

# EXECUTIVE SUMMARY

## WATERVILLE HOUSING ASSESSMENT & ACTION PLAN

September 28, 2002

### Background

Earlier this year the City of Waterville completed the requirements necessary to receive a \$15,000 CDBG Housing Assessment Planning Grant from the Maine Department of Economic and Community Development (DECD). Charles G. Roundy, dba Governmental Resources of Augusta, was hired as the City's consultant to conduct a comprehensive assessment of Waterville's housing stock, issues and problems, and to prepare an action plan for addressing identified housing problems. The assessment has been provided piecemeal in the form of five 'progress reports', prepared monthly since April, 2002, for the Waterville Housing Assessment Advisory Committee. These reports are to be consolidated in a voluminous, comprehensive housing assessment, describing the City's housing stock and addressing nearly two dozen key housing issues in Waterville.

Research included a 100% inventory and initial assessment of all residential structures in Waterville, containing a total of 6,819 residential units. In addition to the housing assessment report (forthcoming), the consultant also prepared a draft 'Waterville Housing Action Plan', which was released to the Advisory Committee on September 10, 2002, and which is now being reissued in a revised form simultaneous with the release of this Executive Summary. The housing assessment report, when completed, will run to more than 150 pages and the housing action plan runs to approximately 33 pages. The purpose of this briefer summary is to introduce the primary findings and proposed action steps.

The Census Bureau indicates that there are 6,819 residential units in Waterville, some 45% of which were constructed prior to 1940. More than half of Waterville's housing stock are rental units, whereas statewide approximately 75% of Maine residents own their own house. As noted, the Consultant conducted a comprehensive inventory and assessment of all Waterville housing, finding that 25% of all the residential units in the City of Waterville are in structures rated as either moderately or severely substandard. Both the South End and the North End have high concentrations of substandard housing.

Market conditions for both rental and home ownership units in Waterville contribute to the poor quality of a significant portion of Waterville's housing stock. Area economic conditions continue to be distressed with recent major plant closings, area and regional industrial dislocation, and other adverse economic factors. The median sales price for single-family houses in Waterville is well below the State average, and even below that of other parts of Kennebec County. Rental cost rates for apartments in Waterville also trail behind state averages, resulting in limited financial resources for

landlords to invest in rehabilitation of rental properties. The Census Bureau estimated the vacancy rate for Waterville's rental units in 2000 at 8.8%, although close examination of census data and informal surveying of landlords suggests a higher, double-digit vacancy rate when all rental units are considered in the calculation. It has been at least a decade since the City of Waterville conducted an active community development effort directed toward the rehabilitation of Waterville's considerable supply of old, tenement style apartment buildings. The City's consultant has conducted an exhaustive review of Waterville's housing stock and housing issues, with findings having already been presented in five written progress reports. The final products of this project will be a comprehensive housing assessment report and a housing action plan. This "Executive Summary" outlines findings listed in the form of "housing needs" and "proposed action steps".

### **Waterville's Housing Needs**

Following is the consultant's list of approximately two dozen, perceived housing needs:

- There is a critical need for a greater public awareness and a broader understanding of the housing problems faced by many Waterville low and moderate income residents, and, in particular, of the need for safe, decent and affordable housing for a significant portion of Waterville's residents.
- There is need for development of an effective consensus regarding the appropriate role that the City of Waterville should play in assuring the existence of and/or stimulating the development of additional, decent and affordable housing for all economic segments of the City's population.
- There is (in the opinion of the Consultant) an obvious need for the City of Waterville to involve itself pro-actively in the "affordable housing" issue in Waterville, similar to the active, constructive and creative role that the City played earlier at the time of the origin and early development of the Waterville Housing Authority in the late 1960s and through the 1970s, and also similar to the level of City involvement in the substantial CDBG housing rehabilitation activities in Waterville in the 1980s.
- There is a critical need for a common and collaborative effort among the several entities which have interest in the provision of decent, safe, affordable housing to various population groups in Waterville. This common effort should be characterized by consistent and continuing "communication, coordination and cooperation" between the City of Waterville, the Waterville Housing Authority, the Kennebec Valley Mental Health Council, Kennebec Valley Community Action Program, Kennebec Valley Council of Governments, Waterville Homeless Shelter, realtors' association, and outside housing resource provider agencies (including HUD, MSHA, Rural Development), landlords, bankers, developers and others with an interest in the provision of decent, affordable housing for all who would like to live in Waterville. Partnerships are needed to assure that maximum use is made of available resources,

and that the strengths of the various organizations are contributed to the provision of decent, safe and affordable housing for Waterville residents.

- There is a need for affordable, un-subsidized, decent multi-family rental housing units in Waterville for working individuals, couples and young families able to afford market rents between \$400 and \$750 dollars per month, dependent upon family size, family income and other crucial factors, such as need for more 3 bedroom rental units.
- There is a need for additional, decent, single-family homes (for sale) in the price range of \$70,000 to \$130,000 to accommodate the needs of young families able to afford a home in this price range, with or without assistance of the Maine State Housing Authority and/or other entities.
- There is a reported need for additional, decent (able to consistently meet Section 8 Housing Quality Standards), affordable apartments eligible for rental by persons with Section 8 housing assistance vouchers, and other forms of public housing subsidy, in the price range (established by HUD for Kennebec County) of not exceeding \$439 per-month for single-bedroom apartments, \$528 for two bedroom apartments, \$663 per month for 3 bedroom apartments and \$746 per month for 4-bedroom apartments.
- There is the need for an additional, well-planned, attractively-maintained, well-landscaped mobile home park with approximately 100 sites available for new homeowners, and with high standards for the age and condition of mobile home units being admitted to the park, strict mobile home unit maintenance standards for once the mobile home is located in the park, and with lot rentals priced so as not to exceed the current “fair market rent rate” for the Waterville area (\$211 per month) for mobile home park lot rentals.
- There is a need for decent and affordable (subsidized and market rents) boarding house and efficiency apartment type (short-term and longer-term) housing units for single individuals in the price range of no more than \$352 per month.
- There is a significant need for rehabilitation of the approximately 1,700 Waterville housing units (a high percentage of which are rental, multi-family units, located in either the South End, North End, or elsewhere in close proximity to downtown Waterville) which were rated by the Consultant in his 99.1%, city-wide, external rating of Waterville’s approximate 6,800 residential units as “Quality 2-” or lower,. Related, there are needs for a continuation of incremental neighborhood improvement efforts such as have been initiated in the South End over the past year or so, if that neighborhood is to be turned around and made a more livable, residential location.
- There is a considerable need for local investors, willing to invest in distressed, multi-family housing structures located in both the South End and the North End (and elsewhere, where they exist in the City) that are salvageable with reinvestment in

renovation, and for public assistance in the creative accessing of all available programs (whether MSHA, HUD, KVCAP, or other) to stimulate additional public and private investment in these areas of the City.

- There is a need for at least limited rehabilitation of a relatively small portion of Waterville's approximate 200 mobile homes, located primarily in the four mobile home parks located in the southern sectors of the City, and including any in the City's mobile home inventory which were manufactured prior to 1990, and especially any units manufactured prior to 1976.
- There is a perceived need in some quarters for additional housing in and near to the urban core, including further development of quality rental residential units (including elderly units) in upper levels of unused or under-utilized second, third and fourth levels of some downtown buildings.
- There is a need for selective removal of a few severely deteriorated housing structures, especially ones that are vacant and boarded up at various locations in the City, and of any debris (which once were housing structures) existing at a few locations in the community. Code Enforcement Officer action seems indicated in such locations, and if additional ordinances are required, City Council attention seems indicated as well.
- Despite the presence in Waterville of: (a) numerous subsidized, elderly apartments, (b) numerous, additional low-income apartments open to elderly residents and others, (c) some assisted living residential units, and (d) an additional supply of nursing home beds, and other facilities such as boarding homes, with smaller numbers of elderly living quarters, despite these considerable elderly living resources, there is, nonetheless, an unmet need for additional elderly residential units (across the spectrum, from independent living, to assisted living, to nursing home type facilities) given: (1) Waterville's role as the primary service center for Northern Kennebec and Somerset Counties, and (2) the demographic realities relating to the aging of the City's and the area population, and the reported demand for additional units at some, existing elderly housing facilities.
- There is a need for greater support by the community (public and private, including by the non-profit organizations of the community) of elderly persons in need of assistance to allow them to stay longer in their own homes, if that is their desired housing option past retirement age. Related, there is a reported need for additional informational and referral assistance to elderly persons in either maintaining their present living quarters, accessing public resources to help them meet their housing needs, and/or in mediation situations with mortgage lenders, landlords or operators of elderly housing facilities.
- There is a need for so-called 'transitional housing' units, to provide housing to single-parent families and other persons or small sized households, in danger of becoming homeless, who could occupy such facilities for up to two years per household, while

taking required steps (educational and/or vocational) toward self-sufficiency in meeting their housing and other living needs.

- There is a need for additional transitional and longer-term housing for persons with a primary diagnosis of mental health problems, the impressive prior and current efforts of the Kennebec Valley Mental Health Council notwithstanding. There are needs to assist not only with the provision of housing to mental health clients, but also with greater social service, case management services, to help these persons in maintaining their current housing and avoiding becoming homeless.
- There are needs relating to homeless people in the community (particularly those with disabilities including mental health, substance use problems and other disabilities), beyond the resources provided by the homeless shelter and some social service agencies. The existing homeless shelter has a 63% occupancy rate overall, and frequently male homeless persons and families have to be turned away due to no available space.
- There is a need for additional “group living” beds to supplement those provided by Ken-A-Set and other local providers, providing housing and other services to mentally retarded and severely, physically handicapped persons.
- There is in Waterville a need for further development of retirement and other more exclusive housing projects, such as the 38 independent living apartments (Residential Apartments) at the Woodlands, in order that the City benefit from the consequent expanding tax base (with minimal related, additional educational budget expense) and because of the multiplied economic activity and dollar impact resulting from such developments.
- There is a need to increase the level of home ownership in two and three family structures in the City of Waterville’s older neighborhoods, especially in the South End and the North End, on the premise that doing so will lead to better maintenance of existing duplex and 3-family residential structures, and to greater commitment in the neighborhood of resources to community revitalization.
- There is a need for a continuation of incremental neighborhood improvements in the South End, building on the gains of the past year’s efforts of the South End Neighborhood Association, the City and KVCAP in that area, and also extending those neighborhood revitalization efforts to the North End.
- In general, and summarizing, the research indicates that in addition to public involvement and institutional issues suggested in preceding items, Waterville’s most pressing housing needs are for: (a) owner-occupied single-family residential units especially in the \$70,000 to \$130,000 price range, (b) decent and affordable apartments, particularly with 3 and 4 bedrooms, for moderate and low-income persons and families, (c) reinvestment and rehabilitation of a substantial portion of

Waterville's older housing stock, and (d) specialized housing for target groups including elderly, mental health clients, mentally retarded and physically handicapped persons, and others in the 'special needs' portion of the population.

Nor is the above list of 24 housing-related needs in Waterville necessarily the complete list! Members of the Waterville Housing Advisory Committee, City officials and the public may well perceive other housing needs as existing in Waterville.

### **Proposed Action Steps**

Once Waterville's housing needs list was developed, the Consultant then proceeded to the recommendation of action steps or strategies for consideration by the Mayor, the City Council and the Waterville public. Following is the list of proposed action steps developed by the Consultant for consideration:

**Priority #1:** Develop Public Awareness of Waterville's Housing Needs and an Effective Consensus Regarding the City's Role in Housing Issues. The specific recommended actions are that the City should schedule, publicize and conduct at least two public hearings on the Waterville Housing Assessment and Action Plan and seek to involve the public in a constructive discussion of housing conditions and issues.

**Priority #2:** Establish Permanent, City-Appointed 'Waterville Housing Advisory Committee' With a 10 Year Mission to Upgrade Waterville Housing Conditions. The specific recommended actions are that the City should establish a permanent City committee with a broadly representative membership (representative from Waterville Housing Authority, Waterville City Council, KVCAP, KVCOG, landlords, tenants, home owners, realtors, bankers, City staff, and others) that has the ongoing task of addressing the considerable housing issues existing in Waterville, and to develop recommendations and reports to the City Council, toward obtaining grants and other resources and establishing plans and projects to address the significant housing issues facing the community.

**Priority #3:** Newly-Established 'Waterville Housing Advisory Committee' To Be Assigned the Task of Establishing a Proactive Housing Program for the City of Waterville. The specific recommended actions are that the City should carefully assign a **mission** to the proposed new standing committee, support the Committee, and be receptive to its recommendations over the next decade.

**Priority #4:** Construct a More Effective Working Relationship Between the City of Waterville and the Waterville Housing Authority. The specific recommended actions are that the City should rebuild and re-energize the relationship between the City and the housing authority.

**Priority # 5:** Establish a Community Development Office in Waterville City Government, with a Stated Priority Mission of Dealing with Waterville Housing Issues

and Other Community Development Issues. The specific recommended actions are that the City should establish the position of a full-time Community Development Coordinator or Community Housing Developer, whose primary task will be to respond to the emerging recommendations of the Waterville Housing Advisory Council, the Mayor and the City Council, to develop housing resources, and to provide the skilled technical assistance required to implement creative, constructive solutions to Waterville's housing problems.

**Priority # 6:** Establish a Waterville "New Neighbors Program" in South End. The specific recommended actions are that the City should renew efforts and apply for New Neighbors Program status in the fall of 2002. On September 12, 2002, MSHA called for new applications and Waterville is eligible to apply. Waterville will be missing a golden opportunity if it does not apply.

**Priority #7:** Apply in February, 2003 for CDBG Housing Rehabilitation Funds to Address Substandard Multi-Family Housing in Waterville. The specific recommended actions are that the City should authorize the resources necessary to prepare a competitive CDBG Housing Assistance Grant application for submission by February 7, 2002, seeking funds to begin to address (rehabilitate) the hundreds of substandard rental units in multi-family structures in Waterville.

**Priority #8:** CDBG Grant for Rehabilitation of Single-Family Waterville Houses. The specific recommended actions are that the City should authorize the resources necessary to prepare a competitive CDBG Housing Assistance Grant application for submission by February 7, 2002, seeking funds to begin to address single-family homes or owner-occupied duplex housing that are occupied by elderly and low-income households and are in need of repair.

**Priority # 9:** Sponsor Another Group Workcamps Project in Waterville, 2004. The specific recommended actions are that the City should encourage the Kennebec Valley Community Action Program to seek at once from the Group Workcamps Foundation in Loveland, Colorado designation of Waterville, Maine as a "repeat site" for replicating in 2004 the very successful workcamp that was based at Waterville Senior High School in late June, 2001, at which time some 68 Waterville area homes of elderly and low income persons were repaired. Limited City financial support, and support from the business community in the amount of approximately \$19,000, will put over 400 volunteers to work fixing up approximately 70 homes in Waterville.

**Priority # 10:** Establish Residential Advisory Program for Elderly Persons. The specific recommended actions are that the City should encourage KVCAP, Senior Spectrum and other appropriate agencies to increase the level of assistance provided to allow elderly persons and households to maintain their existing housing and/or meet other housing-related needs.

**Priority # 11: Continuation of City Code Enforcement Office Enforcement of Property Maintenance Ordinance.** The specific recommended actions are that the City should continue the enforcement effort, evaluate the extent to which it is being effective, and possibly increase the latitude extended to the CEO in areas where the evaluation indicates that the ordinance is not fully addressing slum and blight problems.

**Priority # 12: Explore the Potential for Increased Apartments in the Upper Levels of Downtown Waterville's Commercial Buildings.** The specific recommended actions are that the City should conduct a careful inventory of apartments in upper floors (vacant and occupied), assess the potential for further residential development in the downtown, including assessment of the extent to which building codes are limiting this development, and work with Waterville Main Street to encourage the development of additional, quality housing in the downtown area.

**Priority #13: Identify, Acquire and Redevelop Slum/Blight Areas and/or Large Vacant Commercial and Institutional Structures as Sites for Additional Elderly Housing Development. Designate "Redevelopment Areas".** The specific recommended actions are that the City should move beyond the mere preliminary identification of potential parcels and structures for the development of elderly housing in close proximity to the downtown at locations such as the former YMCA property, the former Waterville Boys and Girls Club Property, the Gilman School, and the Hains Building, and develop detailed descriptions of the assets of these various parcels, and work with developers of elderly housing in marketing these parcels for development. Essentially the recommendation is that the City work pro-actively on stimulating these developments.

**Priority #14: Encourage the conversion of large older homes and multi-family housing structures to condominium, thereby achieving a greater degree of home ownership in the older residential neighborhoods of Waterville.**

**Priority # 15: Maximize the Involvement of KVCAP Homeownership Programs.** The specific recommended actions are that the City should work more closely with KVCAP in encouraging additional investments in homeownership in Waterville.

**Priority # 16: Encourage, Assist, Continue, and Expand KVCAP's Duplex Housing Ownership Program.** The specific recommended actions are that the City should work closely with KVCAP in the implementation of this pilot program and support its expansion in the South End, and tie it to City efforts in the New Neighbors Program.

**Priority # 17:** Explore Potential of HUD Section 8 Homeownership Program. The specific recommended actions are that the City should explore this and all other HUD programs that might contribute to the revitalization of Waterville neighborhoods.

**Priority #18 :** Encourage development by a non-profit or for-profit entity the development of a 70 to 100 unit mobile home park in an appropriate rural area in the southern sector of Waterville. Mobile homes represent one means of home ownership for persons in certain income groups. The City should allow for an increase in this type of housing, while also assuring that only quality, modern units are attracted and that any new or expanded mobile home park has high standards of landscaping, street maintenance, amenities, and individual unit maintenance. The specific recommended actions are that the City should review its ordinances and work to encourage the location and development by either a non-profit or for-profit entity of a new mobile home park, although providing for full payment in lieu of taxes if the organization is a non-profit.

**Priority #19:** Assist Landlords and Investors in Upgrading Substandard Housing Stock, in Order to Provide An Adequate Supply of Decent, Safe and Affordable Rental Housing Units for Low-income Families, to Meet Demand, Especially in 3 and 4 Bedroom Units. The specific recommended actions are that the City should explore all avenues to meet the identified need.

**Priority #20:** Direct Assistance to the Elderly with Housing Needs, Including Small, Local Volunteer Efforts, and Coordination of Other Elderly Services. The specific recommended actions are that the City should work with appropriate parties to developed the capacity to assist elderly persons with their housing needs.

**Priority # 21:** Explore the Potential of the HUD “Mainstream” Program to Provide Additional Section 8 Housing Vouchers for Individuals with Special Needs. The specific recommended actions are that the City should encourage the appropriate bodies, including the Waterville Housing Authority to address this opportunity.

**Priority #22:** Increase the Level of Homeownership Education. The specific recommended actions are that the City should encourage KVCAP, MSHA and other appropriate parties to increase offerings in this area.

**Priority # 23:** Encourage the Development of Market Rate Senior Housing. The specific recommended actions are that the City should seek developers to bring more market rate senior housing projects to Waterville, as an economic development activity.

**Conclusion: Why Housing? Why Waterville?**

As with most Maine municipalities, Waterville is facing difficult fiscal challenges at this time. The question has already arisen in Waterville Housing Assessment Advisory Committee discussions as to “Why Housing? Why Waterville? Why Now?” Maintenance and growth of a community’s housing stock is a measure of the vitality of a community. Waterville has significant housing issues, including pockets of slum and blight, and moderate to serious deterioration occurring in approximately 25% of its housing stock.

The Waterville Main Street effort has devoted little attention to housing, with its four point strategy speaking only in terms of Organization, Promotion, Design, and Economic Restructuring. Housing is seemingly an afterthought in its goals, and yet to a greater extent than in most Maine municipalities, a significant portion of Waterville’s housing stock is located within a ten minute walk of the center of town. Densely developed, multi-family housing is located even closer to the urban core.

Governmental Resources has illustrated the dynamic and inter-related role of residential life to a community’s economic life, governmental life, institutional and social life in the “Waterville: Total Community Development” triangle depicted on the next page. REM’s “Local Voices” Summer 2002 edition lists eight community priorities, none of which directly deals with the community’s housing stock. Yet as illustrated in the community development triangle, residential life interacts with the other critical factors in community life, the quality of the residential stock being one of the primary features of any healthy community.

A plan of action for addressing identified housing problems and needs has been laid out for the City of Waterville to consider. Already some skepticism has been heard, as some who would counsel “no action” or relatively modest minimal action find fault with draft materials, assumptions, and the details of proposed actions. The point is not to say that the actions included in the draft “action plan” must be followed to the letter. The point, instead, is to understand that significant housing problems exist in Waterville, Maine, and that something should be done to address those problems, actions should be considered, planned and implemented.

The City missed an opportunity to become a charter member of the New Neighbors Program in 2001, and now new participants are being invited to that program by MSHA. Waterville could present a strong case for designation as a New Neighbors Program participant. Will this opportunity be taken advantage of, or allowed to pass again? Will the City address its housing problems through pursuit of this immediate and other forthcoming opportunities? The 2003 CDBG Housing Assistance program, as another example, will also offer resources with which the City might address its housing problems, although some level of City commitment will be required if the City is to participate in this program. Will the City of Waterville decide that the preservation and improvement of its housing stock is an essential ingredient in the overall development of the community?

Ref: Waterville Housing Folder / Excsumry.doc file.