes from Stakeholder Interviews and Public Meetings

To better understand the town's housing challenges, Camoin Associates conducted two public meetings and interviewed key employers in the town, including members of the local business community and Town departments, as well as the RSU 21 school district and local real estate brokers. A number of major themes emerged from these meetings and interviews, which were used to inform research, analysis, and strategy development. These themes are summarized as follows:

- Many business owners expressed concern that labor is becoming increasingly difficult to find and retain due to both business seasonality and housing costs.
- Young families and other first-time home buyers would like to live in Kennebunkport but end up seeking housing elsewhere once they are familiarized with housing prices.
- There is general support for keeping Kennebunkport Consolidated School open, but there is concern around whether that will be sustainable long-term in light of declining resident births and enrollment.
- There is a lack of rental housing options for both the working population and seniors.
- The community is noticeably aging and fewer young people are staying in town year-round.
- The age of Fire Department volunteers is a major concern in that the town may have to fund a full-time paid fire department if enough younger volunteers cannot be recruited.
- Tourism and second-home ownership is on the rise, and there is a fear that the town could become an exclusively seasonal community.

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<sup>3</sup> <http://www.housingvirginia.org/housing-virginia-toolkit/why-is-affordable-housing-important-is-rental-or-homeownership-more-important/>

## Key Findings

**Housing affordability is a challenge for the Town of Kennebunkport.** The median home value in the town is nearly \$474,000, or nearly twice the York County median of \$251,000. In order to afford monthly mortgage and property taxes associated with homeownership for the median home in town, a household would require an income of \$95,000.<sup>4</sup> This is substantially higher than Kennebunkport's median household income of \$72,000, and much higher than the York County median household income of \$61,000. In contrast, to afford the median home in York County, an income of \$51,000 would be needed, meaning that the median county household in terms of income can comfortably afford the median home. See Table 1.

Table 1: Home Ownership Affordability, 2015

Home Ownership Affordability, 2015			
	Kennebunkport		York County
Median Household Income	\$	71,834	\$ 60,612
Median Home Value	\$	473,718	\$ 251,150
Income Required to Afford Median Home	\$	95,280	\$ 50,520

While homes located near the waterfront certainly skew the town's median home value upward, records of single-family home sales from the Town's assessment database show that the median selling price of non-waterfront homes over the past two years is still relatively high, at \$424,600. See Table 2. A household income of \$88,000 would be needed to afford the median non-waterfront home.

Table 2: Median Homes Sales, Town of Kennebunkport

Median Home Sales, Town of Kennebunkport			
Period	All Homes		Non-Waterfront
10/2015 - 9/2016	\$	472,000	\$ 407,650
10/2016 - 9/2017	\$	545,000	\$ 425,000
10/2015 - 9/2017	\$	510,000	\$ 424,600

Includes all qualified sales (arm's length transactions) of single family homes, excluding vacant land.

Source: Town assessment records

**Homeownership costs have risen faster than incomes.** Since 2000, the median home value in Kennebunkport has increased by 102%, more than doubling from \$234,000 to \$474,000. Meanwhile, household incomes have only grown by 32%, with the median income rising from \$54,000 to \$72,000 over this period. If growth in housing costs continues to outpace income growth, the affordability problem will continue to worsen. High housing costs relative to household incomes indicate that some of the town's existing residents are likely struggling to keep up with housing costs. In fact, nearly 20% of current households are spending more than 30% of income on housing, the generally accepted affordability threshold. In addition, housing in Kennebunkport remains unattainable to a considerable majority of York County households. Only 25% of county households would be able to afford the median home in Kennebunkport.

<sup>4</sup> According to HUD, housing is considered "affordable" if no more than 30 percent of a household's income is allocated to housing costs.

### **The constrained supply of year-round rental units limits options for households inclined to rent.**

Approximately 19% of permanently occupied (i.e. non-seasonal) units in Kennebunkport are rental units, compared to 29% in York County, 31% in Maine, and 37% nationally. This indicates that the town has a rather low share of rental housing even for a state with relatively few rental units. Moreover, the fact that the median monthly rent paid by tenants as reported by the American Community Survey (\$871) is considerably less than asking rents that can be found in the market (\$1,200 to \$1,500 for a 2-bedroom) suggests that a substantial portion of the rental housing stock is being rented at below-market rents. Such rents are typical for units rented to very long-term tenants or family members. Therefore, the number of year-round rentals actually on the market and available to new tenants at any given time is quite low. Young professionals, young families, the elderly, and other groups inclined to rent are unlikely to find many adequate and affordable rental options in town.

**The housing stock is dominated by single-family homes, favoring owning over renting.** Over 83% of the housing stock in Kennebunkport is comprised of single-family detached homes, compared to 69% in York County. Single-family detached homes tend to be owner-occupied, which explains the high proportion of homeowners in the town. The share of single-family *attached* homes has nearly doubled since 2000, now representing 4% of the housing inventory and pointing to a trend toward somewhat higher density development. Multi-family units (i.e. homes in a structure with at least 2 housing units), however, have remained steady as a share of the overall housing stock since 2000, at around 9%. A restricted supply of multifamily units limits options for populations who tend to rent versus own.

**The town's popularity as a vacation destination drives up the cost of land and housing.** Kennebunkport's coastal location, small-town charm, and other amenities make it a popular choice for seasonal residents during the warmer months. In fact, the 3,000+/- individuals residing in seasonal homes during the peak season is almost equivalent to the town's permanent year-round population of approximately 3,700.<sup>5</sup> High demand for seasonal homes coupled with a limited supply of land translates into high housing costs, meaning that year-round residents and workers must compete with the seasonal population over a finite housing stock. As shown in Table 3, about 44% of residential properties are owned by out-of-towners, and these homes are valued 58% higher than those homes owned by permanent residents. The average home owned by a permanent resident is worth \$515,000, while the average home value for a home owned by an out-of-town resident is \$813,000.<sup>6</sup>

*Table 3 Residential Properties by Owner Address*

Residential Properties by Owner Address		
Mailing Address	Properties	Share
Kennebunkport*	1,432	56.2%
Other Maine	151	5.9%
Massachusetts	440	17.3%
New Hampshire	80	3.1%
Connecticut	80	3.1%
Florida	71	2.8%
New York	67	2.6%
Other	227	8.9%
Total	2,548	100.0%

\*Includes Cape Porpoise addresses

Source: Town of Kennebunkport Property Database

<sup>5</sup> Estimated based on share of residential property recorded to an owner with an out-of-town address and share of seasonally vacant housing units according to the American Community Survey (ACS)

<sup>6</sup> Calculated based on Town property records as of October 2017



### High land costs combined with large-lot zoning result in the construction of high-priced homes.

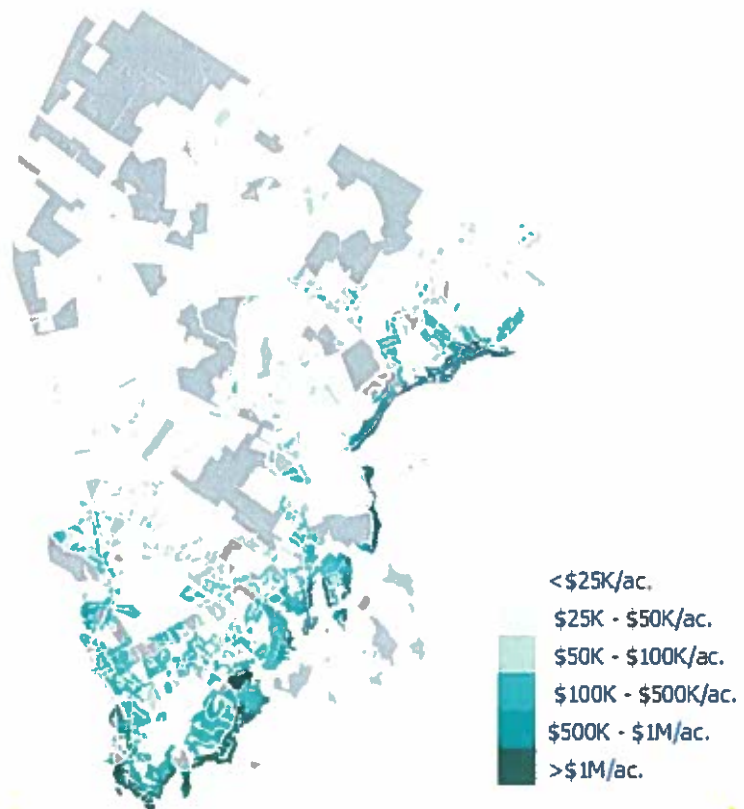
Kennebunkport's housing affordability challenges are a result of market dynamics. On a per-acre basis, land costs in the town are high. The median land value per acre for a developed residential property in Kennebunkport is \$269,000,<sup>7</sup> accounting for about 36% of total value for the median property. In comparison, for Maine overall the average land value as a share of total property value is just 19.6%.<sup>8</sup> Figure 1 maps land values per acre for residential properties in town.

As the cost of land increases, developers build larger, more expensive homes to maximize their return on investment. This dynamic is exacerbated when zoning requires large minimum lot sizes. Much of Kennebunkport's undeveloped land is located in the Farm and Forest Zone and Free Enterprise Zone, zoning districts requiring minimum lot sizes of 3 acres and 1 acre, respectively. This means that more land must be purchased in order to build a home. As a result, the market produces high-end homes in order to offset the increased cost. New modest, affordable homes are therefore not built in town. Reducing minimum lot sizes in the areas of town with lower per-acre land costs could help to bring down the cost of developing housing.

### Short-term vacation rentals further constrain the year-round rental housing stock.

Platforms such as Airbnb, Home Away, and others have made the short-term rental of bedrooms or whole dwelling units a popular accommodation option for vacationers. Whole dwelling rentals in particular have the effect of driving up the cost of housing for year-round renters or making year-round rental housing difficult to find. Oftentimes a homeowner can obtain a higher profit from short-term vacation rentals than renting to a local resident. For example, at a typical rate of \$1,400 per month for a 2-bedroom apartment, a landlord would earn \$16,800 annually in income from renting out an apartment year-round. Alternatively, the landlord could list the unit as a vacation rental and charge \$250 per night during peak season.<sup>9</sup> After 10 weeks (i.e. 70 nights), the rental income generated would surpass the annual income from the year-round rental. This creates an incentive to rent to vacationers over year-round residents, therefore limiting the supply of year-round rental options.

Figure 1: Land Cost per Acre, Residential Properties, Town of Kennebunkport



Note: Grayed out parcels are commercial, publicly owned, or under conservation.

<sup>7</sup> Calculated based on Town property records as of October 2017 and reflects only the value of land and *not* the value of improvements.

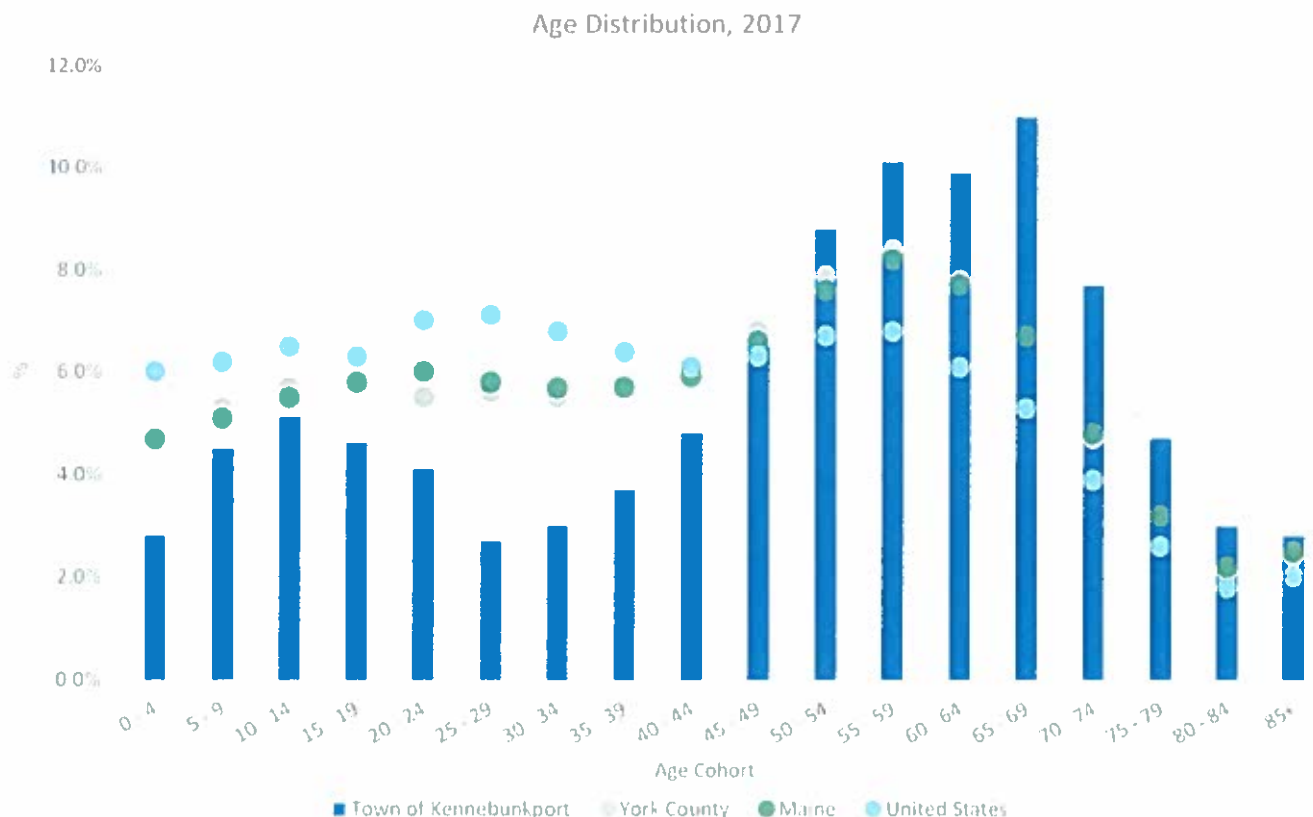
<sup>8</sup> Lincoln Institute of Land Policy, 2016Q1 data

<sup>9</sup> \$250 per night is a typical rate for a 2-bedroom unit based on a review of online listings

**Housing affordability challenges contribute to limited income diversity.** The high price of housing in Kennebunkport means that only higher-income households can afford to live in town. The median household income in Kennebunkport is \$71,834, compared to \$60,612 in York County. Over 21% of the town's households have income of at least \$150,000, more than double the county share (9.3%). A third (33%) of households have an income below \$50,000, compared to 39% in the county. Four percent (4%) of the town's households live below the poverty line.<sup>10</sup> As housing costs continue to rise, existing long-time residents of modest means may find themselves struggling to make mortgage or rent payments, or pay for utilities. They may eventually be priced out of the town and forced to seek housing elsewhere. Only the highest-income households will be able to move into Kennebunkport, causing the median income to continue rising and income diversity to decline.

**Kennebunkport's population is heavily skewed toward seniors, and will continue to age.** The median age for Kennebunkport is nearly 55, well above the median of 45 for both York County and Maine. Over 29% of residents are 65 or older, compared to 19% in both the county and state. The younger middle-age population in Kennebunkport is significantly underrepresented. Only 14% of the population falls within the 25-to-44 range, compared to 23% in both York County and Maine. This is the prime age for forming households, having children, and purchasing homes. It is during this time that people decide to "put down roots" in a community. The availability of affordable housing options strongly impacts the representation of this age cohort. See Figure 2 for a graph depicting the town's age distribution.

Figure 2: Age Distribution, 2017



<sup>10</sup> According to the US Census, a household is considered to live below the poverty line if household income is below a certain threshold adjusted for family size and number of children



**Declining enrollment threatens the long-term viability of Kennebunkport Consolidated School.** The town's school-age population (5- to 18-year-olds) is slightly below but comparable to that of the county (14% vs. 16%). However, projections from the RSU 21 school district indicate that enrollment is expected to decline into the future as resident births slow. Kennebunkport Consolidated School is the only school in the district currently experiencing declining enrollment, and as a result, 2017-18 is the first year that the school has only one kindergarten class instead of two.

**A high degree of cross-commuting reflects a mismatch between jobs and housing.** Eighty percent (80%) of those who work in Kennebunkport commute into town from elsewhere, while 86% of employed town residents commute out of town for work. These high levels of commuter inflow and outflow indicate that employment and housing opportunities are not aligned. Primary employment sectors in the town include accommodation, food services, construction, and retail, industries which tend to offer low to moderate wages. More Kennebunkport workers live in neighboring Kennebunk than in the town itself. Biddeford and Sanford are the third and fourth most common places where the town's workers live. While the vast majority of workers live out of town, more than half (56%) of workers commute fewer than 10 miles to work.

**The small share of Town staff living in Kennebunkport will continue to shrink as employees retire.** The Town itself is among the largest employers in Kennebunkport, and only a quarter of full-time Town employees live in town, as shown in Table 4. Over the next five years, 11 of the Town's 47 current full-time employees will reach age 65 and likely retire. An additional 6 full-time employees will reach retirement age within 10 years. The town's small pool of working-age residents and high housing costs means that these vacant positions are unlikely to be filled by Kennebunkport residents, contributing to further decline in the share of Town employees living in town.

*Table 4: Kennebunkport Town Employees by Place of Residence*

Kennebunkport Town Employees by Place of Residence				
Place of Residence	FT	PT Year-Round	PT Seasonal	All Employees
Kennebunkport	25.5%	67.8%	36.6%	49.4%
Kennebunk	23.4%	12.2%	22.0%	17.4%
Other	51.1%	20.0%	41.5%	33.1%
Total	100.0%	100.0%	100.0%	100.0%

*n* = 178

The comparatively higher share of part-time year-round employees living in town (68%) shown in Table 4 is attributable to a significant number of pay-per-call firefighters. With a median age of 54, many of these firefighters have lived in town for decades and were able to purchase homes when they were more affordable. By comparison, nationally, the median volunteer firefighter in a similarly sized community is in his/her early 40s.<sup>11</sup>

Moreover, the town's top responders tend to be in the older age group. Of the 17 firefighters who responded to at least 50 calls in the past year, 8 were at least 65 years old, and another 5 were between 55 and 64. In other words, 76% of top responders were 55 or older. As they retire, these firefighters are not being replaced by younger volunteers because high-cost housing has contributed to a lack of young people and shrinking volunteer pool in the town.

<sup>11</sup> National Fire Protection Association (NFPA) Survey of Fire Departments for U.S. Fire Experience, 2015

**There is substantial undeveloped land remaining in the town that could be used for housing.** A buildout analysis conducted in 2009 identified the potential for approximately 2,960 new dwelling units in Kennebunkport based on existing zoning and developable land area.<sup>12</sup> Since then, 149 new units have been built, meaning that enough undeveloped land still exists to accommodate over 2,800 units under current zoning. Much of this land is located in the rural areas to the north of the town center and inland from the coast. See Appendix B for map of potential buildout prepared by the Town.

**Employer attitudes toward the housing affordability issue vary significantly based on business size and seasonality.** According to survey results, the town's employers tend to agree that it is difficult for their workers to find housing in Kennebunkport. Sixty-three percent (63%) of businesses said that it was difficult or very difficult for workers to find housing. For employers with 6-20 employees, the number was 92%. However, employers were split as to whether a lack of housing affordability negatively impacts their businesses. Overall, 52% of employers either disagreed or strongly disagreed that this was the case, while 34% agreed. This was strongly influenced by business size. Only 6% of businesses with 3-5 employees agreed with this statement, while 50% of businesses with 6-20 employees agreed, and 67% of businesses with more than 20 employees agreed. Seasonal businesses were more likely to agree (41%) than non-seasonal businesses (26%). Nearly half of survey respondents indicated that at least 75% of their staff is comprised of full-time employees, suggesting that finding affordable housing is difficult for full-time and part-time workers alike. See Appendix C for detailed survey results.

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<sup>12</sup> For additional information on this buildout analysis see the Town of Kennebunkport 2012 Comprehensive Plan Chapter VII: Land Use

## Populations to Address

The appropriate approach for addressing Kennebunkport's housing challenges depends on the target populations that the Town wishes to assist. There are three key demographic groups the Town may choose to target: existing year-round residents, year-round workers, and seasonal workers. Strategies for ensuring housing affordability will vary across these groups.

Figure 3. Populations to Address

Year-Round Residents	Year-Round Workers	Seasonal Workers
<ul style="list-style-type: none"><li>• Senior citizens, many retired, who want to "age in place"</li><li>• Middle-income long-time residents who purchased homes when they were more affordable and want to stay in town</li><li>• Young adults who want to stay in the town where they grew up</li></ul>	<ul style="list-style-type: none"><li>• People who work in town but live elsewhere</li><li>• Tend to be younger, middle-income, including young families seeking first home</li><li>• Employed by Town, School District, service industries, construction, landscaping, etc.</li></ul>	<ul style="list-style-type: none"><li>• Work in service industries during peak season</li><li>• Modest incomes</li><li>• Seek affordable, short-term rental housing</li></ul>

### Existing Year-Round Residents

While newer residents tend to be high income, long-time residents with moderate incomes were able to purchase homes in town when they were more affordable or inherit housing or land from a family member. Much of the town's existing population is aging, and the future housing needs of the senior population should be considered. Seniors are seeking alternatives to the single-family home to continue living independently. Multifamily units allow the independence seniors desire without the added maintenance efforts that a single-family house requires. Multifamily units also are more likely to offer a single-story living space which is ideal for aging individuals who may have mobility limitations. The single-family detached, owner-occupied homes that dominate the town's housing stock may not be appropriate for seniors who wish to downsize and live in homes with fewer maintenance obligations.

Another demographic of concern is the young adult population. Kennebunkport has a young adult population well below the county and state average, which is driven in part by the lack of affordable housing options, both rental and for-sale units. Young adults who grew up in Kennebunkport may wish to remain in the town but are forced to seek housing and start families elsewhere. Without new younger households putting down roots in Kennebunkport, the town's median age continues to rise.

### Year-Round Workers

Commute statistics show that the vast majority of those employed year-round in Kennebunkport do not live in the town. There are nearly 700 workers who fall into this category. Interviews with real estate brokers revealed that many of these families would like to live in Kennebunkport but ultimately seek housing in other less expensive locations. New affordable housing units in Kennebunkport would be absorbed by this group.



## Seasonal Workers

Interviews with local business owners revealed a need for housing for workers employed at the town's seasonal hospitality-oriented businesses, including hotels and restaurants. These workers typically seek affordable, short-term housing accommodations. Some businesses provide housing onsite for seasonal workers, while in other cases, seasonal workers live in lower-cost communities and commute into Kennebunkport. The lack of housing in town limits the available workforce for seasonal businesses and constrains economic growth within the community. According to the results of the employer survey, the average seasonal business would hire 5.2 additional workers if labor were more readily available. Strategies for providing seasonal worker housing might be considered to address this challenge.

In order to address these populations, the Town may need to take action to reduce the impact of seasonal residents on the community. Seasonal residents tend to be high-income households who live in Kennebunkport during the peak tourist season. They include seasonal homeowners and renters. Demand from these residents distorts the housing market and contributes to the high cost of housing. Limiting additional housing targeted toward seasonal residents and/or restricting seasonal rentals would help to rein in rising housing costs.

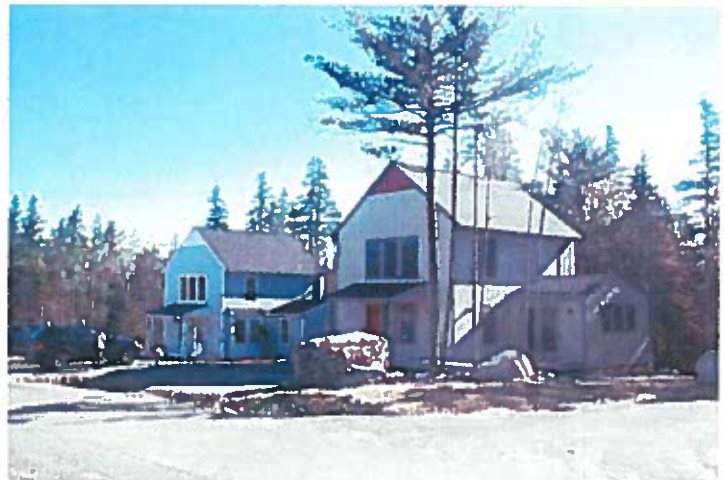
## Case Studies

Case studies were conducted for three communities with comparable housing challenges to Kennebunkport. The strategies outlined in these cases are meant to serve as examples of concrete actions that the Town can take to mitigate its housing affordability issues. The three case studies include the Island Housing Trust (Mount Desert Island, Maine); the Town of Scarborough, Maine; and the Town of Provincetown, Massachusetts. Major themes from the three cases are summarized as follows:

6. Dedicated personnel through a committee or staff person, or both. While a committee is a good oversight body, increasing overall capacity the most will come from a staff person. This could come in the form of hiring a new full or part time staff member, or adding these responsibilities to someone already on payroll.
7. Regulation that impacts future building principles.
8. Channeling funds to a pot of money that can help develop affordable housing.
9. Partnerships with private sector and/or affordable housing developers such as Avesta Housing and Habitat for Humanity.
10. An acknowledgement of affordable housing as an important issue in comprehensive plans, with specific objectives outlined.

### Island Housing Trust – Mount Desert Island, ME

A 501(c)3 nonprofit founded in 1989, the Island Housing Trust was originally established to serve the population of the Town of Mount Desert on Mount Desert Island, Maine. The organization has since expanded and now serves all three towns on the island, with the mission of promoting viable, year-round island communities by advancing permanent workforce housing on the island. The island's housing stock posed affordability issues for much of the year-round working population. Thus, the organization created an initiative called MDI Tomorrow, with the purpose of addressing major concerns regarding the lack of affordable housing.



In conjunction with the MDI Tomorrow initiative, a housing study was conducted in 2004, which identified specific gaps in the housing stock. With this knowledge, the Trust was able to garner support from both year-round and seasonal residents. Public support did not pose a significant hurdle for the Trust's plan to address affordable housing. In fact, seasonal island residents were excited about the initiative, offering generous support and donations.

#### *Programs*

To date, Island Housing Trust has focused on affordable homeownership projects that are protected by affordability covenants. The covenants are agreed to by the homeowner in exchange for the subsidy invested in the residential properties purchased or constructed. These covenants protect that invested subsidy and ensure that over time the properties stay affordable to working households on Mount Desert Island. The maximum resale price for the property is capped at the increase in median wages over the ownership period and balanced against a maximum affordable cost to ensure the property remains affordable to future owners.

To be eligible for assistance through the Trust, applicants must earn no more than 120% or 160% of Maine area median income (AMI), depending on the specific program. Applicants must agree to live in the house year-round

and be able to obtain bank financing. Finally, applicants must have at least one adult in the household who has earnings from employment on Mount Desert Island equal to or greater than 20% of area median household income.

### *Successful Projects*

Through January 2017, Island Housing Trust had completed 34 homeownership projects for 106 adults and children on Mount Desert Island since 2008. Among these are:

- 9 new, energy-efficient houses at IHT's Ripples Hill workforce housing development in Somesville on land donated by the Town of Mount Desert
- 14 Homeownership Assistance Program (HOAP) projects in which IHT provided bridge grants to enable qualified applicants to purchase year-round houses on MDI
- Four houses in the Sabah Woods workforce housing development in the Thomas Bay area of Bar Harbor
- A donated 2.4-parcel of land in Somesville that became the site of a single-family residence
- A partnership project with Maine Coast Heritage Trust that enabled a couple qualified by IHT to purchase a three-bedroom home on Route 3 in Bar Harbor as their year-round home

Including among the 34 homeownership projects completed by are five successful re-sales of residential properties that carried IHT's affordability covenants and thus were resold at below market-rate to qualified working families and individuals.

### *Operations and Funding*

The Island Housing Trust is a unique organization because it operates entirely on private funds, which support both housing projects and 1.6 staff positions. Most dollars are donated from generous summer residents, who are in full support of the mission. The organization stated that despite this, funding will be a concern going forward, as well as land use ordinances that are in place. The Trust plans to continue its affordable housing initiatives with the addition of multi-family rental units.

For more information on Island Housing Trust, visit: <http://www.islandhousingtrust.org/>.



## Town of Scarborough, ME

Just north of Kennebunkport lies the coastal town of Scarborough. While its population is larger than Kennebunkport (just under 19,000) it has been working with similar issues of housing affordability for over a decade. In 2005 the Town commissioned an Affordable Housing Needs Analysis that uncovered multiple housing issues including the availability of affordable housing for seniors, working families, and those needing rentals. Scarborough took the following actions to reverse the trend of its housing shortage:

### *Habitat for Humanity Partnership*

The town developed a partnership with Habitat for Humanity to build multiple, single-family affordable houses. The program, different than traditional Habitat for Humanity projects, has higher income limits and does not require physically assisting in the building of the house. Three-bedroom, two-bath houses are currently available for sale at \$220,000 and feature a covered porch, full basement and Energy Star certification. To qualify, potential buyers cannot make more than 120% of the area median income, and preference is given to those who work or live in the town.<sup>13</sup>



### *Scarborough Housing Alliance*

Formed in conjunction with the 2005 Affordable Housing Needs Analysis, the Scarborough Housing Alliance is tasked with addressing the issues identified in the report. Their stated mission includes:

- Working together to develop and recommend a local affordable housing agenda to the Town Council.
- Implementing a local affordable housing program under the guidance of the Town Council.
- Performing such other duties as may be assigned by the Town Council from time to time.<sup>14</sup>

The Alliance has been instrumental in moving regulatory action through the Town Council and acting as an organized voice in progressing affordable housing efforts. They meet monthly and currently have seven members—no small task in a town of its size—which reflects the community's desire to increase housing affordability for all.

### *Regulatory Supports*

Key to creating affordable housing options is the desire of the local governing agency to do so. The Scarborough Town Council understands the impact lack of affordable housing can have and has taken specific actions which have resulted in an increase of affordable housing units. Specifically, they:

- Require new residential development to include a minimum of 10% affordable units. If not provided, then developers must pay into a housing fund. The funds are utilized by engaging nonprofit and/or private affordable housing developers in an RFP process (run by the Scarborough Housing Alliance) for land

<sup>13</sup> <http://habitatportlandme.org/index.php/info/Scarborough-Housing-Alliance-Homes->

<sup>14</sup> <http://www.scarboroughmaine.org/town-government/boards-committees/scarborough-housing-alliance>

acquisition, infrastructure and/or building costs and possibly for the planning and design phase. Currently \$190,000 resides in the fund with an anticipated \$700,000 to come.<sup>15</sup>

- Require at least 10% of new residential units to be those other than single family homes.
- Provide density bonuses (of up to 20%) within residential areas when at least 33% to 40% of the bonus units are affordable.<sup>16</sup>
- Utilize Affordable Housing Tax Increment Financing (TIF) to create affordable housing, including “mixed-income” projects. This is currently being utilized for redevelopment of an existing building, South Gate Housing, on Rte. 1 for 50 affordable rental units by Avesta Housing. It was also used in the past for the development of 36 affordable senior apartments on Griffin Road. Additional projects are also before the planning board for approval.
- Updated land use regulation to allow for a range of housing types.
- Utilized a Town building, the Bessey School, to partner with developer for senior housing known as Bessey Commons, which includes maintaining a portion of units as affordable. For more information, visit: <http://besseycommons.com/>.

After the initial completion of the town’s Housing Needs Analysis, the combination of creating 1) a body to oversee progress, 2) partnerships with Habitat, and 3) regulatory supports have led to new housing stock which is maintained as affordable.

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<sup>15</sup> [http://leader.mainelymediallc.com/news/2017-10-13/Front\\_Page/Alliance\\_assesses\\_affordable\\_options.html](http://leader.mainelymediallc.com/news/2017-10-13/Front_Page/Alliance_assesses_affordable_options.html)

<sup>16</sup> Chapter 6, Town of Scarborough 2006 Comprehensive Plan



## Town of Provincetown, MA

As a popular coastal vacation community with many seasonal residents, Provincetown, Massachusetts has seen some severe housing affordability challenges. With a current median household income of \$43,000, the median value of a single family home is a disproportionate \$790,000. However, this small community of about 3,000, located at the tip of Cape Cod, has matched its housing challenges with deliberate action.

The Town of Provincetown has created the Provincetown Housing Playbook, a living document that serves to record effective efforts in housing affordability. With their full time Community Housing Specialist, Provincetown's local government is very active in pursuing its housing affordability goals.

Provincetown has identified three categories of housing need, creating specific benchmarks within each.

1. *Affordable Housing* provides year-round housing for very low/low/moderate income individuals – at or below 50%, 65%, 80% of Area Median Income (Barnstable County AMI is ~\$77K). To date, 179 deed-restricted rental units and 46 deed-restricted owner units have been built.
2. *Community Housing* provides year-round median/middle income – 80%-160%, of Barnstable County AMI. To date, 5 deed-restricted rental units and 8 deed-restricted owner units (80-100% AMI) have been built.
3. *Seasonal Workforce Rental Housing* currently has no formal programs in place, but the Town is talking to businesses about strategies to implement in the future.



Beyond these currently existing units, the Town has recognized a need for 100 additional affordable units, of which two thirds would be Community Housing (e.g. median and middle-income units). In addition to assistance from the Commonwealth of Massachusetts, the town relies on a variety of tools that have helped create and retain Community Housing. Specific efforts within this category include:

### *Town Community Preservation Act*

A 3% property tax surcharge is matched with state funds, of which 60% goes toward community housing. Funds housing projects up to 100% AMI which may be raised in future

### *Year-Round Rental Housing Trust*

This trust also funds housing projects up to 100% AMI, and was recently created to address Community Housing shortage. The main goal is to create and preserve year-round rental units. The trust currently has \$1.5 million in approved funding. Housing is provided using a lottery system, but local preference is given for current residents of the town, municipal employees, employees of local businesses, and households with children in local schools. This housing program is only for those with year-round residency. Town recently purchased 26 former timeshare units out of bankruptcy and is in process of converting these to rental apartments. The Town has issued an RFP for architectural and property management services.

### *Zoning*

Provincetown sets aside building permits for affordable and community housing. Year-round rentals are required for those permits allowing accessory dwelling units.



### *Financial*

Certain Town services are provisioned for affordable projects such as trash, plowing and street sweeping. In addition, the town waives building permit fees for housing that meets this standard.

### *Programs*

Provincetown has many first-time homebuyer workshops to increase understanding on the home-buying process. They also created a HomeShare program which matches homeowners with available bedrooms with people seeking housing.

Provincetown is dedicated to increasing the supply of affordable housing and, as outlined above, is taking action in multiple ways. This type of approach is key to creating results.

For more information, see the Provincetown Housing Playbook: <http://www.provincetown-ma.gov/DocumentCenter/View/6072>.

## Setting an Affordable Housing Goal

Based on data and analysis contained in this Assessment, a review of case studies for similar communities, interviews with businesses, and the 2012 Comprehensive Plan, we recommend the following housing affordability goal:

At a minimum, the Town should strive to add 23 new units of "affordable" housing over the next ten years (by 2028). This is equivalent to 10% of the projected increase in total new housing units in the town over this period. Affordable units are defined as units that are affordable to households earning between 80% and 120% of the town's median household income as provided by the Maine State Housing Authority Housing Affordability Index. Affordable for-sale units would be available at a price between approximately \$254,000 and \$382,000, based on 2016 income data.

The Board of Selectmen should consider this recommended goal and continue to revise it in the future to meet the needs of the community.

## Strategies and Tools to Consider

The following is a framework for strategies to be further considered. We use the word "framework" as multiple strategies are likely needed, which can be integrated to begin to impact the different market challenges for the targeted population segments the Town chooses to address. There are three important elements that are at the basis of the strategy framework. They are:

- ✓ First, as indicated previously, there are three key demographic groups the Town may choose to target: existing year-round residents, year-round workers, and seasonal workers. Strategies for ensuring housing affordability will vary across these groups. The Town should continue to facilitate further input and discussion with citizens and the Board of Selectmen which populations/market segments are a policy priority.
- ✓ Second, no matter which market segment the Town chooses to target, solutions will need to address the cost of development in Kennebunkport. Due to relatively high land costs, this must include policies to reduce the cost of land. The private market has not and likely will not take care of housing issues without partnerships to reduce development costs so housing units (both rental and for-sale units) can be delivered at various levels of affordability.
- ✓ Third, success will require partnerships between the Town and other stakeholders or entities with complementary interests. This might include landowners, developers, affordable housing organizations, the State, and other communities within the region.

Utilizing this framework, the following are more detailed strategies for consideration by the Town:

- **Housing Alliance or Housing Trusts** – typically a nonprofit or quasi-governmental entity whose mission is to develop and implement policies or programs for affordable housing. Such an entity could be partially or fully funded by private sources and assist with the development of new units or with buying down the cost of existing units.
- **Donation of Land to Developer or Housing Entity** – involves the Town providing land to a developer at little or no cost in exchange for the creation of a specified development plan to ensure affordability.
- **Zoning Policies** – including policies such as clustering or density bonuses to increase development potential of a given site relative to land costs.
- **Affordable Housing Tax Increment Financing** – program of Maine State Housing that allows municipalities to dedicate future property tax revenues from affordable housing development to be used to

help developers pay for the costs of development including land acquisition, site and infrastructure costs, and management costs.<sup>17</sup>

- **Partnering with Affordable Housing Developers** – this can be accomplished through issuance of a request for qualifications or proposals in which the Town provides clarity on objectives and policies it is willing to use to achieve them and then solicits development plans through an open process. Resulting partnerships, if proposals are brought to fruition, would likely include a combination of tools to create affordability including land-use policies to allow density, land contributions, or tax increment financing. This can include non-profit development entities such as Habitat for Humanity.

In all cases to be sure the Town is addressing affordable housing over the long term for the target populations it chooses to address, policies or programs implemented must contain methods for:

- (1) ensuring units remain affordable regardless of turnover in owners or renters; and
- (2) ensuring existing residents or workers have an opportunity to access the housing in addition to interested new residents

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<sup>17</sup> <http://www.mainehousing.org/programs-services/housing-development/developmentdetails/affordable-housing-tax-increment-financing>

## Appendix A: Detailed Data Analysis

Extensive data analysis was conducted for the Assessment to provide an understanding of the current and future state of housing and demographics in Kennebunkport. This data is presented and analyzed in detail in this appendix.

### Affordability of Kennebunkport Housing

#### Homeownership

Camoin compared median household income with median home values and sale prices between the town and county. There is a significant disparity between county income, and the income threshold that is required to afford the average home in Kennebunkport. Camoin utilized the median home value to calculate the associated mortgage and tax payments that the home owner would pay annually. Then, applying the assumption that the average household spends at most 30% of their income on housing expenses, we calculate the income threshold required to own a median-valued home. The median household income in 2015 for York County was \$60,612, while the income needed to afford a median-value home in Kennebunkport was \$95,280. In addition, according to local realtors, the current average sale price for a home in Kennebunkport is almost \$700K, as compared to \$425K in Kennebunk and \$300K in Wells. Given these prices, county residents are likely unable to move to the town and will choose to locate in towns such as Kennebunk and Wells, where sale prices are drastically lower.

Table 5: Home Ownership Affordability, 2015

Home Ownership Affordability, 2015			
	Kennebunkport		York County
Median Household Income	\$	71,834	\$ 60,612
Median Home Value	\$	473,718	\$ 251,150
Income Required to Afford Median Home	\$	95,280	\$ 50,520

Table 6: Average Home Sale Price, 2017 YTD

Average Home Sale Price, 2017 YTD		
Kennebunkport	\$	695,834
Kennebunk	\$	425,196
Wells	\$	304,464

Source: Local realtor

While home values have doubled since 2000, household incomes have growth by just 32% in the same period. The table below outlines historic growth in home values versus household incomes.

Table 7: Historical Home Ownership Affordability

Home Ownership Affordability				
	2000		Current	Pct. Increase
Median Household Income	\$	54,219	\$ 71,834	32%
Median Home Value	\$	234,200	\$ 473,718	102%
Income Required to Afford Median Home	\$	47,120	\$ 95,280	102%

Source: Census, ACS

The tables to the right provide a historical outlook on housing affordability in the town and county. Kennebunkport homes have become increasingly more expensive over the 10 years from 2000 to 2010. The income threshold required to purchase a median-valued home in Kennebunkport almost doubled, while the income required to purchase a county home increased by less than \$10,000. Purchasing a median-valued home in the town in 2010 required almost double the income as purchasing a median-valued county home in the same year.

The chart below provides a historical look at the percentage of homes that were valued above half a million dollars and above \$1 million in both the county and town. As evidenced in the data discussed above, Kennebunkport homes surged in value between 2000 and 2010. Over 35% of homes in the town have been valued over \$500,000 since 2010, an increasing portion of which are valued above \$1 million. Very few homes in the county are valued above \$1 million, by comparison.

Figure 4: Percent of Homes Valued over \$500,000

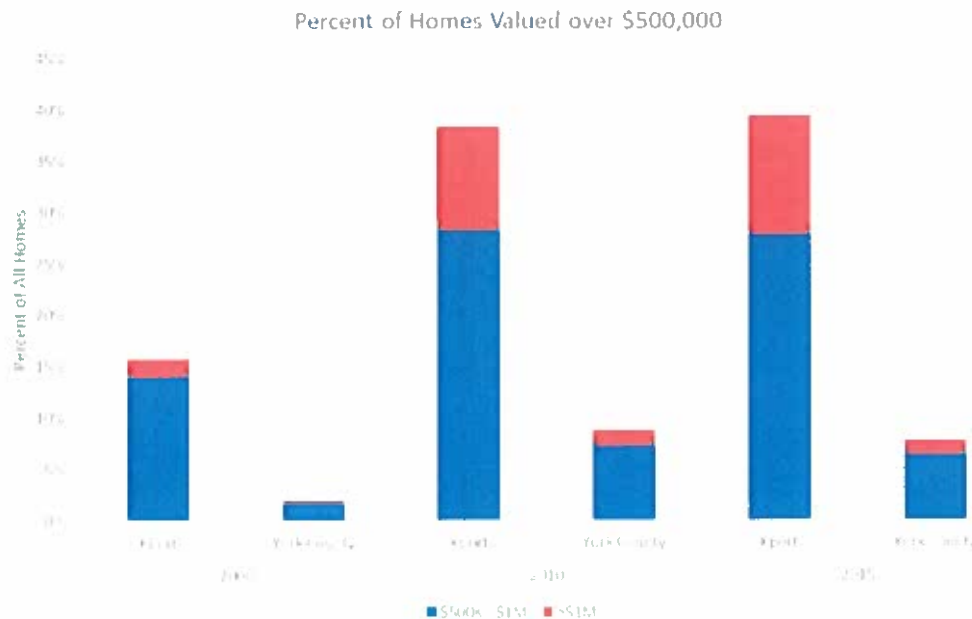


Table 8: Estimated Mortgage Payment, 2000

Estimated Mortgage Payment, Using 2000 Estimates			
	Town of Kennebunkport		York County
Median Price of Home	\$	234,200	\$119,500
Down Payment @ 10%	\$	23,420	\$ 11,950
Loan Amount	\$	210,780	\$107,550
Average Mtg Payment 30 Years @ 4%	\$	1,006	\$ 721
Average Tax Payments, Monthly	\$	172	\$ 88
Total Monthly Payment	\$	1,178	\$ 809
Annual HH Income Threshold	\$	47,120	\$ 32,360

Source: Esri, Camoin Associates

Table 9: Estimated Mortgage Payment, 2010

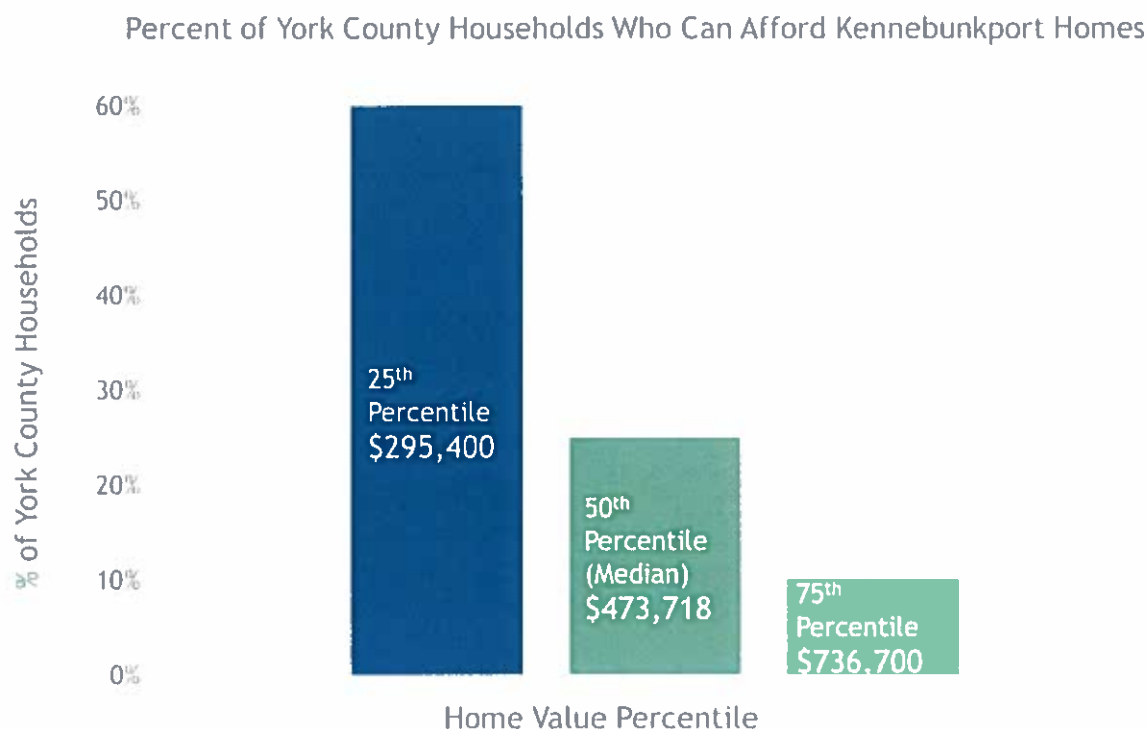
Estimated Mortgage Payment, Using 2010 Estimates			
	Town of Kennebunkport		York County
Median Price of Home	\$	436,300	\$232,300
Down Payment @ 10%	\$	43,630	\$ 23,230
Loan Amount	\$	392,670	\$209,070
Average Mtg Payment 30 Years @ 4%	\$	1,875	\$ 998
Average Tax Payments, Monthly	\$	320	\$ 170
Total Monthly Payment	\$	2,195	\$ 1,168
Annual HH Income Threshold	\$	87,800	\$ 46,720

Source: Esri, Camoin Associates



The chart below shows the percentage of York County households who are able to afford Kennebunkport homes. These figures are based on 2014 ACS estimates. About 60% of county households can afford Kennebunkport homes priced in the 25th percentile. However, only about 25% of county households are able to afford median price, and very few (approximately 10%) can afford homes priced in the 75th percentile.

Figure 5: Affordability of Kport Homes to County Households



## Rental Affordability

Table 11: Rent as Percent of Income, 2014

Rent as a Percent of Income, Using 2014 Estimates		
	Town of Kennebunkport	York County
Median Rent	\$ 871	\$ 792
Annual HH Income Threshold	\$ 34,840	\$ 31,680

Source: Esri, Camoin Associates

Table 10: Rent as Percent of Income, 2010

Rent as a Percent of Income, Using 2010 Estimates		
	Town of Kennebunkport	York County
Median Rent	\$ 880	\$ 731
Annual HH Income Threshold	\$ 35,200	\$ 29,240

Source: Esri, Camoin Associates

The tables to the left compare household incomes required to afford median rents in both the Town of Kennebunkport and York County. Historically, York County rents have been more affordable than town rents, however, the disparity between town and county income thresholds is far smaller in the rental market than the home ownership market. York County rents have increased, becoming closer to town rents, while town rents have remained similar since 2010.

Note that these rents may appear low as they reflect rents that tenants are currently paying, as reported by the American Community Survey (ACS). The sample includes below-market rents that might be charged to a family member, for example. The ACS samples throughout the year, and therefore includes both peak-season and off-peak rental rates.

Table 12: Rent as Percent of Income, 2000

Rent as a Percent of Income, Using 2000 Estimates		
	Town of Kennebunkport	York County
Median Rent	\$ 766	\$ 568
Annual HH Income Threshold	\$ 30,640	\$ 22,720

Source: Esri, Camoin Associates

Market asking rents are considerably higher, with list prices for a 2-bedroom apartment ranging from \$1,200 to \$1,500. There is also a fairly limited supply of year-round rentals, making this kind of housing difficult to find.

The charts below shows affordability of town rents for county residents in 2014. Again, rents tend to be more affordable than purchase prices throughout the town, though still out of the price range for many county households. About 75% of county households can afford median rent in Kennebunkport, while 65% can afford rents in the 75<sup>th</sup> percentile.

Figure 6: Affordability of Kport Rents to County Households

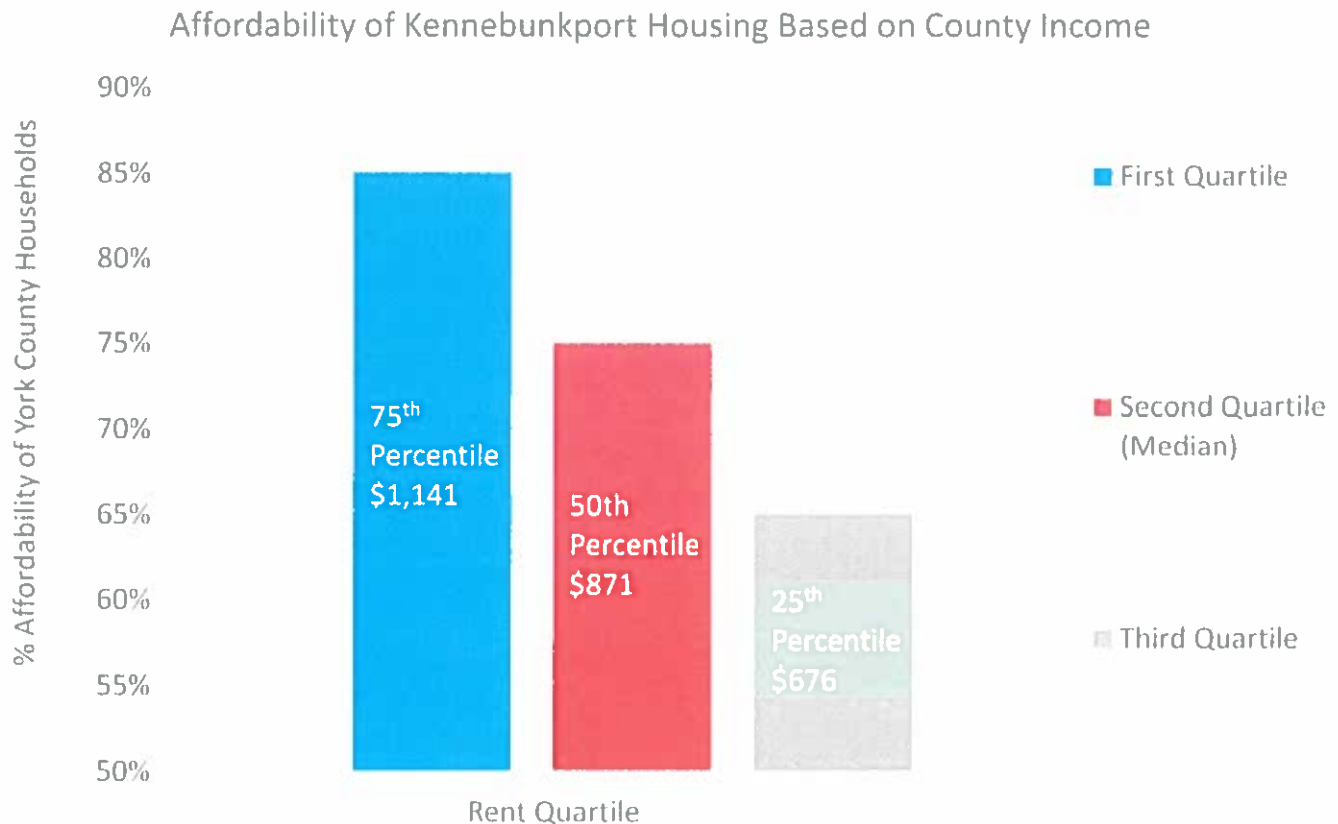
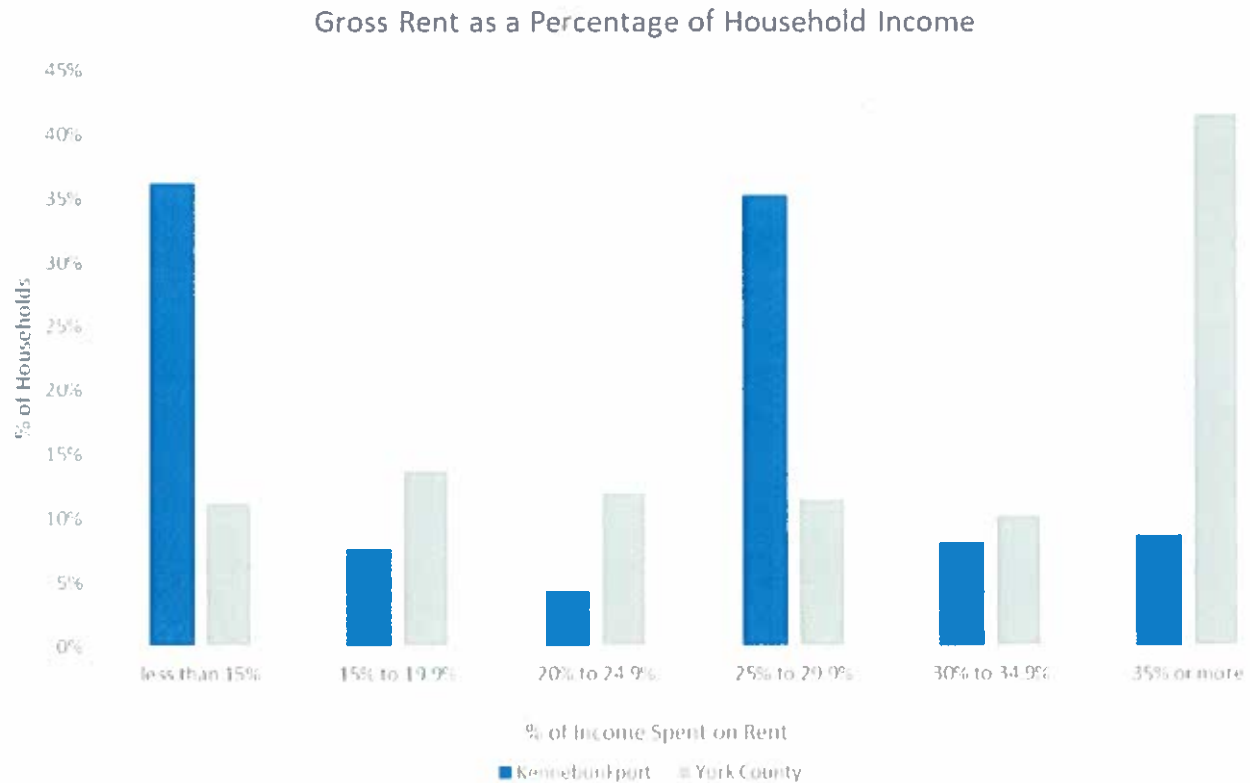


Figure 7. Gross Rent as a Percentage of Household Income



As previously mentioned, median contract rent in Kennebunkport is above that of the county, state, and nation. A vastly higher percentage of town households pay more than \$2,000 per month for rent. However, the largest cohort of households in Kennebunkport pays between \$750 and \$1,000 per month, which is consistent with the county.

Table 13. Renter Occupied Units by Rent

Renter Occupied Housing Units by Monthly Contract Rent, 2014 Estimates					
Contract Rent	Town of Kennebunkport		York County	Maine	United States
	#	%	%	%	%
\$0 to \$499	22	9.1%	13.2%	24.4%	20.3%
\$500 to \$749	44	18.2%	26.3%	32.5%	25.5%
\$750 to \$999	84	34.7%	33.0%	21.8%	19.7%
\$1,000 to \$1,249	16	6.6%	12.5%	8.1%	11.7%
\$1,250 to \$1,499	21	8.7%	5.7%	3.2%	6.8%
\$1,500 to \$1,999	0	0.0%	2.7%	1.8%	6.5%
\$2,000 or more	25	10.3%	1.3%	1.1%	4.2%
Median Contract Rent	\$871		\$792	\$673	\$767

Source: Esri

## Housing Stock

The following table provides a detailed historical look at occupancy and vacancy trends in both the town and county over the last 17 years. Vacancy has been increasing in both areas, however, town vacancy is almost twice that of the county, and county vacancy grew over a much slower rate between 2000 and 2017. Seasonal vacancies in 2017 were much higher in Kennebunkport, 40.3% of all units, compared to 17.4% in the county. The otherwise vacant category includes homes that are for rent; rented, not occupied; for sale only; sold, not occupied; and other vacant.

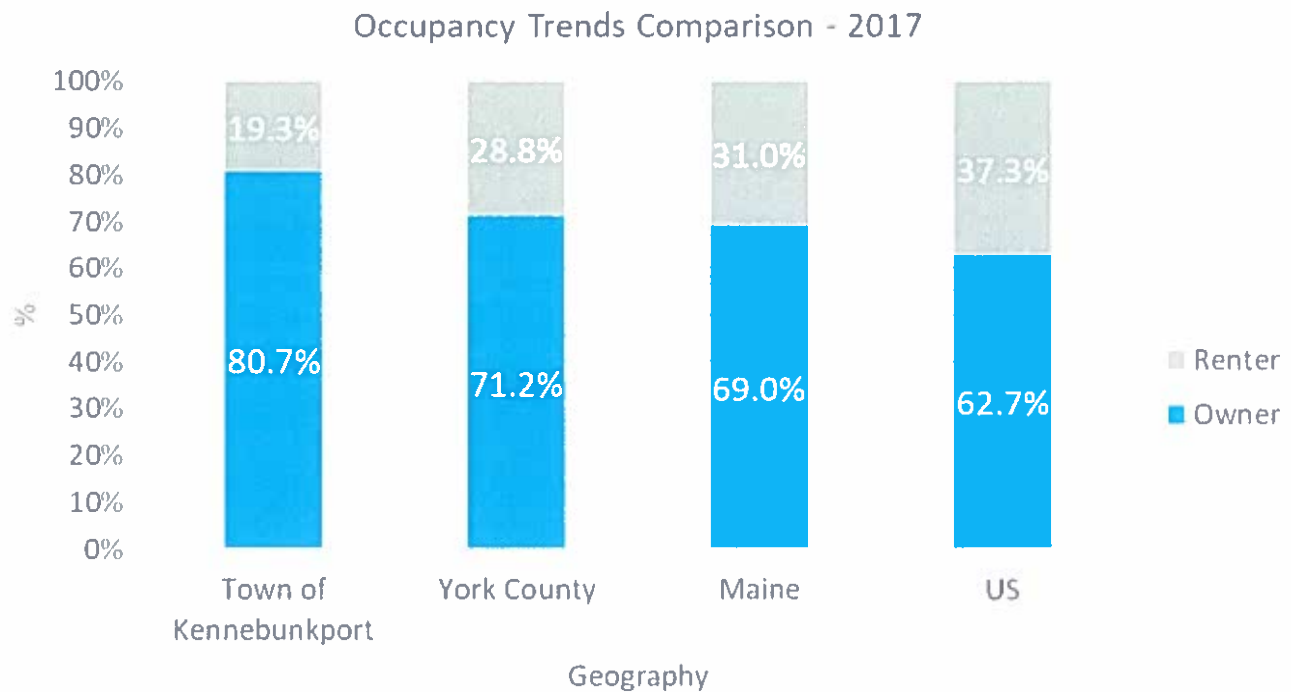
*Table 14: Occupancy Trends Comparison*

Occupancy Trends Comparison						
	Town of Kennebunkport			York County		
	2000	2010	2017	2000	2010	2017
Total Housing Units	2,555	2,897	3,057	94,234	105,773	112,091
Occupied	1,615	1,578	1,672	74,563	81,009	85,982
Owner	1,351	1,307	1,350	54,157	59,483	61,221
Renter	264	271	322	20,406	21,526	24,761
For Seasonal, Recreational, or Occasional Use	34.2%, 874 units	38.6%, 1,119 units	40.3%, 1,231 units*	17.6%, 16,597 units	17.6%, 18,661 units	17.4%, 19,503 units*
Otherwise Vacant	2.6%, 66 units	6.9%, 200 units	7.0%, 214 units*	3.3%, 3,074 units	5.8%, 6,103 units	5.6%, 6,311 units

\*Estimate based on trend and ACS 2016 5-yr estimates

Source: Esri, ACS

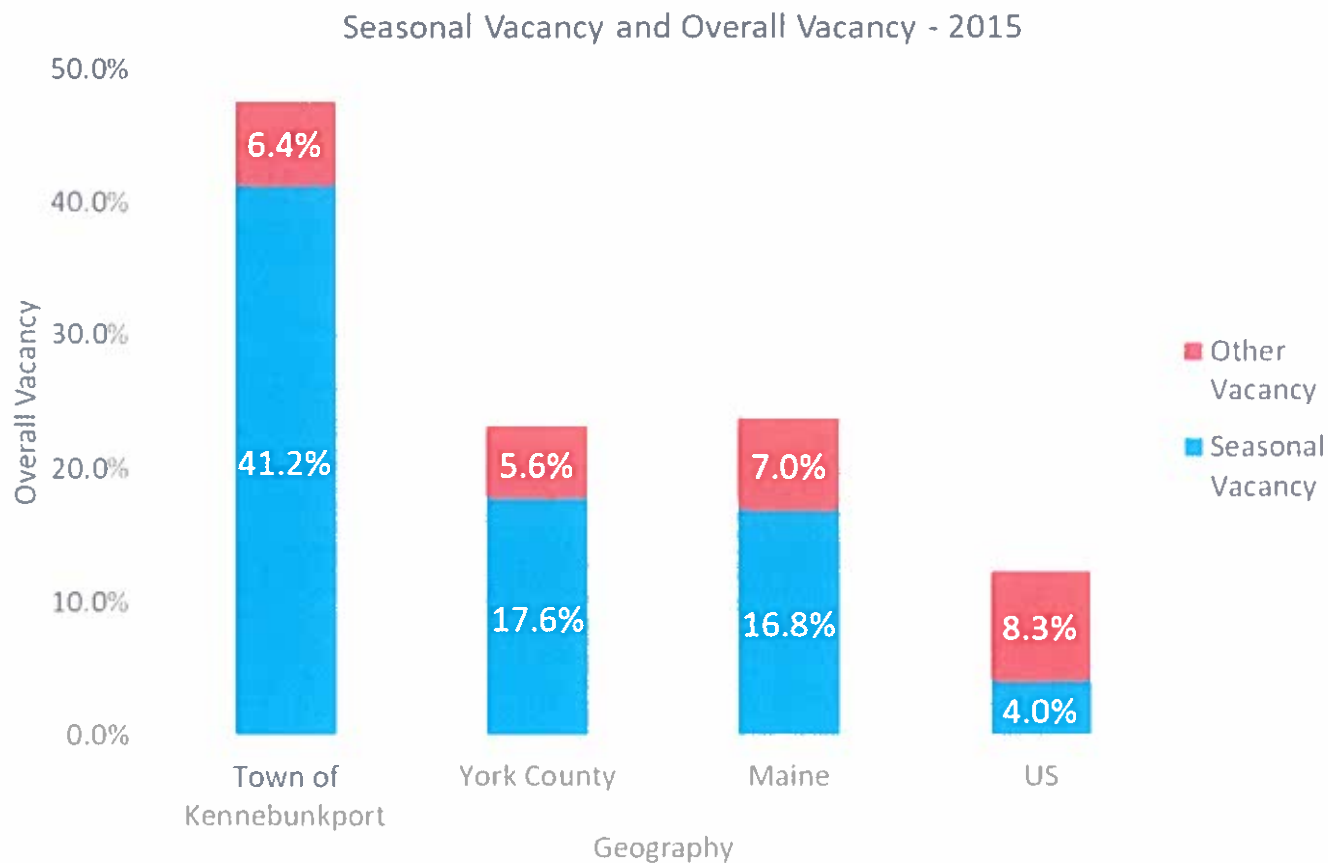
Figure 8: Renter vs. Owner Occupied Units, 2017



The graph above shows the breakdown between owner and renter occupied homes in 2017. Kennebunkport has a significantly higher percentage of homes that are owner-occupied. Percentage of renter-occupied homes increases as the geographical area grows.

Given Kennebunkport's coastal location, much of the housing stock is only seasonally occupied. This can be problematic, as fewer dollars are then spent in the town by residents. As shown by the figure below, Kennebunkport has far more seasonal vacancy than comparison geographies. Over 41% of all Kennebunkport housing was seasonally vacant, while 6.4% was vacant for other reasons in 2015.

Figure 9: Seasonal Vacancy Compared to Overall Vacancy, 2015



Kennebunkport housing consists of mostly single-family detached homes; however, there have been marginal increases in the percentage of multi-unit structures. More specifically, there have been significant additions of five- to nine-unit homes since 2010. The majority of county homes has also consistently been single-family detached structures; however, the county offers a much larger variety of multi-family units. The county also has a significant number of mobile homes, at almost 7.5% of total housing in 2015. Total number of units in Kennebunkport has increased by over 300 since 2000, growth of about 13%, which is consistent with the country's 13% growth rate.



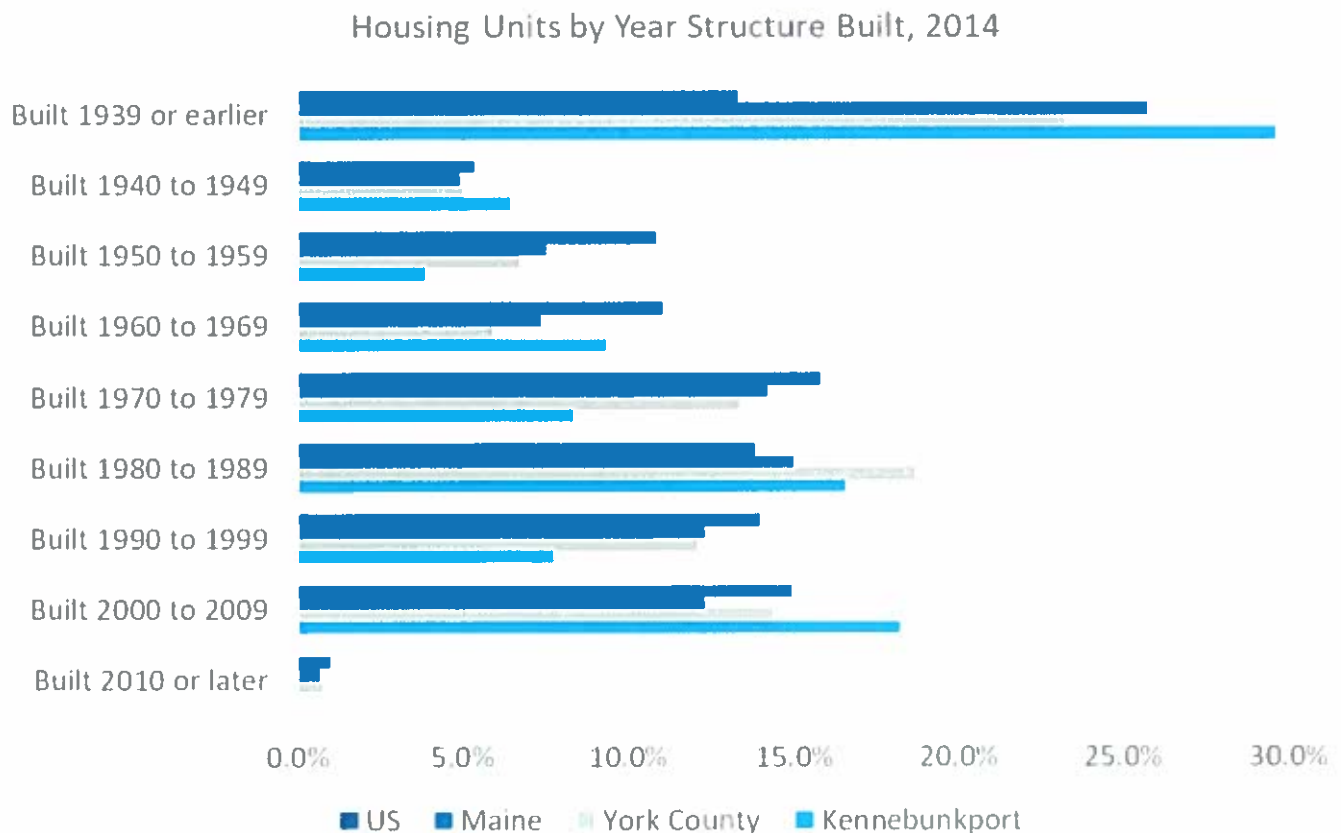
Table 15: Housing Units by Structure

Housing Units by Structure												
Structure Type	Town of Kennebunkport						York County					
	2000		2010		2015		2000		2010		2015	
	#	%	#	%	#	%	#	%	#	%	#	%
1, Detached	2,213	86.6%	2,336	85.4%	2,407	83.1%	63,636	67.5%	71,648	68.4%	73,486	68.7%
1, Attached	56	2.2%	80	2.9%	126	4.4%	2,931	3.1%	2,374	2.3%	2,947	2.8%
2 Units	96	3.8%	121	4.4%	65	2.3%	6,506	6.9%	6,967	6.7%	7,828	7.3%
3 to 4	43	1.7%	52	1.9%	47	1.6%	5,765	6.1%	6,542	6.2%	6,223	5.8%
5 to 9	54	2.1%	19	0.7%	128	4.4%	3,955	4.2%	5,010	4.8%	3,916	3.7%
10 to 19	25	1.0%	10	0.4%	29	1.0%	1,520	1.6%	1,640	1.6%	1,560	1.5%
20 to 49	20	0.0%	-	0.0%	0	0.0%	1,720	0.0%	2,224	0.0%	1,822	1.7%
50 or more	-	0.0%	-	0.0%	0	0.0%	852	0.0%	1,070	0.0%	1,100	1.0%
Mobile Home	48	1.9%	117	4.3%	93	3.2%	6,988	7.4%	7,233	6.9%	7,981	7.5%
Boat, RV, Van, etc.	-	0.0%	-	0.0%	0	0.0%	361	0.0%	16	0.0%	61	0.1%
Total	2,555		2,735		2,895		94,234		104,724		106,924	

Source: Esri, ACS 2014 5-year estimates

Note: The "Mobile Home" category includes manufactured homes

Figure 10: Housing Units by Year Structure Built, 2014



The above offers a visual for the distribution of housing by year built. It is important to note that homes built 2010 and later will be undercounted, as this information represents 2014 ACS estimates. Kennebunkport has more homes built 1939 and earlier, as well as a slightly older median year built at 1971, compared with 1977, 1973, and 1976 for the county, state, and nation, respectively.

## Demographics

Kennebunkport saw a loss in population between the years 2000 and 2010, and has begun to see recovery over the last seven years. The town's growth has been on par with the county's since 2010, and just under that of the nation. The state experienced a slower growth rate over the same period, at 3%.

Table 16: Historic Population Growth

	Historic Population Growth								
	2000 Population	2010 Population	2017 Population	2010-2017 # Change	2010-2017 % Change	2010 Households	2017 Households	# Change	% Change
Town of Kennebunkport	3,720	3,474	3,657	183	5%	1,578	1,672	94	6%
York County	186,742	197,131	207,699	10,568	5%	81,009	85,982	4,973	6%
Maine	1,274,923	1,328,361	1,367,209	38,848	3%	557,219	575,385	18,166	3%
United States	281,421,906	308,745,538	327,514,334	18,768,796	6%	116,716,292	123,158,887	6,442,595	6%

Source: Esri

Given the cost of housing in the Town of Kennebunkport, it is not surprising that younger generations are not well represented in the demographic data. The graph below compares median age over time for the town, county, state, and nation. York County is almost exactly on par with the trends of the state, while the town is significantly older than all comparison geographies with a median age over 10 years older than the county and state, and about 15 years older than that of the nation. These trends have been consistent since 2000. The town ages at a faster rate than comparison geographies, which is projected to continue through 2022. Within the next five years, town median age is expected to progress to 56.2, while county, state, and national median ages are projected to increase by one year or less.

Figure 11: Median Age Comparison

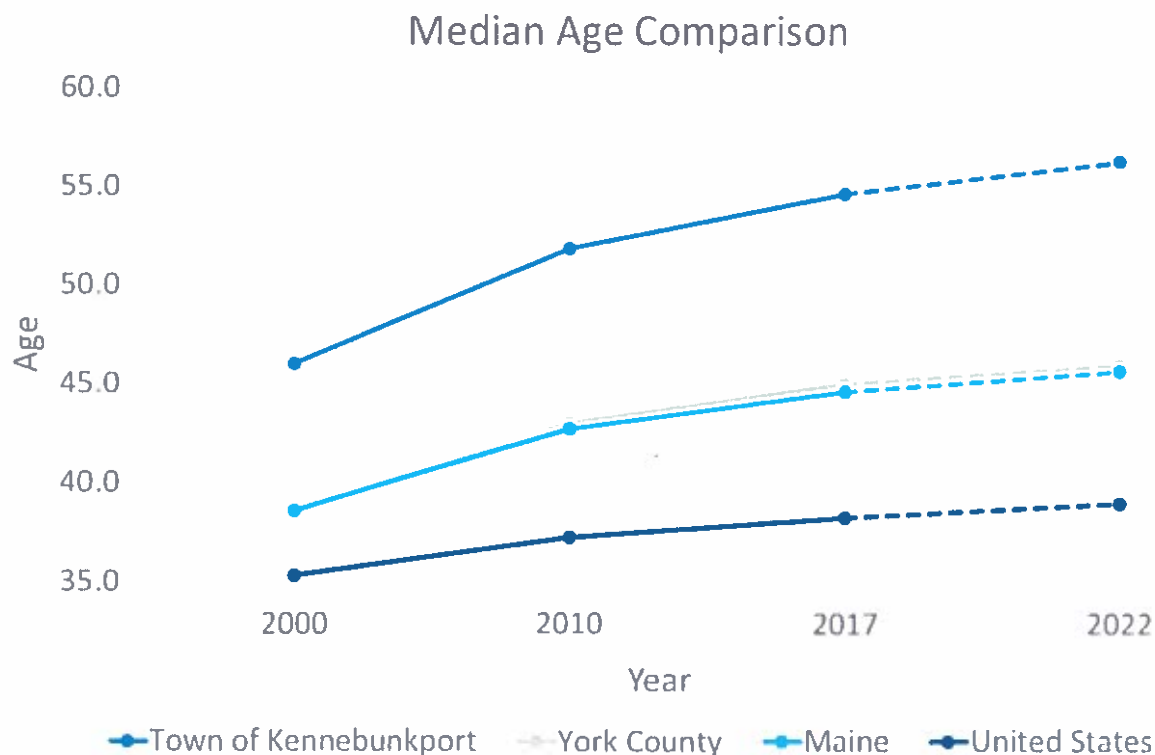


Table 17: Median Age Comparison

Median Age Comparison				
Median Age	Town of Kennebunkport	York County	Maine	United States
2000	46.0	38.5	38.6	35.3
2010	51.8	43.0	42.7	37.2
2017	54.6	45.0	44.6	38.2
2022	56.2	45.9	45.6	38.9

Source: Esri, American FactFinder

The chart below shows the age distribution for Kennebunkport compared to the county, state, and nation. The town has far more residents falling in the 55-84 age range, and far fewer falling in the 0-44 age cohorts. The town specifically lacks population in the 25-44 age groups, which constitutes families most likely to buy homes.

Figure 12: Age Distribution, 2017

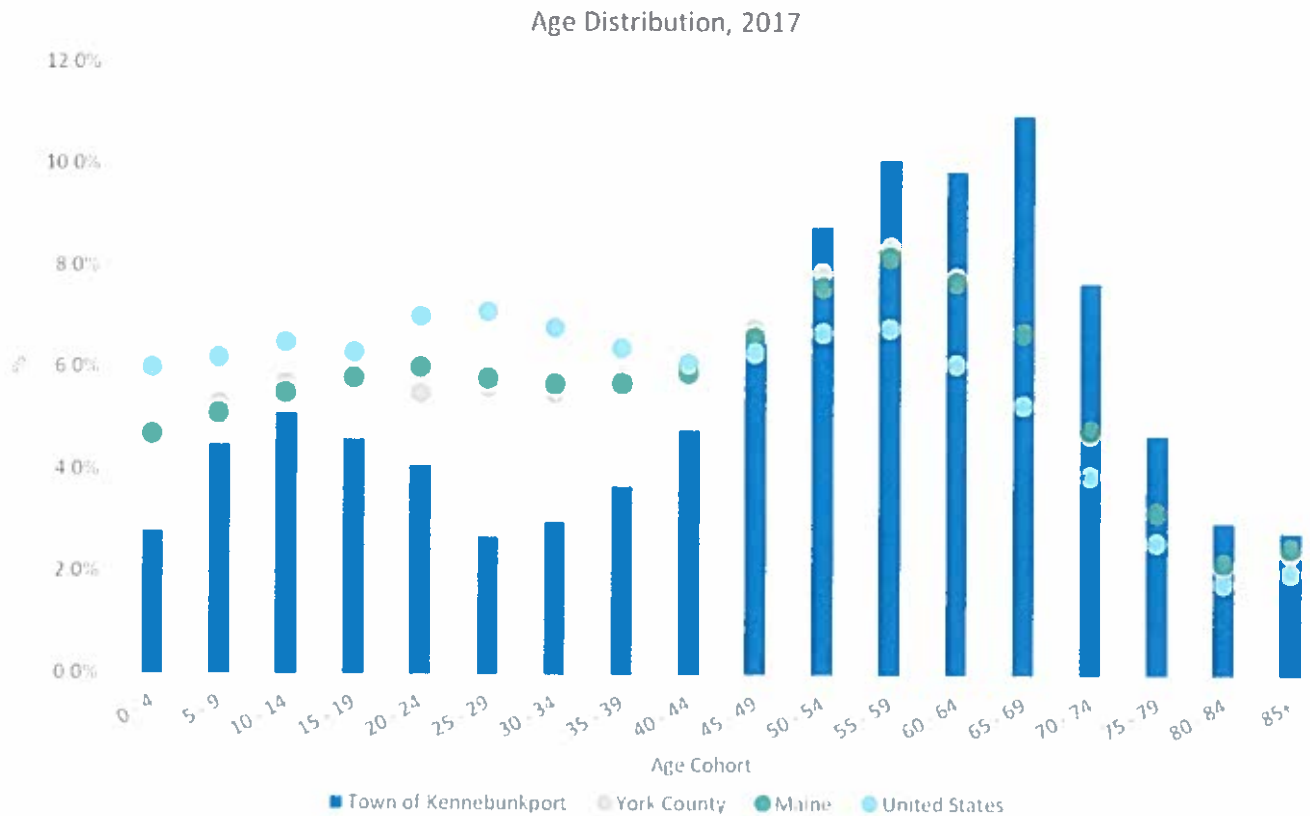


Table 18: Population by Age Distribution, 2017

Population by Age Distribution, 2017				
Age Group	Town of Kennebunkport	York County	Maine	United States
School Age (5-18)	13.7%	15.7%	15.3%	17.6%
Seniors (65+)	29.3%	19.1%	19.4%	15.6%
Median	54.6	45.0	44.6	38.2

Source: Esri

The table to the left shows school age and senior populations in the comparison geographies. Kennebunkport contains the lowest concentration of school-aged people and the highest concentration of seniors.

Figure 13: Median Household Income Trends

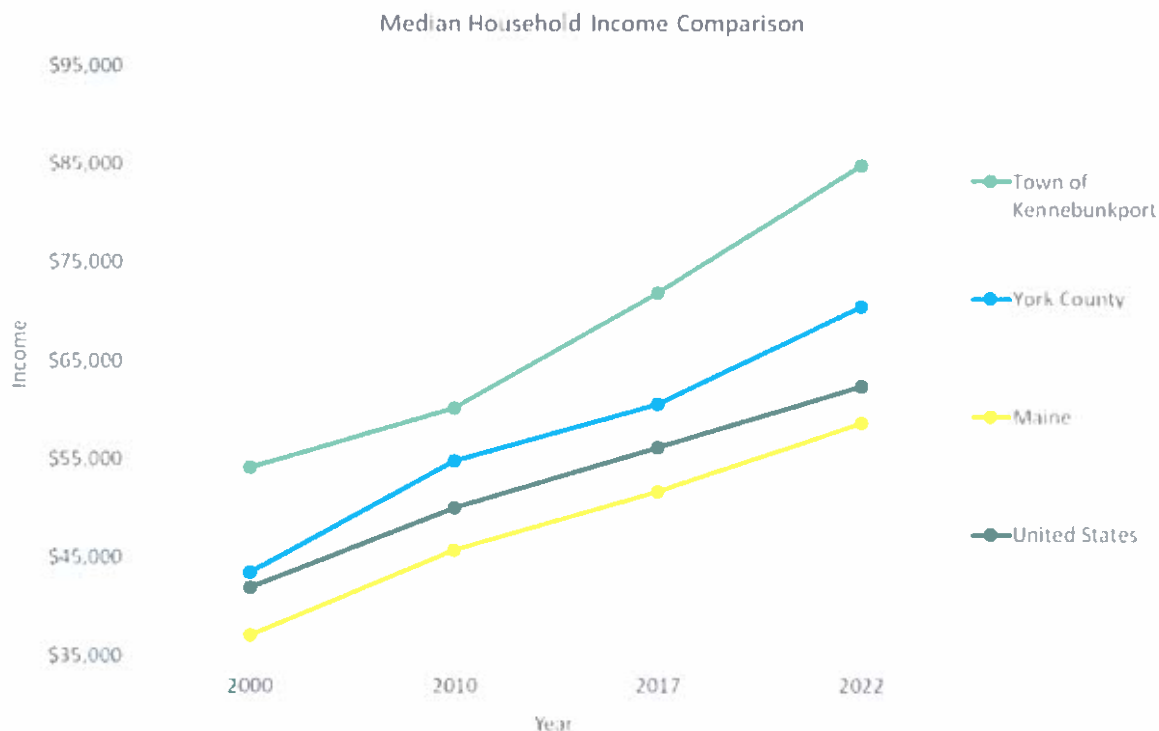


Table 19: Median Household Income

Median Household Income					
	2000	2010	2017	2022	
Town of Kennebunkport	\$ 54,219	\$ 60,244	\$ 71,834	\$ 84,769	
York County	\$ 43,630	\$ 54,880	\$ 60,612	\$ 70,451	
Maine	\$ 37,240	\$ 45,815	\$ 51,709	\$ 58,659	
United States	\$ 41,994	\$ 50,046	\$ 56,124	\$ 62,316	

Source: Esri, American FactFinder

As demonstrated by the chart above, income growth in Kennebunkport has been short of the growth rates observed in the county, state, and nation. Both the county and state saw 39% growth in median household income between 2000 and 2017, while the nation saw 34% growth and town income grew by 32%. Despite this, Kennebunkport median income remains vastly greater by comparison.

The table to the right shows a breakdown of number of households in the town as compared to the county, state, and nation. Despite Kennebunkport's much greater median household income, 4% of town households are still considered to be below the poverty line. More specifically, almost 10% of Kennebunkport households have annual incomes less than \$25,000 and though this percentage is lower than that of the comparison geographies, it is important to remember that cost of living in Kennebunkport is much greater.

Figure 14: Households by Income, 2017

Households by Income - 2017				
	Town of Kennebunkport	York County	Maine	United States
<\$15,000	4.2%	9.0%	12.8%	11.5%
\$15,000 - \$24,999	5.7%	8.8%	11.1%	10.0%
\$25,000 - \$34,999	9.8%	8.9%	10.7%	9.7%
\$35,000 - \$49,999	13.8%	12.5%	13.4%	13.1%
\$50,000 - \$74,999	18.2%	20.6%	19.2%	17.8%
\$75,000 - \$99,999	11.1%	16.3%	13.4%	12.4%
\$100,000 - \$149,999	16.0%	14.7%	12.1%	13.9%
\$150,000 - \$199,999	11.2%	5.4%	3.9%	5.7%
\$200,000+	10.1%	3.9%	3.4%	6.1%
Households Below the Poverty Line	4.0%	10.6%	13.9%	14.4%

Source: Esri

## Commute Patterns

The table to the right shows the breakdown of commutation trends over time for Kennebunkport residents and workers. In 2015, there were 168 people who were both employed in Kennebunkport and living in Kennebunkport. Thus, there is a large proportion of cross-commuting occurring in the town. Over 1,000 residents commute out of town for work, while almost 700 workers commute in to town for work.<sup>18</sup>

Table 20: Commuting Trends

Commute Trends			
	2005	2010	2015
Employed and Living in Town	171	188	168
Workers Commuting into Town	766	635	683
Residents Commuting out of Town	1,021	942	1,032
Percent of Workers In-Commuting	82%	77%	80%
Percent of Residents Out-Commuting	86%	83%	86%

Source: US Census OnTheMap



Figure 15: Flow of Commuters, 2015

<sup>18</sup> Source: Census OnTheMap. Data covers all workers employed during the first and second quarters of the reference year and provides a snapshot of all jobs held on April 1<sup>st</sup>. As a result, the majority of jobs captured are non-seasonal.



The pie charts below represent distance traveled for residents commuting out as well as workers commuting in. Most residents commute less than 10 miles to work, while more than 13% commute more than 50 miles. Over 56% of Kennebunkport's workers commute from less than 10 miles away to reach their jobs. Therefore, residents tend to commute farther than workers. According to Esri, the average commute time for Kennebunkport residents is about 32 minutes.

Figure 16: Commute Time

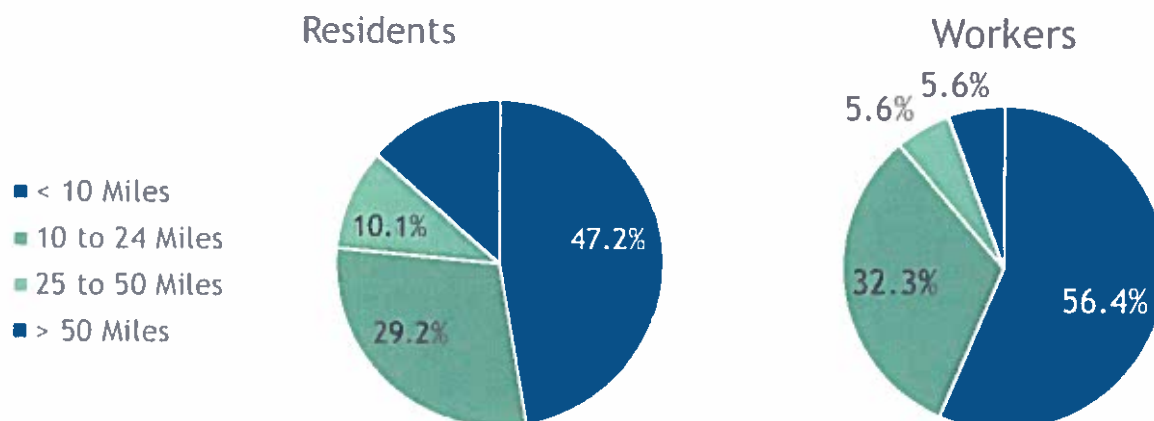


Table 21: Where Workers Live and Where Residents Work

Where Town Workers Live			Where Town Residents Work		
Places Where Workers are Employed	2015		Places Where Workers are Employed	2015	
	Count	Share		Count	Share
Kennebunk Town	184	21.6%	Kennebunk Town	187	15.6%
Kennebunkport Town	168	19.7%	Kennebunkport Town	168	14.0%
Biddeford City	53	6.2%	Biddeford City	129	10.8%
Sanford City	52	6.1%	Portland City	121	10.1%
Portland City	47	5.5%	Saco City	40	3.3%
Wells Town	46	5.4%	Sanford City	36	3.0%
Arundel Town	43	5.1%	South Portland City	34	2.8%
Lyman Town	37	4.3%	Scarborough Town	29	2.4%
Saco City	25	2.9%	York Town	29	2.4%
York Town	15	1.8%	Arundel Town	28	2.3%
All Other Locations	181	21.3%	All Other Locations	399	33.2%

Source: OntheMap

The tables above provide a breakdown of where these commuters live and work more specifically. Most Kennebunkport residents are commuting to Kennebunk, Biddeford, and Portland, while most Kennebunkport workers are commuting from Kennebunk, Biddeford, and Sanford. About 73% of Kennebunkport commuters drive themselves to work and very few utilize public transportation or other means of transportation.

## Economic Indicators<sup>19</sup>

Kennebunkport saw job growth of about 7% in the last five years, but growth projections through 2022 are meager. Average earnings per job are low compared to the national average, and are approximately \$5,000 lower than county average earnings. The largest industries in the town by number of jobs are Accommodation and Food Services, Construction, Government, and Retail Trade.

Table 22: All 2-Digit Industries – Kennebunkport

Town of Kennebunkport, All Industries										
NAICS (2-digit)	Description	2012 Jobs	2017 Jobs	2022 Jobs	2012 - 2017 Change	2012 - 2017 % Change	2017 - 2022 Change	2017 - 2022 % Change	Avg. Earnings Per Job (2017)	2017 Location Quotient
11	Crop and Animal Production	97	98	98	1	1%	0	0%	\$29,452	2.76
21	Mining, Quarrying, and Oil and Gas Extraction	<10	<10	<10	Insf. Data	Insf. Data	Insf. Data	Insf. Data	Insf. Data	0.04
22	Utilities	<10	<10	0	Insf. Data	Insf. Data	Insf. Data	Insf. Data	Insf. Data	0.03
23	Construction	492	510	490	18	4%	(20)	(4%)	\$41,089	3.25
31	Manufacturing	152	141	144	-11	-7%	3	2%	\$58,074	0.62
42	Wholesale Trade	56	76	86	20	36%	10	13%	\$44,652	0.69
44	Retail Trade	337	360	359	23	7%	(1)	(0%)	\$37,228	1.19
48	Transportation and Warehousing	63	62	55	(1)	-2%	-7	-11%	\$49,582	0.61
51	Information	29	54	60	25	86%	6	11%	\$64,228	1.00
52	Finance and Insurance	22	29	32	7	32%	3	10%	\$71,615	0.26
53	Real Estate and Rental and Leasing	40	41	40	1	3%	-1	-2%	\$42,866	0.86
54	Professional, Scientific, and Technical Services	102	109	112	7	7%	3	3%	\$48,394	0.58
55	Management of Companies and Enterprises	<10	<10	<10	Insf. Data	Insf. Data	Insf. Data	Insf. Data	Insf. Data	0.08
56	Administrative and Support and Waste Management and Remediation Services	100	120	134	20	20%	14	12%	\$33,834	0.66
61	Educational Services	22	<10	<10	Insf. Data	Insf. Data	Insf. Data	Insf. Data	Insf. Data	0.11
62	Health Care and Social Assistance	75	84	89	9	12%	5	6%	\$42,047	0.23
71	Arts, Entertainment, and Recreation	123	120	117	(3)	(2%)	(3)	(3%)	\$25,791	2.39
72	Accommodation and Food Services	544	570	578	26	5%	8	1%	\$28,414	2.27
81	Other Services (except Public Administration)	96	116	127	20	21%	11	9%	\$23,574	0.83
90	Government	386	418	427	32	8%	9	2%	\$85,359	0.94
99	Unclassified Industry	0	0	0	0	0%	0	0%	\$0	0.00
<b>Total</b>		<b>2,743</b>	<b>2,923</b>	<b>2,956</b>	<b>180</b>	<b>7%</b>	<b>33</b>	<b>1%</b>	<b>\$44,664</b>	

Source: EMSI

<sup>19</sup> In order to gather industry data for Kennebunkport, Camoin Associates utilized the 04046 zip code, which contains a larger geographical area than the Kennebunkport Town county subdivision that is employed throughout other sections of this analysis

Table 23: Economic Indicators, 2015

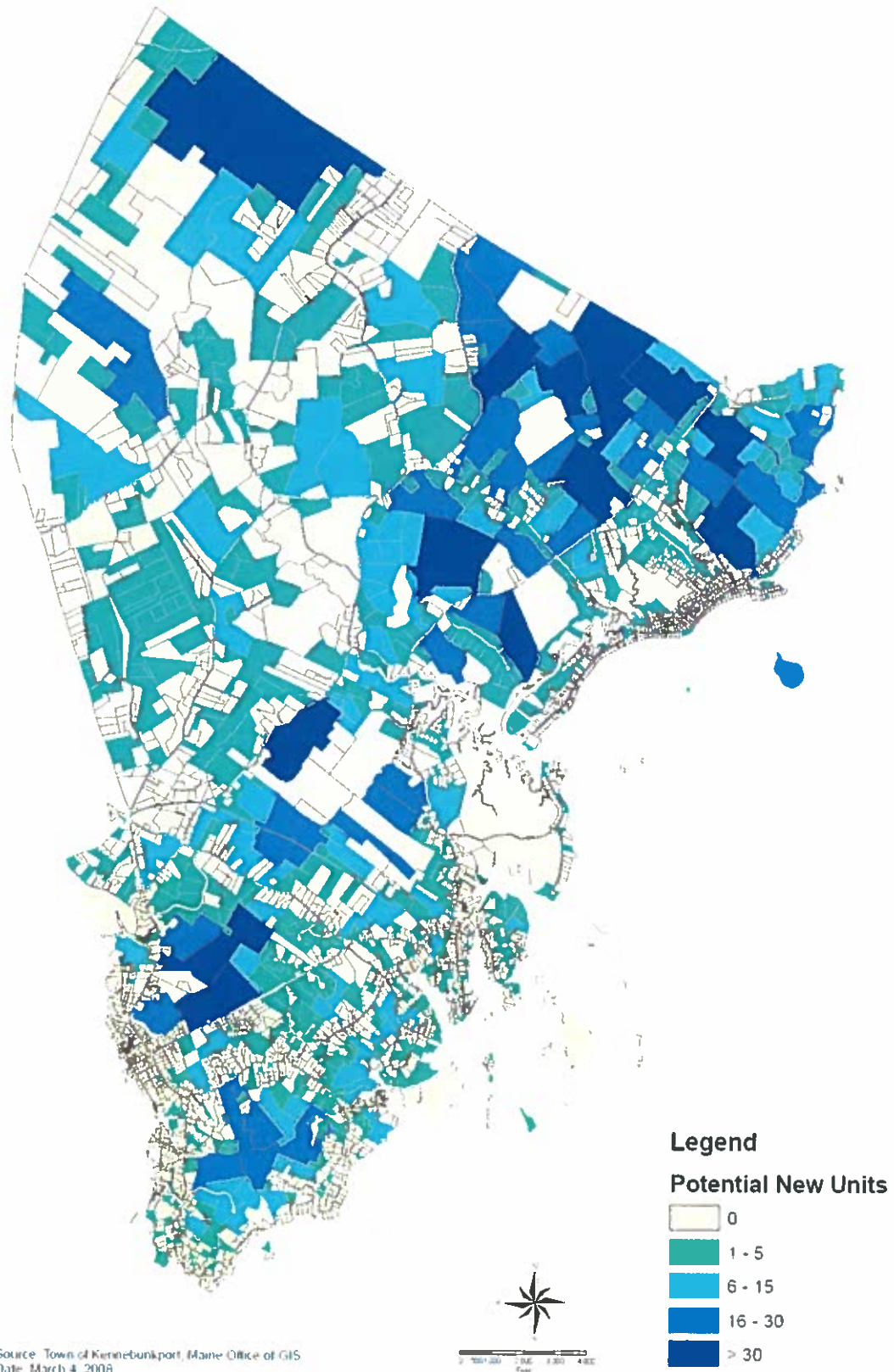
Economic Indicators, 2015 Estimates		
Region	Labor Force Participation Rate	Unemployment Rate
Town of Kennebunkport	65.3%	6.4%
York County	67.0%	5.9%
Maine	63.4%	6.8%
United States	63.3%	8.3%

Note: Only includes the population 16 years and over

Source: American FactFinder

Labor force participation in the town was at 65.3% in 2015, slightly lower than the county's, but slightly higher than the state's and the nation's. Kennebunkport's unemployment rate of 6.4% was slightly higher than that of the county, but lower than that of the state and nation.

## Appendix B: Comprehensive Plan Buildout Analysis, 2008-09



## Appendix C: Business Survey Results

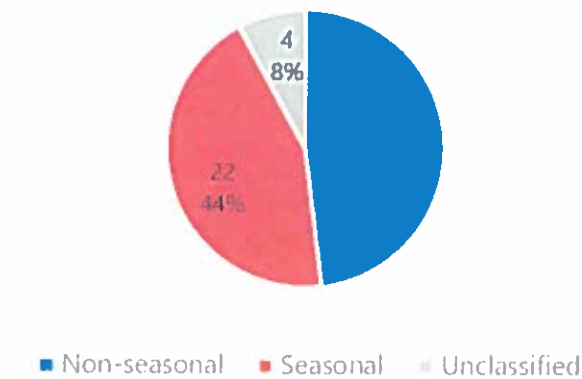
The Town of Kennebunkport Workforce and Housing Survey was sent to local business owners in order to better understand the challenges and opportunities around housing as they relate to local workforce availability. All owners of businesses located in the Town of Kennebunkport were invited to participate in this survey. Results of the survey are summarized below.

### Characteristics of Business Survey Respondents

Of the 50 respondents to the survey, 48% (24 respondents) were classified as non-seasonal businesses meaning their average employment did not fluctuate by more than 20% from their lowest quarter of employment to their highest quarter of employment. Conversely, 44% of businesses (22 respondents) were classified as seasonal meaning their average employment from their highest quarter of employment was more than 20% higher than their lowest quarter of employment. The remaining 8% (4 respondents) did not specify quarterly employment figures, and are therefore “unclassified.”

*Figure 17: Respondent Business Seasonality*

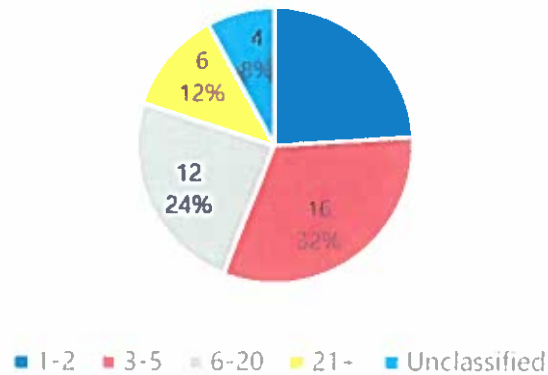
Respondent Business Seasonality,  
n=50



Business size was determined based on average number of employees throughout the year. Businesses with 1–2 employees comprised 24% of the respondents. Businesses with 3–5 employees represented 32%. Businesses with 6–20 comprised 24% and businesses with 21 or more employees made up 12%. An additional 8% did not specify business employment figures and are therefore “unclassified.”

Figure 18: Respondent Business Size

Respondent Business Size  
(number of employees), n=50

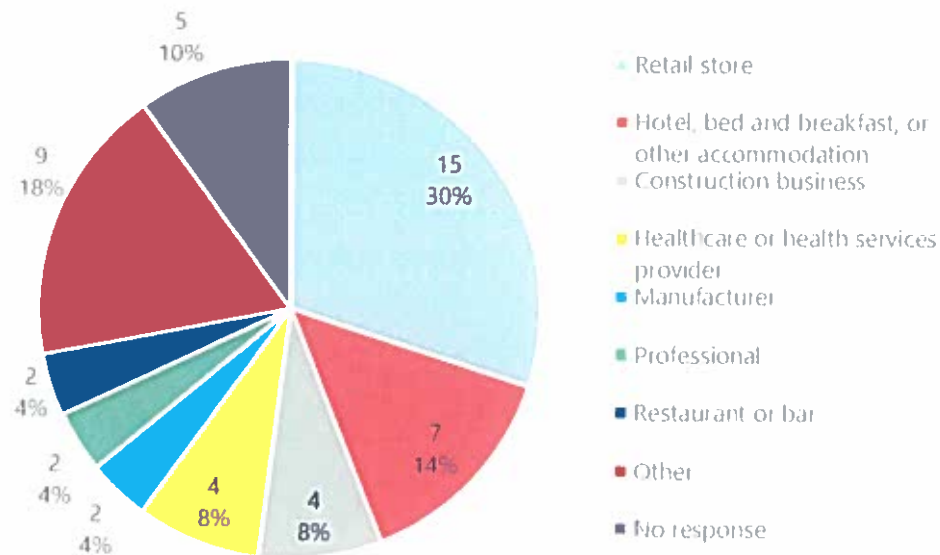


Respondents were asked to select the establishment type that most closely describes their business from a preselected list or to enter an establishment type for their business. Retail store was the most prominent industry type among respondents, accounting for 30% of all responses. Seven respondents selected Hotel, bed and breakfast, or other accommodations which represented 14% of the sample. Construction business and Healthcare or health services provider each comprised 8%. The industry types Manufacturer, Professional, and Restaurant or bar were represented by 2 businesses each or 4% of the total share. Nine respondents, or 18%, entered establishment types that did not align with the aforementioned industry types and were therefore counted as Other. Five respondents did not provide an industry type, accounting for 10% as No response.



Figure 19: Respondent Industry Type

### Respondent Industry Type, n=50



## Survey Analysis

**Q: Considering all workers employed by your company in 2017, approximately what percentage of employees worked 30 or more hours per week?**

Within the Kennebunkport area there is range full-time and part-time employment across businesses of varying size and seasonality. Out of all businesses nearly a half, have 75% or more full time employees. Three quarters of businesses with 1–2 employees have 75% or more full time employees. Zero businesses with 6 or more employees reported that they had less than 25% full time employees. Non-seasonal businesses outpaced seasonal businesses in the less than 25% full time and 75% or more full time employees categories.

Figure 20: Employee Full-Time/Part-Time Status – All Businesses

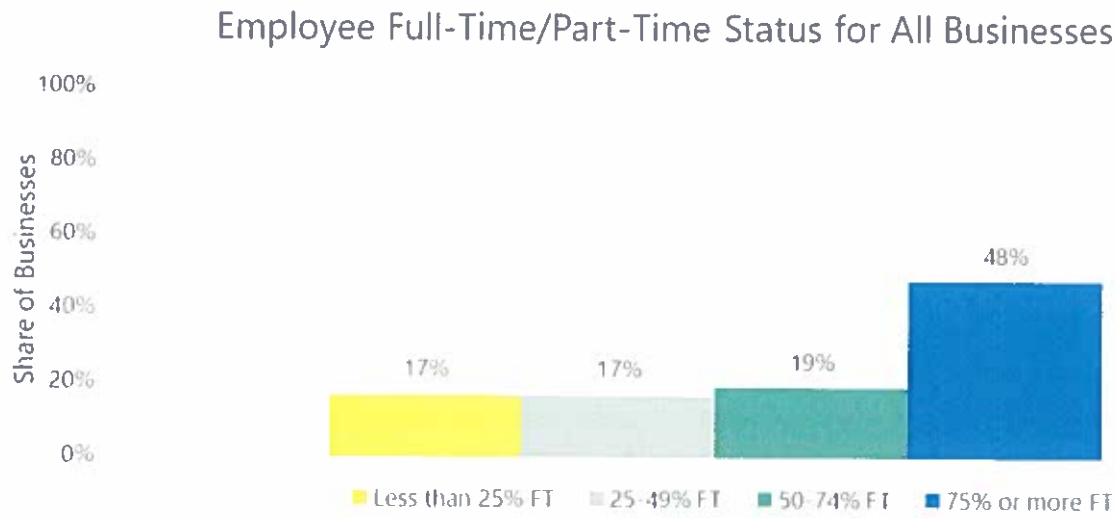
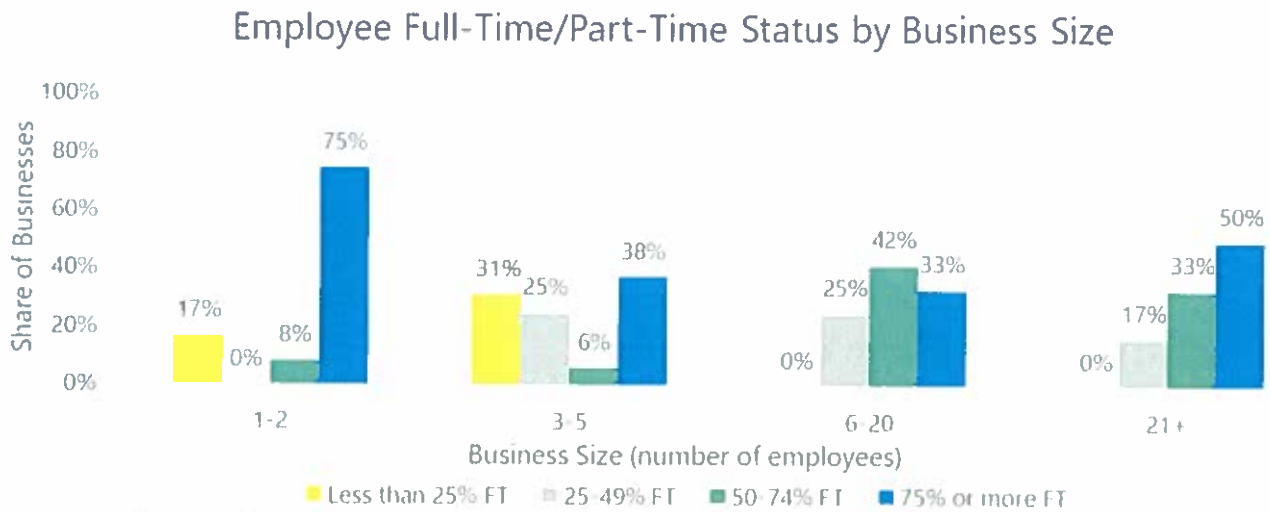
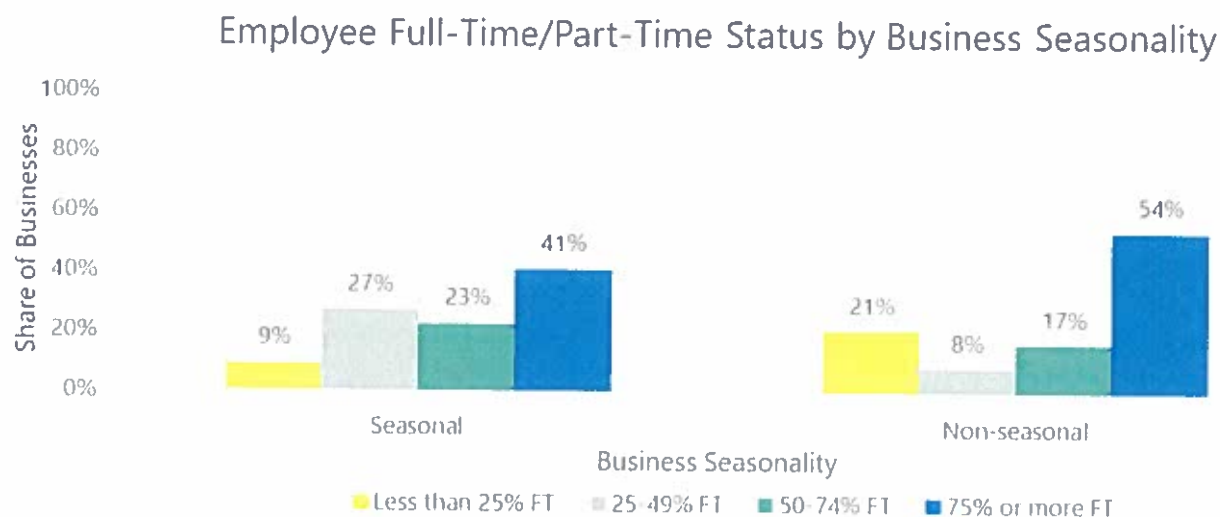


Figure 21: Employee Full-Time/Part-Time Status – By Business Size



Note: A full time worker is defined as working at least 30 hours per week

Figure 22: Employee Full-Time/Part-Time Status – By Business Seasonality



**Q: What is/was the average gross monthly wage of your employees in 2017? Include tips.**

Average gross monthly wages varied between business size and seasonality. Overall 32% of businesses reported average gross monthly wage for employees of \$1,000 to \$1,999. Only businesses with 1–2 employees reported an average gross monthly wage of 6,000 or more. Seventeen percent of businesses with 1–2 employees reported average monthly wage of 6,000 or more. There was less variation in average monthly wages among businesses with 21 or more employees. Half of businesses in this category have average monthly wages of \$2,000 to \$2,999 while \$1,000 to \$1,999, \$3,000 to \$3,999 and \$4,000 to \$5,999 each held 17% of the share. Non-seasonal businesses have a higher percentage of businesses in the higher average gross monthly wage categories, with 33% of non-seasonal businesses with average gross monthly wages of \$3,000 or more compared to 19% of seasonal businesses.

Figure 23: Average Gross Monthly Wages of Employees – All Businesses

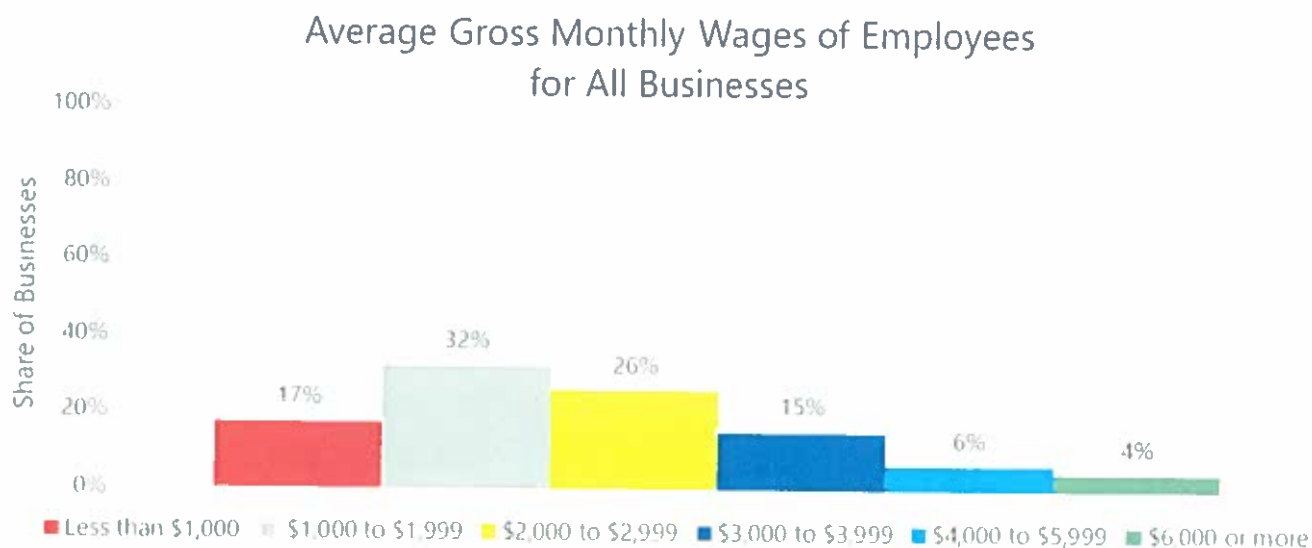


Figure 24: Average Gross Monthly Wages of Employees - By Business Size

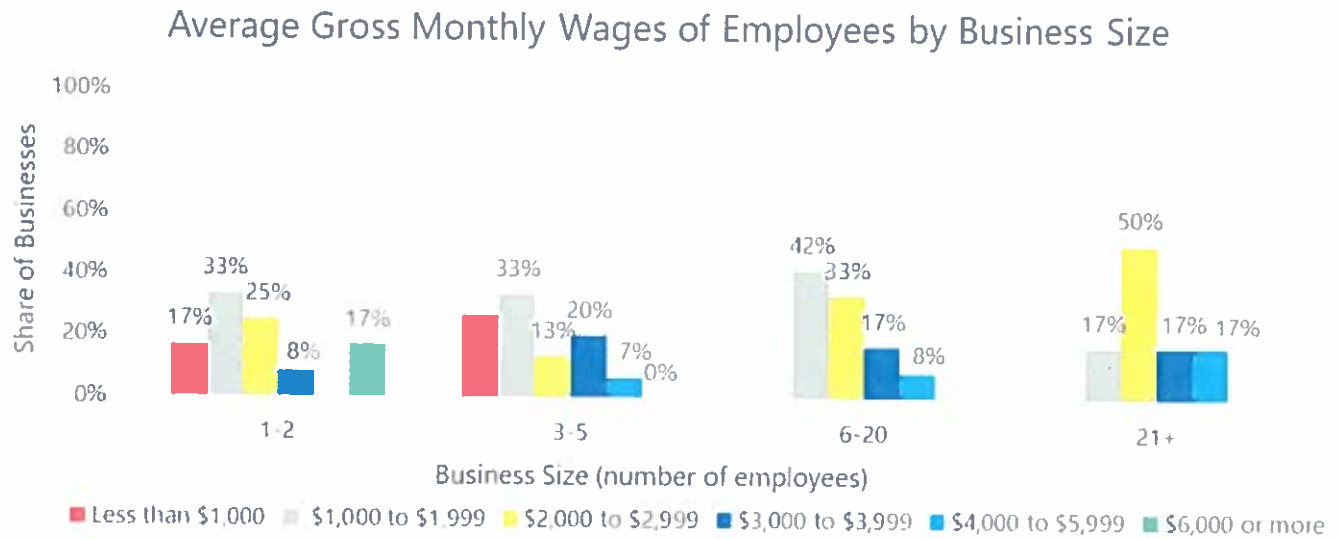
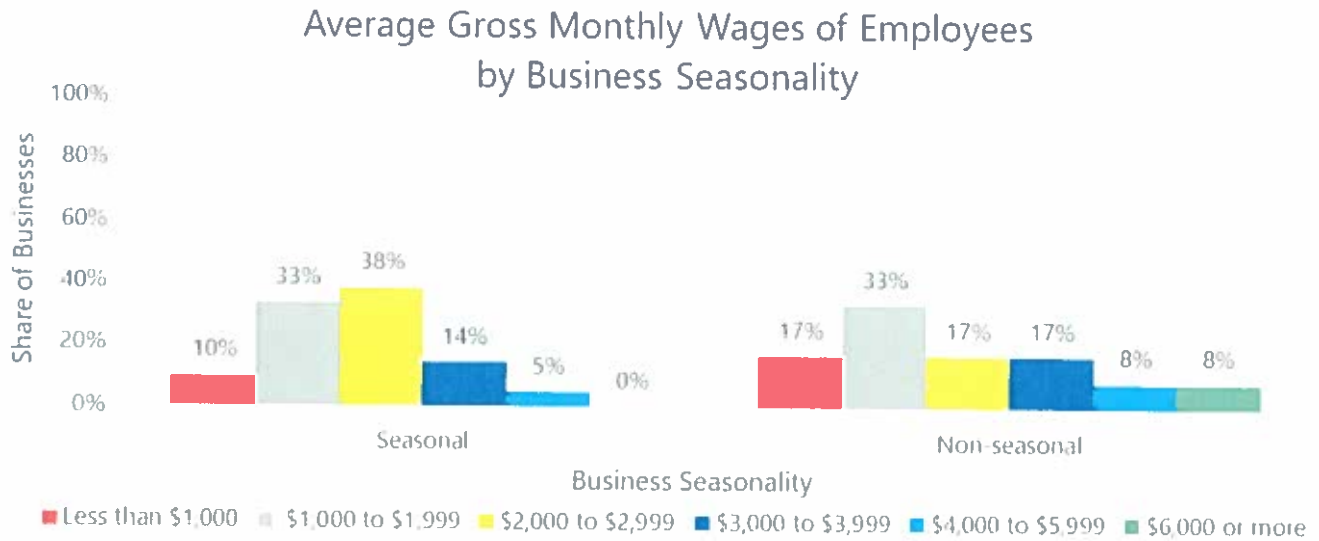


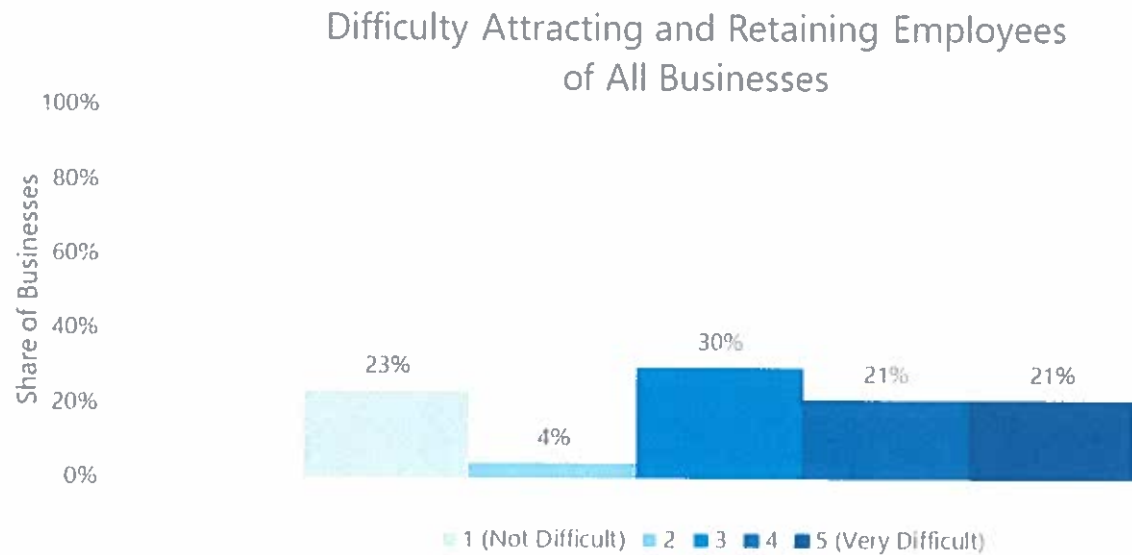
Figure 25: Average Gross Monthly Wages of Employees - By Business Seasonality



**Q: On a scale of 1 (not at all difficult) to 5 (very difficult), how difficult is it for you to attract and retain employees?**

Overall, 21% of businesses found it is very difficult to attract and retain employees while 23% found it to be not at all difficult. Companies with 6 or more employees were more likely to find it very difficult to attract and retain employees compared to businesses of smaller sizes. Half of businesses with 6–20 employees and 21 or more employees find it very difficult to attract and retain employees. About 36% of seasonal businesses found it very difficult to attract and retain employees compared to 8% of non-seasonal businesses.

*Figure 26: Difficulty Attracting and Retaining Employees – All Businesses*



*Figure 27: Difficulty Attracting and Retaining Employees - By Business Size*

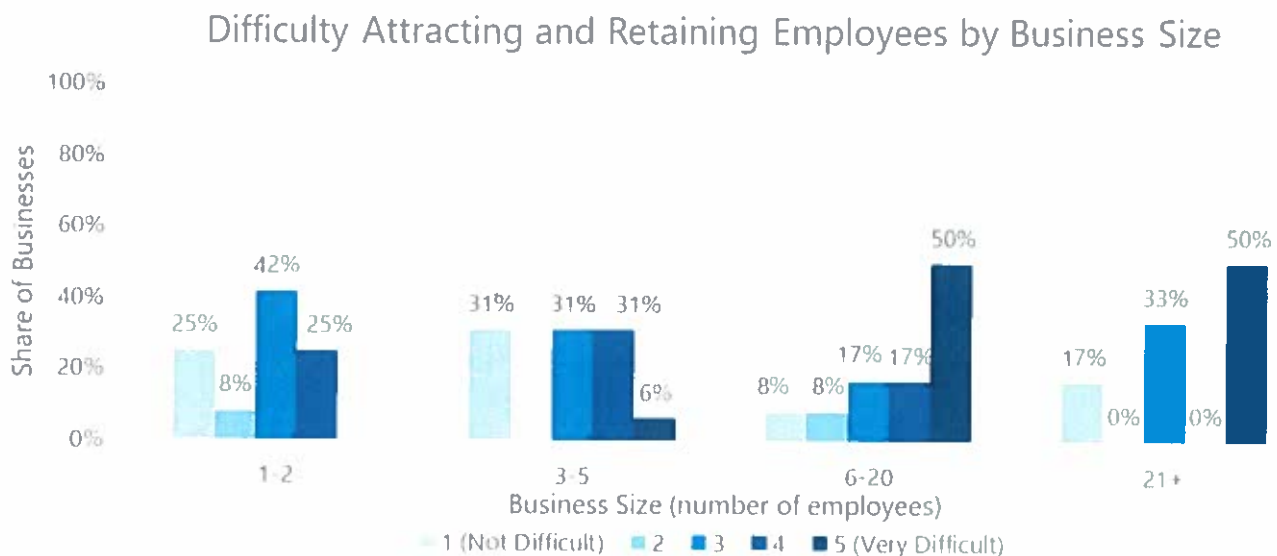
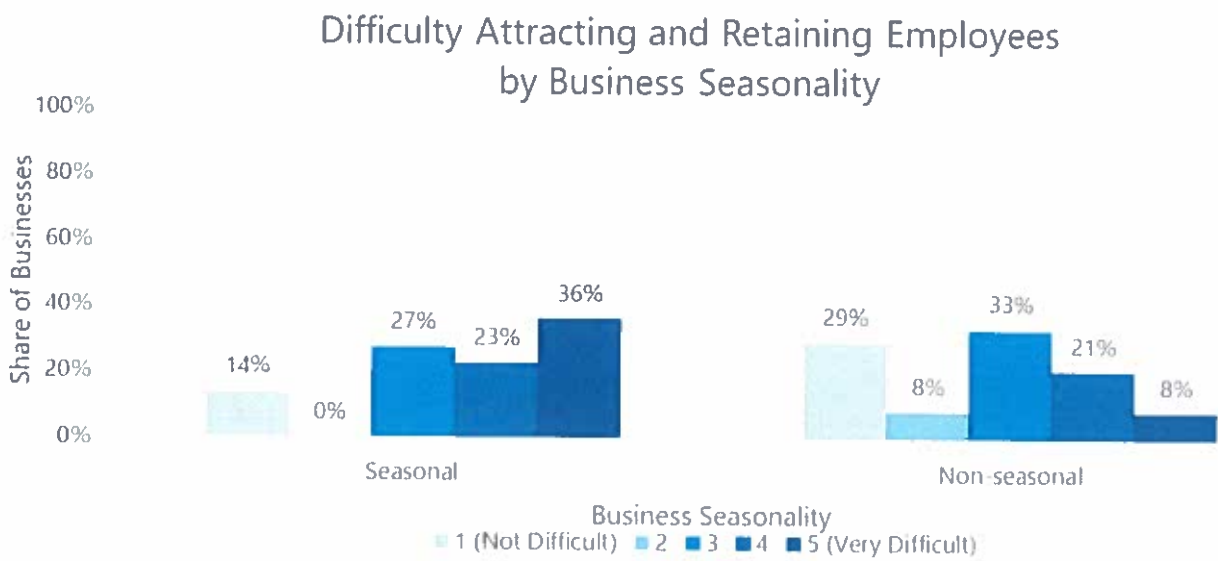




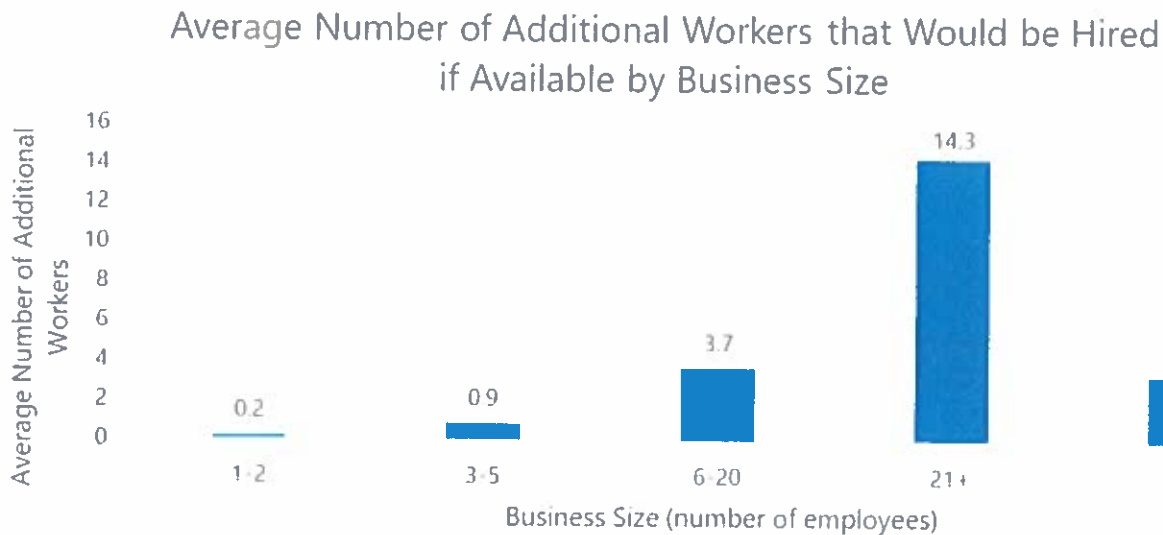
Figure 28: Difficulty Attracting and Retaining Employees - By Business Seasonality



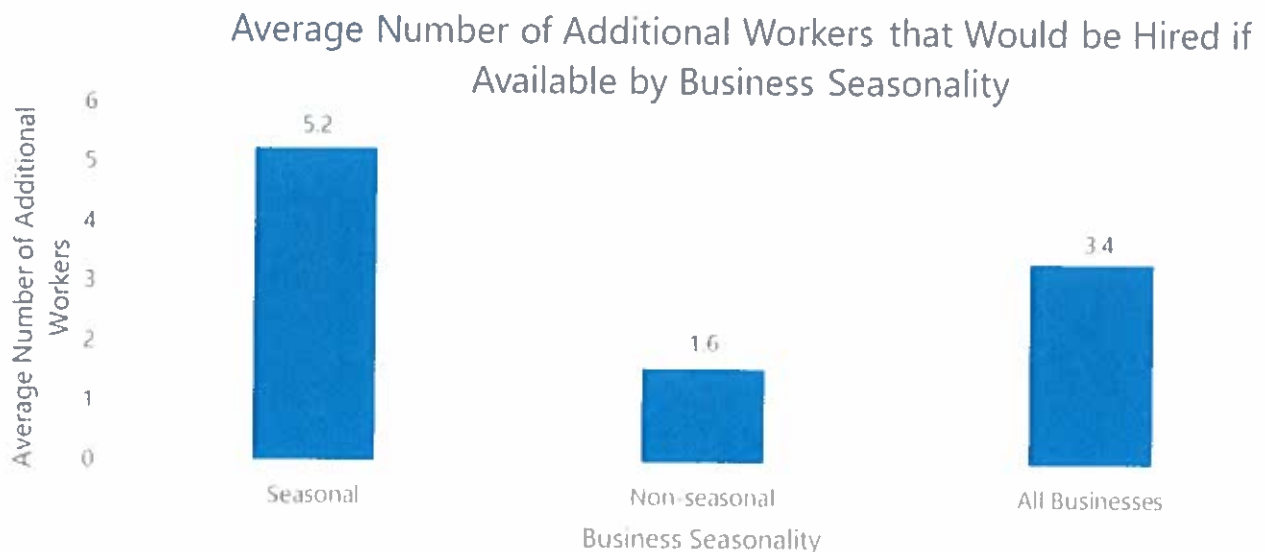
**Q: In 2017, how many ADDITIONAL workers would you have hired if labor was more readily available?**

The average number of additional workers that would be hired if they were available increases with increasing business size. The average number of workers that would be hired is 3.4 across all businesses. Businesses with 1–2 employees would hire 0.2 additional workers on average whereas businesses with 21 or more employees would hire an average of 14.3 additional workers. There is a greater demand for additional workers among seasonal businesses compared to non-seasonal businesses, with seasonal businesses wanting to hire 5.2 additional workers on average, this is compared to 1.6 on average for non-seasonal businesses.

*Figure 29: Average Number of Additional Workers that Would be Hired if Available – By Business Size*



*Figure 30: Average Number of Additional Workers that Would be Hired if Available – By Business Seasonality*



Collectively, the Kennebunkport businesses that responded to the survey have a demand for an additional 145 workers. Seasonal businesses demand 110 additional workers and non-seasonal businesses demand 35 additional workers. In terms of business size, the largest demand is among businesses with 21 or more employees demanding 86 additional employees.



Figure 31: Total Number of Additional Workers that Would be Hired if Available - By Business Size



Figure 32: Total Number of Additional Workers that Would be Hired if Available - By Business Seasonality



**Q: To the best of your knowledge, how difficult is it for your workers to find adequate housing (in Kennebunkport or elsewhere)? Answer on a scale of 1 (not at all difficult) to 5 (very difficult).**

Of all businesses, regardless of size or seasonality, 31% find it very difficult and 21% do not find it difficult. Businesses with 21 or more employees had the highest percentage of businesses, at 67%, who stated workers find it very difficult to find adequate housing in Kennebunkport or elsewhere. Businesses with 3–5 employees ranked the highest in terms of finding it not difficult for workers to find adequate housing at 31%.

Seasonal businesses were slightly more likely to find it very difficult for workers to find adequate housing, at 36%, compared to non-seasonal businesses, at 30%.

Figure 33: Difficulty Finding Housing – All Businesses

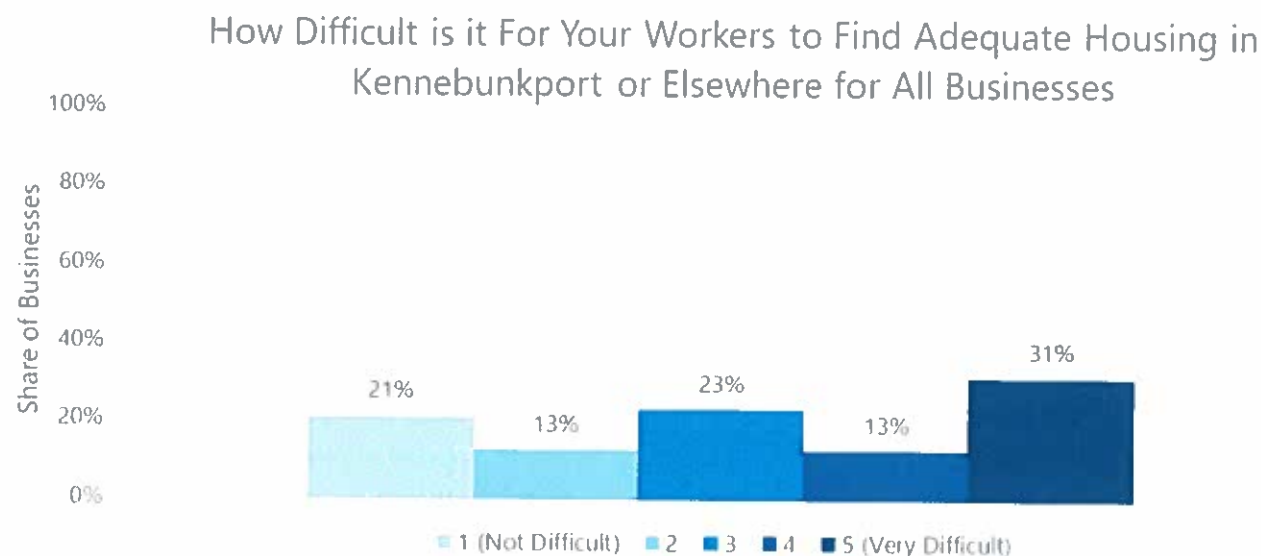


Figure 34: Difficulty Finding Housing – By Business Size

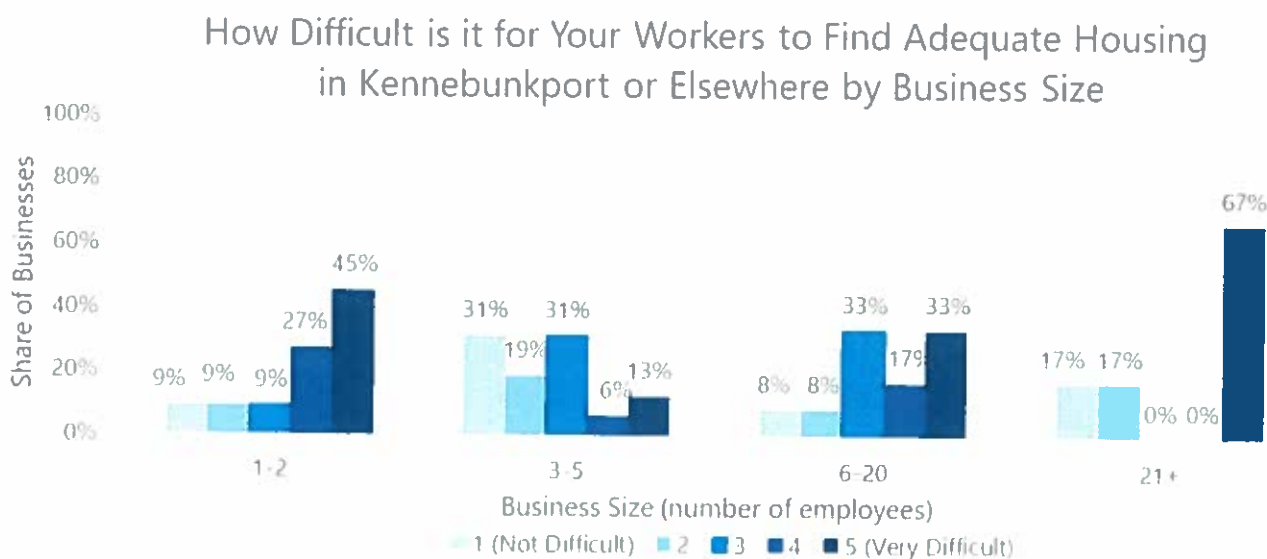
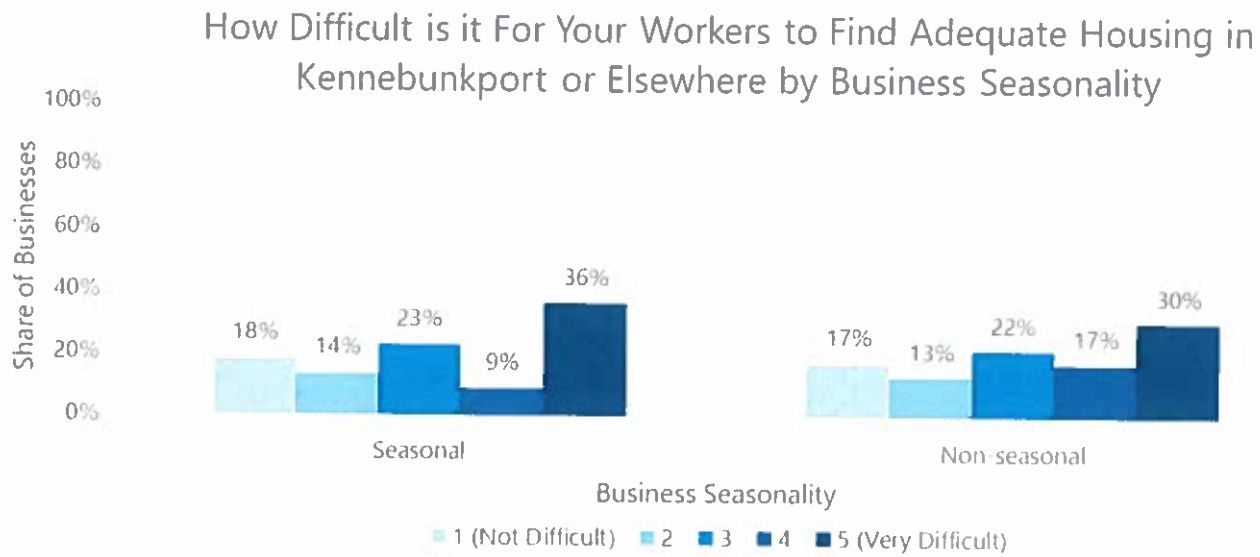


Figure 35: Difficulty Finding Housing - By Business Seasonality



**Q: To the best of your knowledge, how difficult is it for your workers to find adequate housing within Kennebunkport? Answer on a scale of 1 (not at all difficult) to 5 (very difficult).**

Specifically, regarding housing in Kennebunkport, 83% of businesses with 21 or more employees find it very difficult for workers to find adequate housing. Businesses with 3–5 employees were the least likely to find it difficult to find adequate housing within Kennebunkport and had the highest percentage that did not find it difficult. A higher percentage of seasonal businesses found it difficult to find adequate housing within Kennebunkport compared to non-seasonal businesses. Overall half of all businesses find it very difficult for workers to find adequate housing within Kennebunkport.

Figure 36: Difficulty Finding Housing - All Businesses

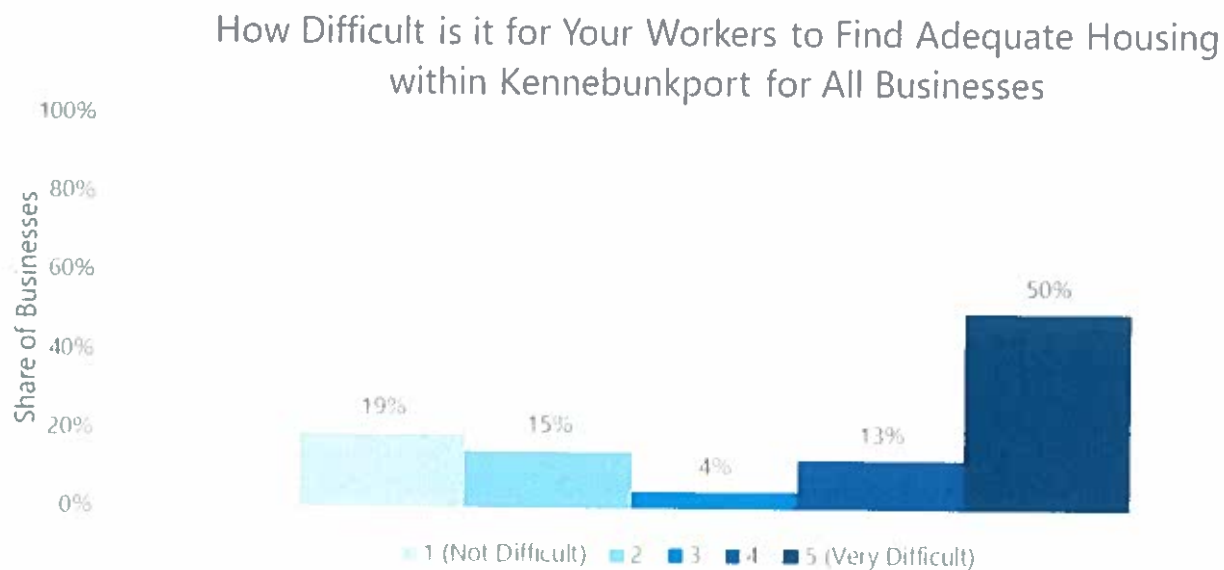


Figure 37: Difficulty Finding Housing within Kport - By Business Size

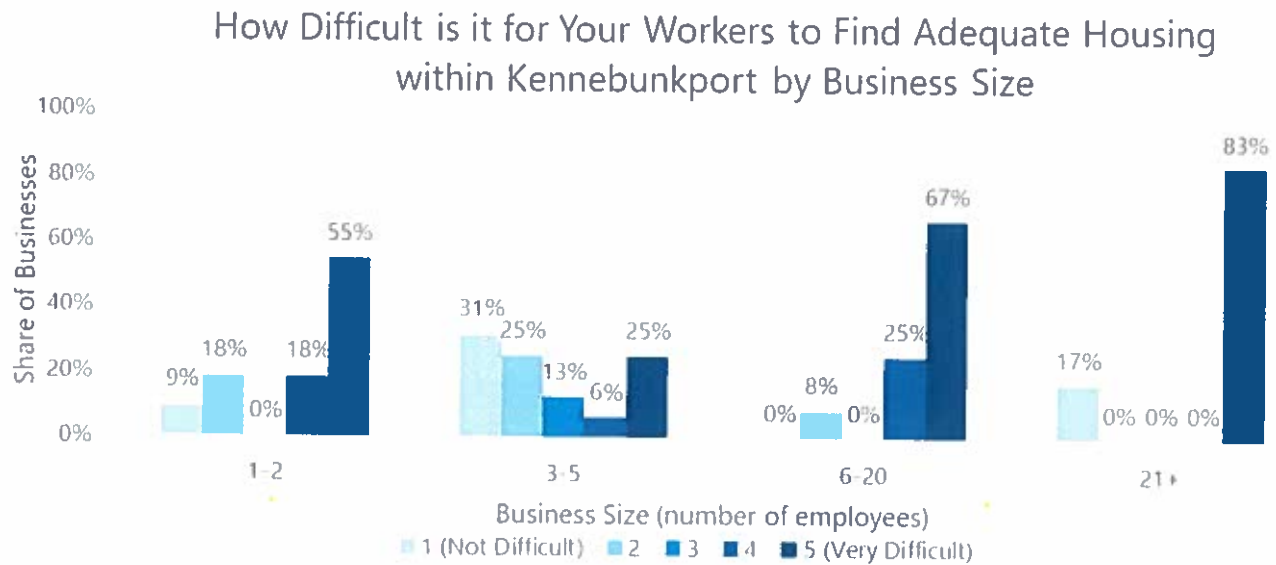
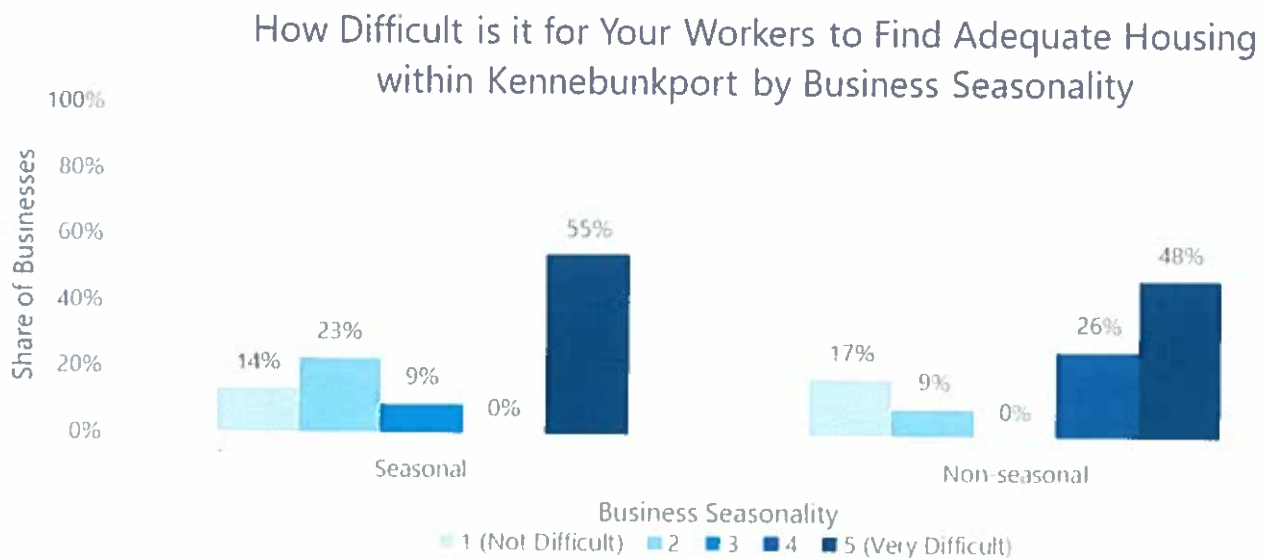


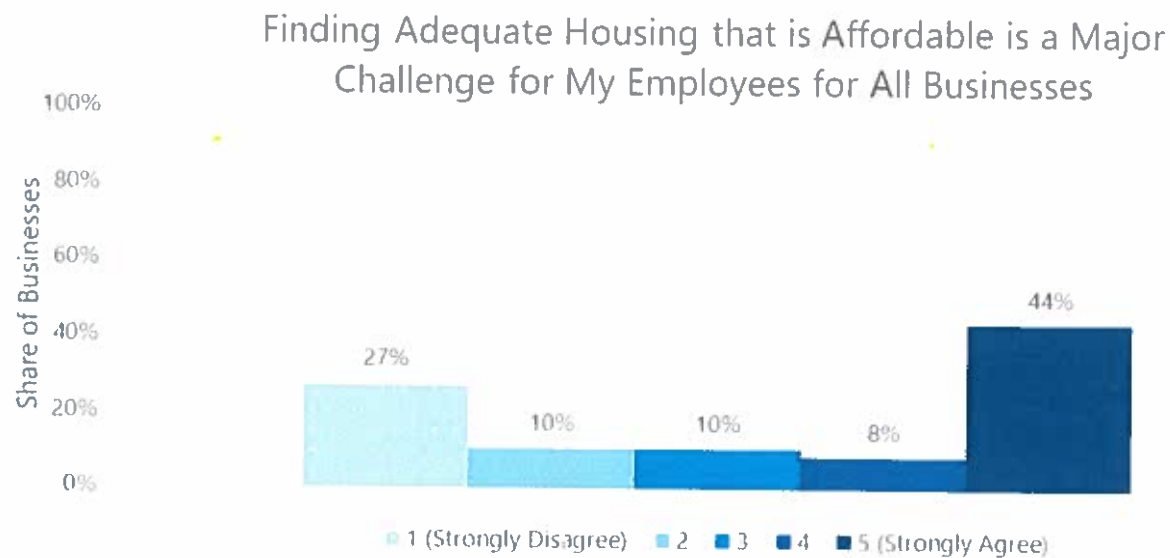
Figure 38: Difficulty Finding Housing within Kport - By Business Seasonality



**Q: On a scale of 1 (strongly disagree) to 5 (strongly agree), indicate the degree to which you agree or disagree with the following statement: Finding adequate housing that is affordable is a major challenge for my employees.**

The majority of businesses with 6–20 and 21+ employees strongly agreed that finding adequate affordable housing is a major challenge for employees. Half of businesses with 3–5 employees strongly disagreed that employees are challenged with finding adequate affordable housing. The percentage of seasonal businesses that strongly agreed that finding adequate affordable housing in a major challenge for employees was slightly higher than non-seasonal businesses at 45% and 43%, respectively. Overall, 44% of all businesses strongly agreed that finding adequate affordable housing is a major challenge for employees

*Figure 39: Adequate Affordable Housing for Employees - All Businesses*



*Figure 40: Adequate Affordable Housing for Employees - By Business Size*

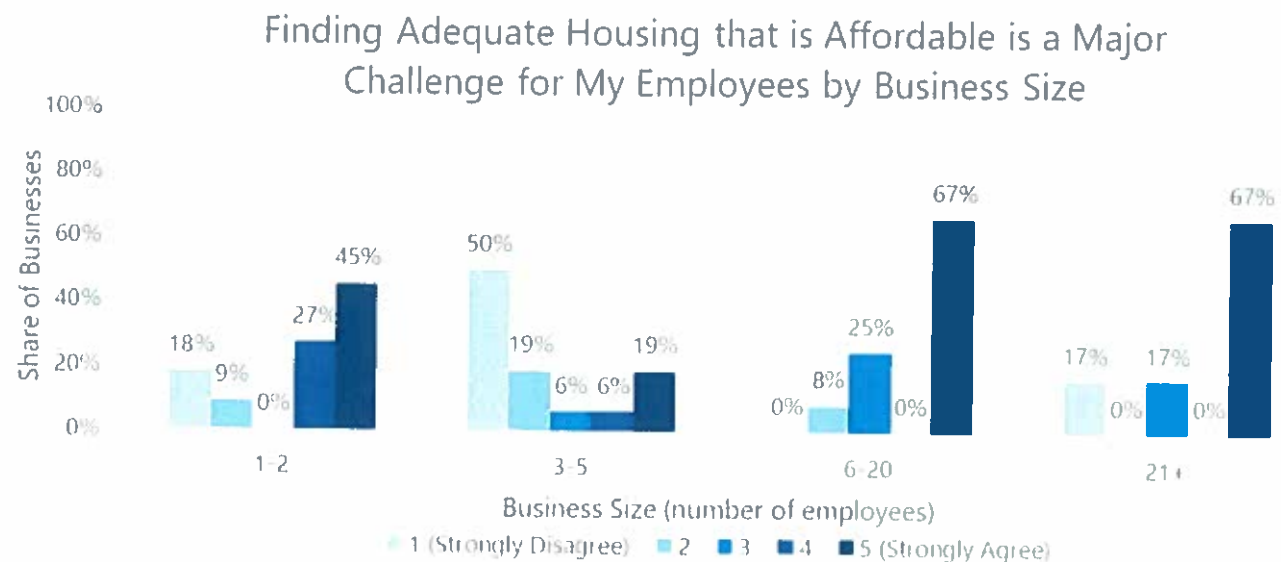
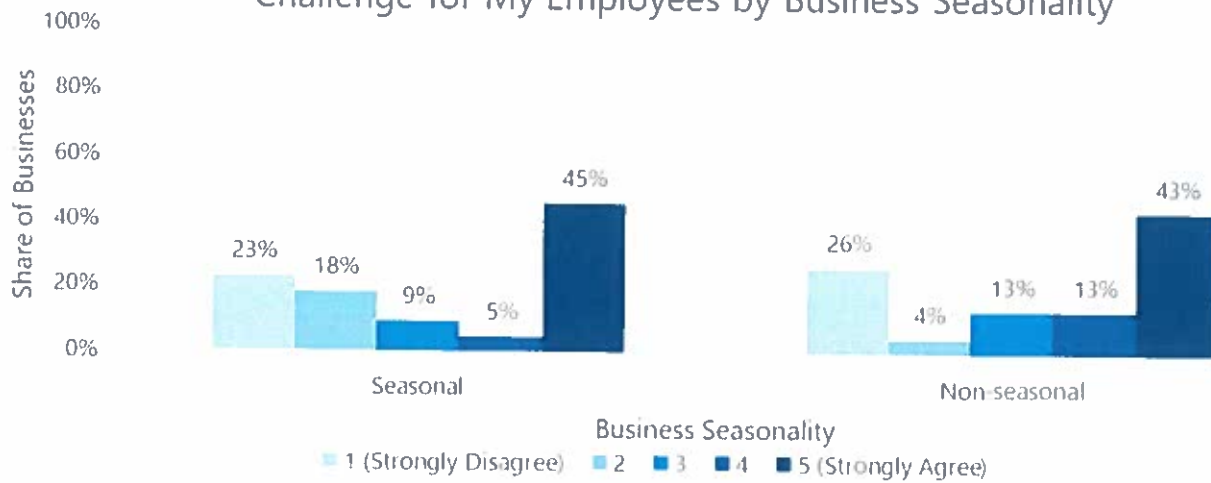


Figure 41: Adequate Affordable Housing for Employees - By Business Seasonality

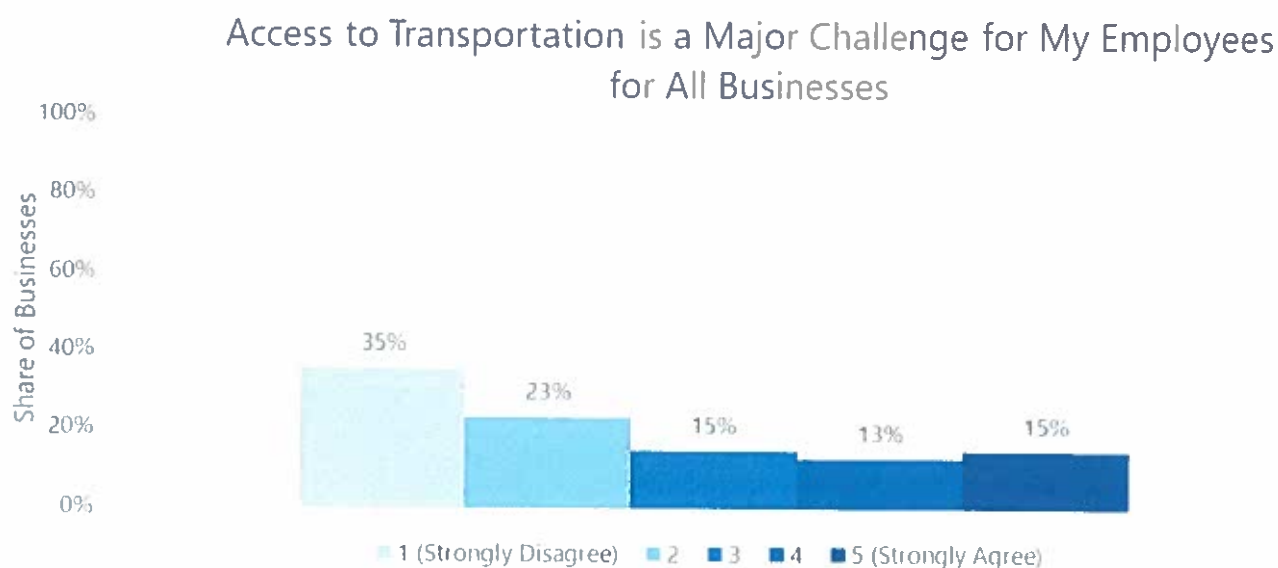
### Finding Adequate Housing that is Affordable is a Major Challenge for My Employees by Business Seasonality



**Q: On a scale of 1 (strongly disagree) to 5 (strongly agree), indicate the degree to which you agree or disagree with the following statement: Access to transportation is a major challenge for my employees.**

Respondents were asked to assess if access to transportation is a major challenge for employees by selecting 1 through 5, with 1 being strongly disagree and 5 being strongly agree. Overall, 35% of the businesses strongly disagreed that access to transportation is a challenge, compared to 15% who strongly agreed that it is a challenge. Businesses with 1–2 employees were the most likely to strongly disagree that access to transportation is a major challenge for employees at 45% while businesses with 6–20 employees had the lowest percentage of businesses who strongly agreed at 8%. Among the businesses with 3–5 employees, zero responded that it they strongly agreed that access to transportation is a major challenge for employees. Seasonal businesses found it more of a challenge than non-seasonal business with 23% of seasonal businesses strongly agreeing to the statement compared to 9% of non-seasonal businesses.

**Figure 42: Access to Transportation for Employees - All Businesses**



**Figure 43: Access to Transportation for Employees - By Business Size**

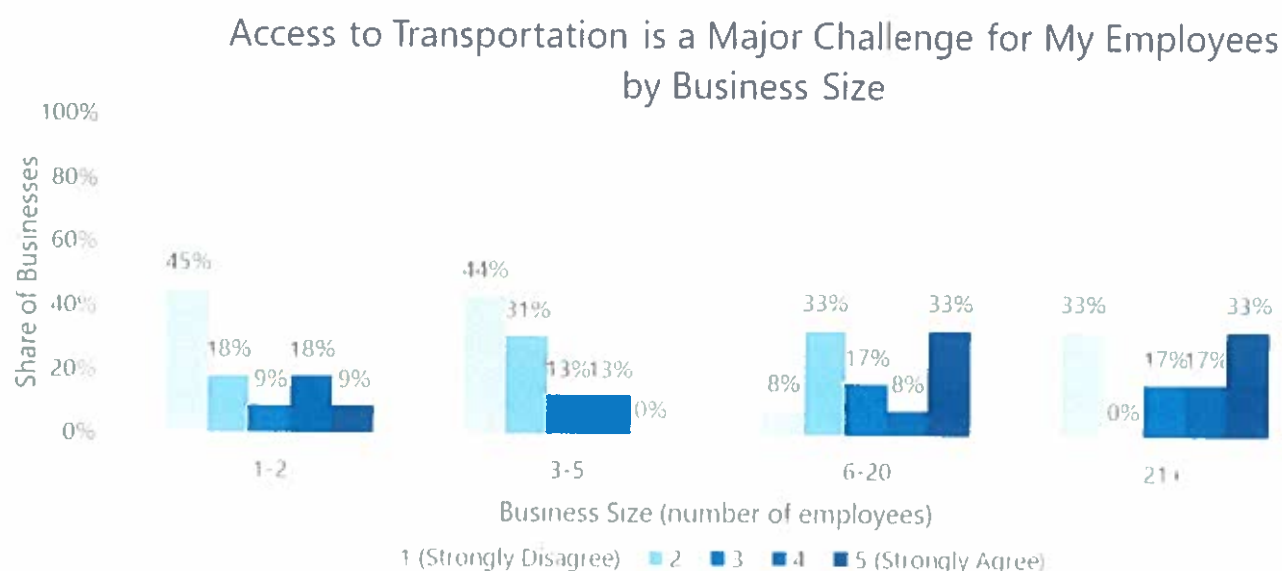
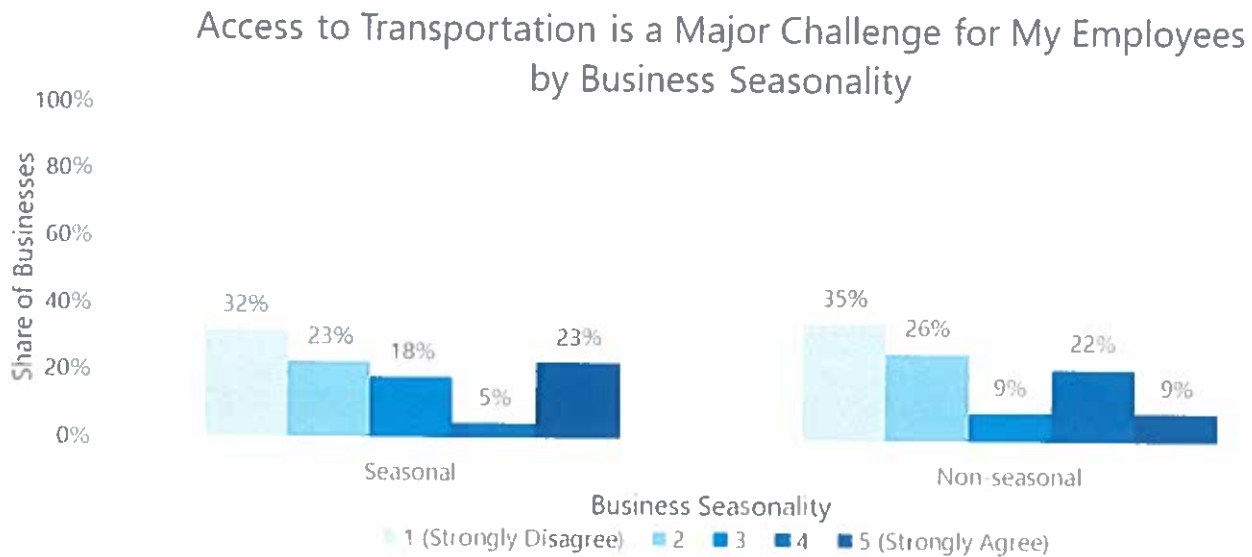




Figure 44: Access to Transportation for Employees - By Business Seasonality



**Q: On a scale of 1 (strongly disagree) to 5 (strongly agree), indicate the degree to which you agree or disagree with the following statement: The lack of affordable housing options in Kennebunkport negatively impacts my business.**

Businesses varied in response regarding if lack of affordable housing options in Kennebunkport negatively impacts their business. Comparing by business size, businesses with 21 or more employees had the highest percentage that strongly agreed to the statement at 50%. Conversely, business with 3–5 employees had the highest percentage that strongly disagreed at 63%.

Comparing business responses by seasonality, seasonal business had a higher percentage, at 27%, that strongly agreed that lack of affordable housing options in Kennebunkport negatively impacts their business. Overall, 35% of businesses strongly disagreed that lack of affordable housing options negatively impacts their business while 21% of businesses strongly agree.



Figure 45: Impacts of Lack of Affordable Housing - All Businesses

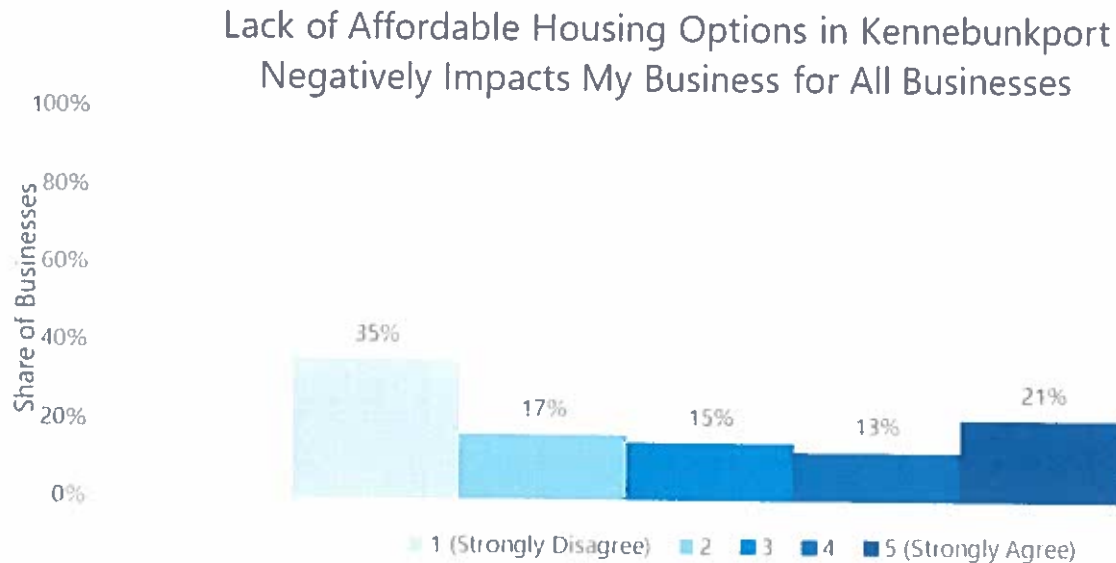


Figure 46: Impacts of Lack of Affordable Housing - By Business Size

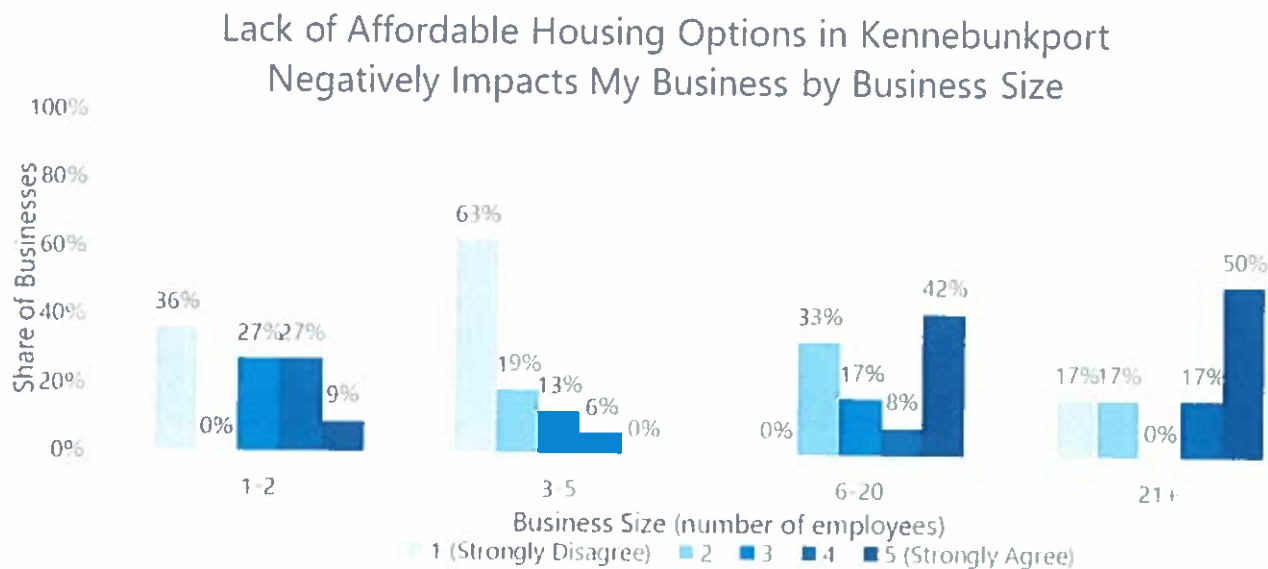
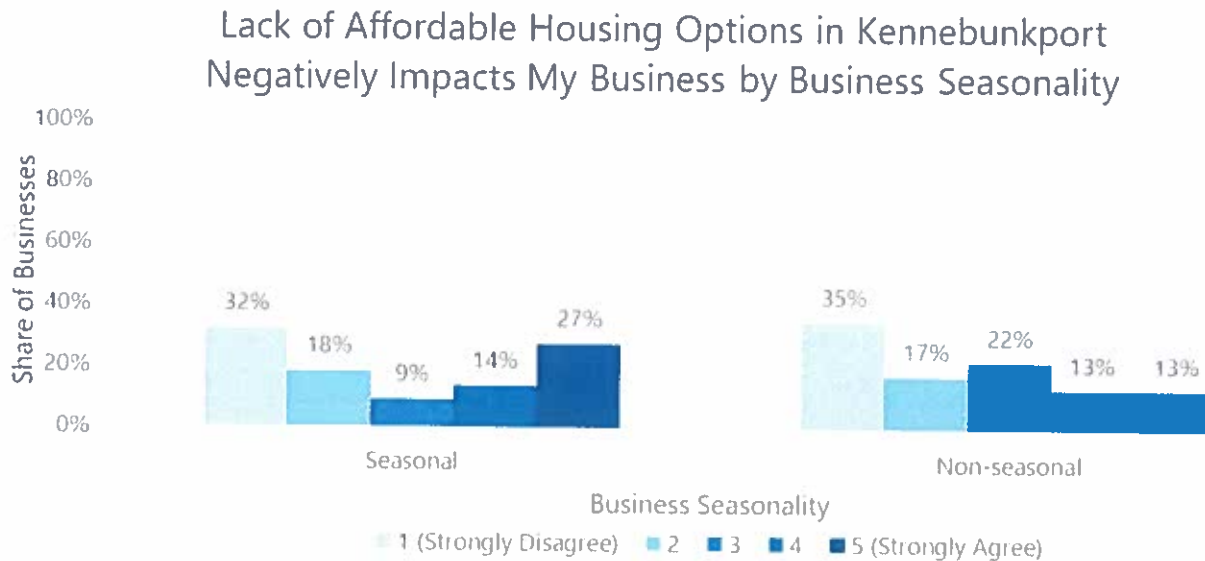
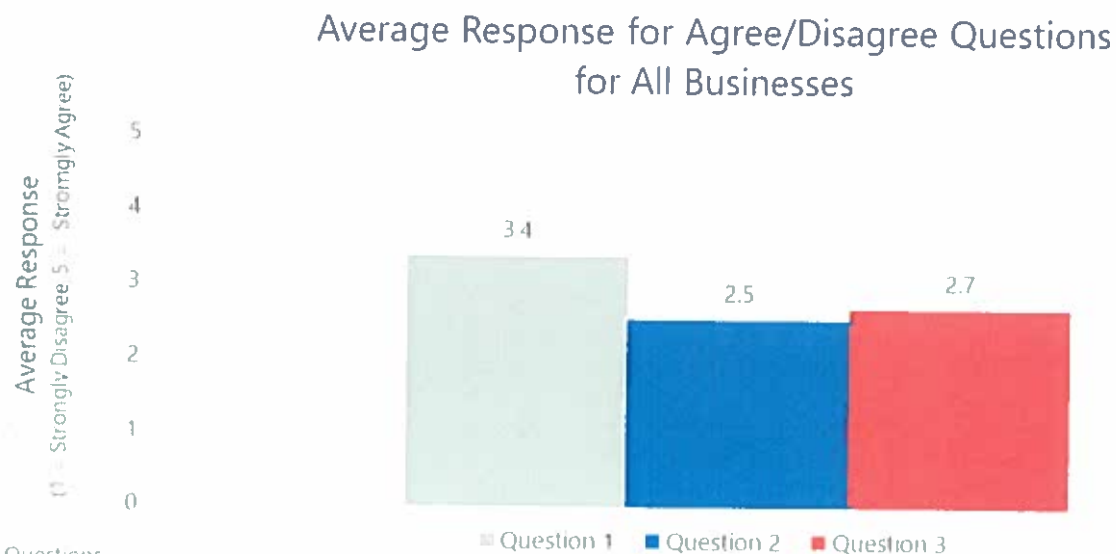


Figure 47: Impacts of Lack of Affordable Housing - By Business Seasonality



Average responses for the agree/disagree questions regarding affordable housing and access to transportation as challenge to employees as well as lack of affordable housing negatively impacting business were examined to determine trend among business size and seasonality. The figures below illustrate the average response for 3 agree/disagree questions. On average businesses with 6–20 and 21 or more employees were more likely to strongly agree to questions. Businesses with 3–5 employees were skewed towards strongly disagree, ranking below average. Comparing seasonality, average response rates were similar for seasonal and non-seasonal businesses.

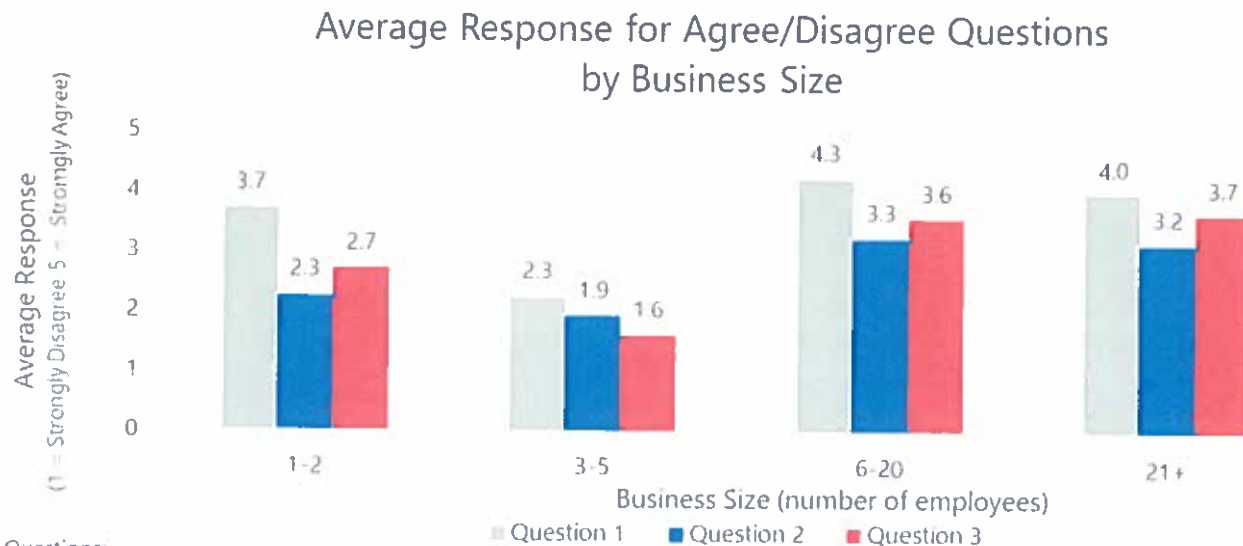
Figure 48: Average Response for Agree/Disagree Questions - All Businesses



**Questions:**

- 1 Finding adequate housing that is affordable is a major challenge for my employees
- 2 Access to transportation is a major challenge for my employees
- 3 Lack of affordable housing options in Kennebunkport negatively impacts my business

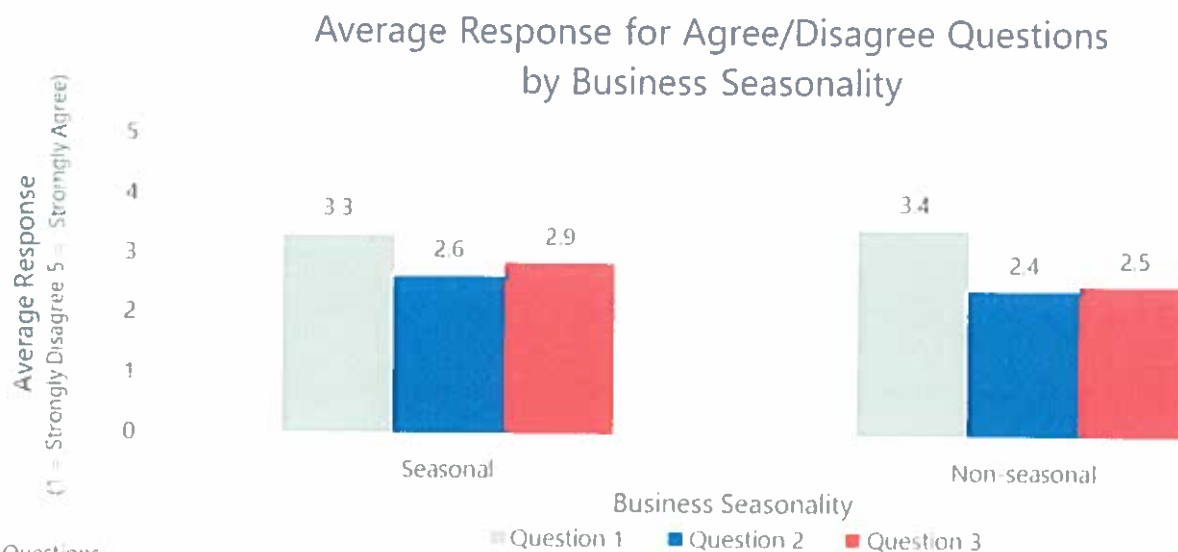
Figure 49: Average Response for Agree/Disagree Questions - By Business Size



**Questions:**

- 1 Finding adequate housing that is affordable is a major challenge for my employees
- 2 Access to transportation is a major challenge for my employees
- 3 Lack of affordable housing options in Kennebunkport negatively impacts my business

Figure 50 Average Response for Agree/Disagree Questions - By Business Seasonality



**Questions:**

- 1 Finding adequate housing that is affordable is a major challenge for my employees
- 2 Access to transportation is a major challenge for my employees
- 3 Lack of affordable housing options in Kennebunkport negatively impacts my business

**Q: The next series of questions ask about your employees' permanent residence. Please answer to the best of your knowledge, and provide your best guess if not known. Values should sum to 100 percent. Considering all workers employed by your company in 2017, estimate the percentage of employees who are permanent residents of:**

- Kennebunkport

- **Arundel or Kennebunk**
- **Other communities in the region (York County, Cumberland County, or the greater Portsmouth-NH area).**
- **Outside the region, but within the US**
- **Outside the US**

Overall about 18% of Kennebunkport business employees are residents of Kennebunkport, 39% are residents of Kennebunk or Arundel, 37% are residents of other communities in the region, 4% are residents outside the region but within the United States and 1% are residents outside the United States. Businesses with 6–20 and 21 or more employees were the only business size categories that noted employing residents outside the United States. Seasonal businesses have a higher percentage of Kennebunkport residents (22%) compared to non-seasonal businesses (10%). Seasonal businesses also have a higher percentage of residents from other countries at 4% compared to 0% for non-seasonal businesses.

Figure 51: Employee Residency - All Businesses

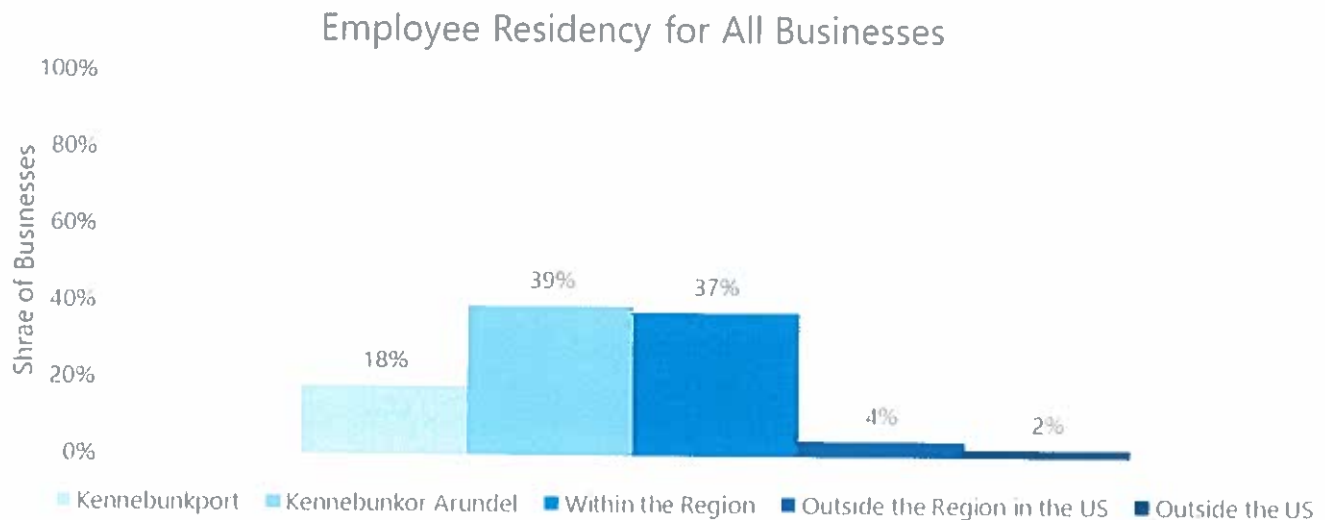
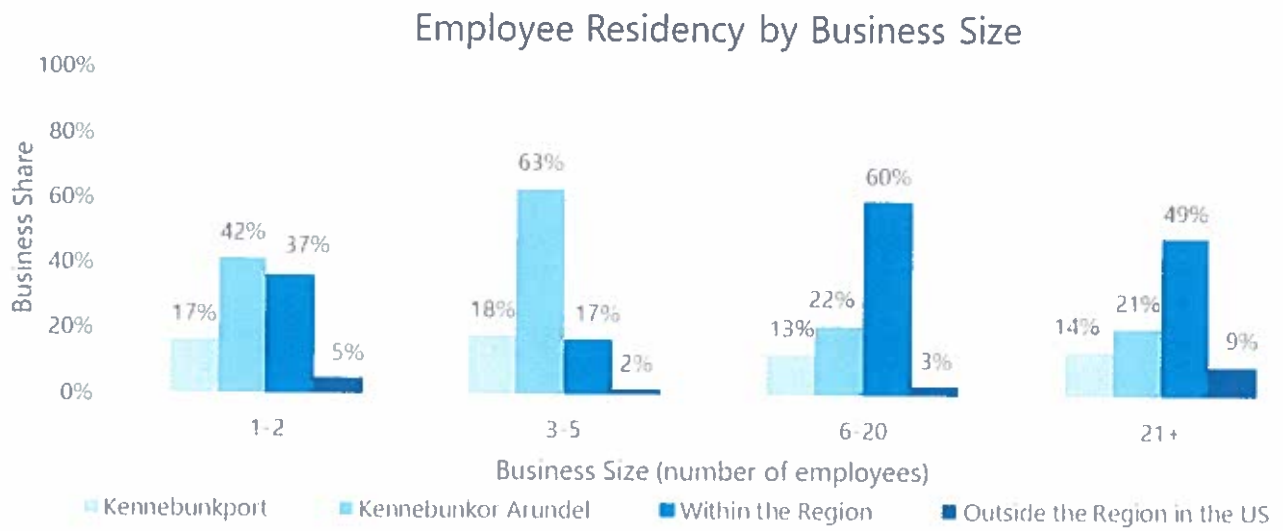


Figure 52. Employee Residency - Business Size



## Appendix D: Data Sources

### American Community Survey (ACS), U.S. Census

The American Community Survey (ACS) is an ongoing statistical survey by the U.S. Census Bureau that gathers demographic and socioeconomic information on age, sex, race, family and relationships, income and benefits, health insurance, education, veteran status, disabilities, commute patterns, and other topics. The survey is mandatory to fill out, but the survey is only sent to a small sample of the population on a rotating basis. The survey is crucial to major planning decisions, like vital services and infrastructure investments, made by municipalities and cities. The questions on the ACS are different than those asked on the decennial census and provide ongoing demographic updates of the nation down to the block group level. For more information on the ACS, visit <http://www.census.gov/programs-surveys/acs/>

### Economic Modeling Specialists International (EMSI)

To analyze the industrial makeup of a study area, industry data organized by the North American Industrial Classification System (NAICS) is assessed. Camoin Associates subscribes to Economic Modeling Specialists Intl. (EMSI), a proprietary data provider that aggregates economic data from approximately 90 sources. EMSI industry data, in our experience, is more complete than most or perhaps all local data sources (for more information on EMSI, please see [www.economicmodeling.com](http://www.economicmodeling.com)). This is because local data sources typically miss significant employment counts by industry because data on sole proprietorships and contractual employment (i.e. 1099 contractor positions) is not included and because certain employment counts are suppressed from BLS/BEA figures for confidentiality reasons when too few establishments exist within a single NAICS code.

### Esri Business Analyst Online (BAO)

ESRI is the leading provider of location-driven market insights. It combines demographic, lifestyle, and spending data with map-based analytics to provide market intelligence for strategic decision-making. ESRI uses proprietary statistical models and data from the U.S. Census Bureau, the U.S. Postal Service, and various other sources to present current conditions and project future trends. Esri data are used by developers to maximize their portfolio, retailers to understand growth opportunities, and by economic developers to attract business that fit their community. For more information, visit [www.esri.com](http://www.esri.com).

### Local Area Unemployment Statistics (LAUS), U.S. Bureau of Labor Statistics (BLS)

The Local Area Unemployment Statistics (LAUS) program estimates total employment and unemployment for approximately 7,500 geographic areas on a monthly basis, from the national level down to the city and town level. LAUS data is developed through U.S. Bureau of Labor Statistics (BLS) by combining data from the Current Population Survey (CPS), Current Employment Statistics (CES) survey, and state unemployment (UI) systems. More information on LAUS can be found here: <http://www.bls.gov/lau/lauov.htm>

### OnTheMap, U.S. Census

OnTheMap is a tool developed through the U.S. Census Longitudinal Employer-Household Dynamics (LEHD) program that helps to visualize Local Employment Dynamics (LED) data about where workers are employed and where they live. There are also visual mapping capabilities for data on age, earnings, industry distributions, race, ethnicity, educational attainment, and sex. The OnTheMap tool can be found here, along with links to documentation: <http://onthemap.ces.census.gov/>



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