

Chapter 2: Housing

Introduction

Housing in Waterville has seen a range of changes and challenges in recent decades, with shifts in both the types of housing available and the demographics of its residents. As the population continues to grow, Waterville faces a growing need for diverse housing options that can accommodate different income levels and family structures. The current balance among single-family homes, multi-family dwellings, and mobile homes reflects Waterville’s efforts to provide a variety of housing types, but issues of affordability and availability remain pressing.

With a higher percentage of renter-occupied units compared to owner-occupied homes, the City is a key source of rental housing in the region. However, an ever-increasing demand for housing, coupled with a low vacancy rate, presents challenges for prospective renters and buyers. Furthermore, an aging housing stock and the rise of short-term rentals have compounded the shortage of affordable, long-term housing, making it crucial for the City to address these issues through targeted planning and development strategies.

Total Housing Units

Between 2010 and 2023, Waterville added a net total of 259 housing units, an increase of 3.7%. (During that period, more than 259 units were constructed, but some older units were demolished or converted to commercial use.) Table 2-1 highlights that during that 13-year period, the City experienced a smaller net percentage increase in housing units than either Kennebec County or the State as a whole.

Area	2023 Units	Net Increase 2010-2023	% Net Increase
Waterville	7,036	259	3.7%
Kennebec County	63,140	3,812	6.0%
State of Maine	746,552	55,790	7.5%

Source: State of Maine Housing Data Portal, HR&A Advisers, 2024, Homes by Decade Built (2023)

Housing Construction Calendar Year 2024 and First Half of 2025

The Waterville Code Enforcement Office reported that in the 18 months since the end of 2023, 52 dwelling units were constructed in Waterville. Those were:

Calendar Year 2024

- Site Built Single Family Homes: 4
- Single Family HUD Code Manufactured Homes (Double Wide): 12
- Single Family ADU: 1
- Apartment Units (Lockwood and 1 Duplex): 17

Total new dwelling units in Calendar Year 2024: 34

Calendar Year 2025 (as of June 30, 2025)

- Single Family HUD Code Manufactured Homes (Double Wide): 17
- Single Family Modular Manufactured Homes: 1

Total new dwelling units in first half of 2025: 18

Composition of Housing Stock

Table 2-2 shows that in 2023 Waterville's housing stock was comprised of 40.5% single-family dwellings, 55.5% multi-family (two or more units), and 3% mobile homes. Waterville has a far higher percentage of multi-family housing and a significantly lower percentage of single-family homes and mobile homes than either Kennebec County or the State.

The number of mobile homes in Waterville has increased in recent years. Most of those homes are located in mobile home parks: one on Grove Street and three on West River Road (Countryside, Village Green, and Punky Meadows). A 60-lot expansion of Countryside is under construction with an expansion of 70 additional lots proposed for future development. Much of the vacant land potentially available for housing development in Waterville is in the Rural-Residential (R-R) zone south of Webb Road, where mobile home parks are permitted.

Between 2013 and 2023, the number of apartments in multi-family buildings increased by 196 units in Waterville, 338 in Kennebec County, and 6,008 in Maine (Source: State of Maine Housing Data Portal, HR&A Advisers, 2024, Homes by Typology).

Table 2-2: Housing Units by Type of Structure 2023: Waterville*, Kennebec County, State

Area	Single-Family Units	% of Total	Multi-Family Units (2 or more)	% of Total	Mobile Homes*	% of Total	Total Housing Units
Waterville*	2,848*	40.5%	3,904	55.5%	235	3.0%	7,036
Kennebec County	42,860	67.9%	13,944	22.1%	6,433	10.2%	63,140
State of Maine	524,264	70.2%	160,671	21.5%	62,603	8.3%	746,552

Sources: State of Maine Housing Data Portal, HR&A Advisers, 2024, Homes by Typology and Typology by Tenure: Waterville, Kennebec County, and State of Maine data. Numbers of mobile homes are from MaineHousing for Kennebec County and State of Maine for 2020. The City of Waterville Assessor provided the number of mobile homes in Waterville as of March 15, 2023. ***Typology by Tenure lists the number of single-family homes in Waterville in 2023 as 2,937, but Homes by Typology indicates that the number of single-family homes was 2,848, a difference of 89 units. Neither source enumerated mobile homes. Homes by Decade Built (2023), the source for Table 2-4: Age of Housing Stock, lists the total number of units in Waterville, Kennebec County, and the State of Maine in 2023.**

Occupancy Characteristics

Renter- vs. Owner-Occupied Units

Table 2-3 shows that in 2023, 54% of the occupied housing units in Waterville were renter-occupied, making Waterville an important source of rental housing for the region.

The percentage of owner-occupied units in Waterville (46%) is not expected to increase in the near future, as relatively few single-family homes are being built, while several multi-family housing projects currently (in 2025) are under construction. Those include Lockwood Mill One, Phase One (65 units) and Head of Falls Village, Phase One (63 units). In addition, 15 Washington Street (28 units) and Newman Homes (13 units) recently were approved by the Planning Board.

Vacancy Rate

Table 2-3 shows that in 2023, Waterville's residential vacancy rate was 6%, far lower than the vacancy rates in Kennebec County (15%) and the State of Maine (21%). Low vacancy rates tend to result in limited options for potential buyers or renters and increased home purchase prices and rents.

It is important to note that of the 433 vacant housing units in Waterville in 2023, 0% were for sale and only 19.4% of vacant units were for rent. A small percentage of vacant units (3.5%) were empty only seasonally, perhaps because their owners went south for the winter. (Source: State of Maine Housing Data Portal, HR&A Advisers, 2024, Vacancy Trends.)

Table 2-3: Housing Occupancy Characteristics 2023: Waterville, Kennebec County, State

Area	Total Dwelling Units	% Seasonal Vacant	Occupied Units	Owner-Occupied Units	% Owner-Occupied	Renter-Occupied Units	% Renter-Occupied	Vacant Units	% Vacant
Waterville	7,036	0.2%	6,603	3,027	46%	3,576	54%	433	6%
Kennebec County	63,140	9.5%	53,936	39,242	73%	14,694	27%	9,204	15%
State of Maine	746,552	15.7%	589,085	436,029	74%	153,056	26%	157,467	21%

Source: State of Maine Housing Data Portal, HR&A Advisers, 2024, Homes by Decade Built, Seasonal Vacancies, Total Housing Stock, Vacancy Trends, Vacancy Indicators, Rental Homes by Building Typology, and Owned Homes by Building Typology

Short Term Residential Rentals

One variable limiting the availability of homes/rental units for prospective buyers/renters is the large number of short term residential rentals. The Code Enforcement Office estimates that there are over 100 short term residential rentals in Waterville, few of which are registered with the City as required per Section 4.3.33 of the Zoning Ordinance.

Housing Condition

A Waterville housing study conducted in 2002 reported that “upwards of 25% of all residential units in the City of Waterville are located in moderately to severely substandard residential structures.” (See page 14 of Part I of the Roundy study which is posted on the City’s web site.)

In recent years, the percentage of substandard residential units has decreased because of demolitions, conversions to commercial uses, and compliance inspections conducted by both the Code Enforcement Office and the Fire Department.

Age of Housing

While an imperfect measurement option, housing age can be indicative of condition. As seen in Table 2-4, 29.6% of residential units in Waterville were built before 1940.

The majority of Waterville’s oldest housing stock is located on a strip of land along the Kennebec River that includes the South End, part of the downtown along Front Street, the North End, and Trigger Hill (between College Avenue and Eastern Avenue). These are the lowest income neighborhoods in the City. The owners of many residential buildings in these neighborhoods received federal housing rehabilitation funding over previous decades.

Another older residential area, the Victorian District, is located between Elm Street and the Messalonskee Stream, Western Avenue and North Street.

Table 2-4: Age of Housing Stock (2023): Waterville, Kennebec County, State of Maine

	Units Built Before 1940	% Units Built Before 1940	TOTAL DWELLING UNITS
Waterville	2,080	29.6%	7,036
Kennebec County	14,000	22.2%	63,140
State of Maine	173,000	23.2%	746,552

Source: State of Maine Housing Data Portal, HR&A Advisers, 2024, Homes by Decade Built

Post-1940 Construction

Over time, pre-1940 housing has decreased as a percentage of total units. In the past two decades alone, 437 new housing units were constructed in Waterville. (Source: State of Maine Housing Data Portal, HR&A Advisers, 2024, Homes by Decade Built)

Some of those new units included:

- 67 residential units in the Hathaway Creative Center, a converted shirt factory
- 21 units of low-income senior housing at Pleasant Crossing, a Waterville Housing Authority project on the former site of the YMCA on Pleasant Street
- 58 units for seniors, Saint Francis Apartments at 52 Elm Street, originally the site of Saint Francis Church
- 28 apartments for seniors at Merici Woods, a renovated convent
- 21 market-rate condominiums at Lincoln Green, 650 Lincoln Street

Housing Affordability

Affordability of Home Ownership

MaineHousing considers housing “affordable” if a household that earns the median income for a particular jurisdiction can buy a median priced home in that area without spending more than 30% of its income. In 2023, the median value of owner-occupied

housing units in Waterville was \$236,000, and the median household income of homeowners was \$71,277. At that time, 503 households (17% of all owner households in Waterville) spent more than 30% of their household income on housing. Waterville homeowners with incomes above \$75,000 were able to avoid overpayment. (Source: State of Maine Housing Data Portal, HR&A Advisers, 2024, Overall Cost Burden Rates by Owner Cohort, Owner Households by Income and Cost Burden Status, and Waterville – Detailed Report pages 43, 93, and 158.)

Home ownership has become less affordable, due to home sale prices rising faster than incomes. This high cost of home ownership is driven by several factors, including high interest rates, high construction costs, labor shortages, supply chain issues, high and variable oil prices, and a limited supply of homes for sale. In 2023, 13% of single-family homes in Waterville were renter-occupied rather than for sale. (Source: State of Maine Housing Data Portal, HR&A Advisers, 2024, Typology by Tenure.)

Affordability of Renting

MaineHousing considers renting affordable if a household with the area median income can rent a median priced two-bedroom apartment without spending more than 30% of its income. In Waterville in 2023, 51.4% of renter households (1,617 renter households) were “cost burdened.” That is, they paid 30% or more of their household income on rent. Of those cost burdened renter households, 26% paid 30-49% of their income on housing and 25% of renter households spent 50% or more of their income on housing. (Source: State of Maine Housing Data Portal, HR&A Advisers, 2024, Overall Cost Burden Rates by Renter Cohort)

Need for Rental Housing for Low Income Seniors

In Waterville in 2023, one cohort unable to find suitable rental housing was low income senior homeowners. Many senior homeowners (23.8% of senior households or 188 households) were cost burdened. (Source: State of Maine Housing Data Portal, HR&A Advisers, 2024, Overall Cost Burden Rates by Owner Cohort.) They were living in homes that were too expensive for them to maintain and heat and struggled to pay their property taxes. They remained in their homes, in part, because they were unable to find affordable apartments to rent.

Rent-Restricted and Subsidized Housing Units

The Waterville Housing Authority is a quasi-municipal agency whose goal is to provide safe and affordable housing to low-income citizens. The Waterville Housing Authority, or its Limited Partnership (LP), currently owns and/or manages 301 dwelling units and administers 306 Section 8 rent vouchers.

Alongside the Waterville Housing Authority, the Catholic Church, Kennebec Behavioral Health, and Community Housing of Maine also provide rent-restricted housing units in the City.

Table 2-5 shows that in 2023, Waterville had 905 rent-restricted or subsidized housing units (including Section 8 units), of which 112 were constructed between 2013 and 2023. In 2023, there were 30.05 federal- or state-assisted (deed-restricted) units per 1,000 people. (Source: State of Maine Housing Data Portal, HR&A Advisers, 2024, Detailed Report – Waterville, pages 108 and 112)

Currently, in 2025, mixed-income housing is under construction in the former Lockwood Mill and at Head of Falls Village.

Residential Care Facilities

Some housing units in Waterville are owned by agencies that provide care for people with special needs. Table 2-6 contains a summary of residential care facilities in Waterville that are licensed by the Maine Department of Health and Human Services.

Homelessness

MaineHousing cites poverty, substance abuse, mental illness, and domestic violence as leading causes of homelessness.

Mid-Maine Homeless Shelter and Services, located on Colby Street, offers a forty-bed regional homeless shelter with apartments for teens on the second floor. It also owns a building on Highwood Street, which it intends to renovate to provide housing and services to homeless families.

MaineHousing through the State’s January 2024 annual “Point in Time Survey” identified 4,200 individuals experiencing homelessness in Maine. Of those people, the State considers 1,000 chronically homeless.

Table 2-5: Rent-Restricted and Subsidized Housing Units

Name of Project	Location	Elderly/Disabled Units	Family Units	Total
Waterville Housing Authority or LP Owned or Managed Buildings				
Kennebec Street	Kennebec Street		16	16
Chaphill Manor	Chaplin Street		31	31
Woodman Heights	Drummond Avenue		47	47
12 building (6 duplexes)	Scattered Sites		18	18
Durbin Apartments	Kimball Street	28		28
Elm Towers	Elm Street	50		50
Forsythe Terrace	Louise Avenue	27		27
Riverview Manor	83 Water Street	23		23
Pleasant Crossing (2009)	Pleasant Street	21		21
Merici Woods (2020)	21 Chase Avenue	28		28
Section 8 Rent Voucher				372
Emergency Housing Vouchers				6
Catholic Church				
Seton Village	Carver Street	144		144
Saint Francis Apt. (2018)	52 Elm Street	58		58
Gilman Place Associates Limited Partners				
Gilman Place (2011 LIHTC)	21 Gilman Street		35	35
Community Housing of Maine				
7 School Street		4		4
67 Silver Street		4		4
82 Silver Street		4		4
16 Gilman Street		4		4
51 Pleasant Street		1		1
270 Main Street		5		5
Kennebec Behavioral Health (KMHA Real Estate, Inc.)				
54 Silver Street		5		5
100 Silver Street		5		5
14 Union Street		7		7
9 Walnut Street		8		8
Alternative Services				
1 Leighton Street		6		6
Crisis & Counseling Centers, Inc.				
7 Ticonic Street			2	2
Total				905

Table 2-6: Residential Care Facilities Licensed by Maine Department of Human Services

Name	Location	# of Beds
Long Term Care Facilities		
Lakewood Manor Nursing Home	220 Kennedy Memorial Drive	105
Mt. Saint Joseph Nursing Home	7 Highwood Street	111
Oak Grove Nursing Care Center	27 Cool Street	90
The Woodlands	147 West River Road:	
	The Woodlands Residential Care Facility	58
	Evergreen Alzheimer’s Unit	32
	Park Residences Apartments	39
Boarding/Group Homes		
Ken-A-Set	Quarry Road	15
Sunset Home	114 College Avenue	20
Motivational Services	73 Pleasant Street	6
Motivational Services	105 Western Avenue	Unknown
Skills Inc.	37 Oak Street	Unknown
Uplift Inc.	16 Pleasant Hill Drive	Unknown

Housing Production Needs By 2030

Currently in Kennebec County there is need for an additional 4,600 dwelling units, and by 2030 the State expects that an additional 4,500 to 5,100 units will be needed, depending upon population growth. That is, in Kennebec County, the need may grow to as many as 9,700 units by 2030. (Source: State of Maine Housing Data Portal, HR&A Advisers, 2024, 2030 Housing Production Needs, Kennebec County Data page 104.)

City of Waterville Actions to Increase Housing

Over the past few years, the City has taken many actions to increase housing in Waterville. In 2021, the City created the Waterville Housing Committee to identify issues of concern around housing availability and affordability. At the urging of the Housing Committee, the City:

- Revised the Zoning Ordinance (See [Revisions to the Zoning Ordinance to Increase Housing Units](#) below.)
- Revised the zoning of various properties to allow housing on those parcels (See [Properties Rezoned to Allow Housing](#) below.)
- Created Tax Increment Financing (TIF) districts for housing projects (See [Tax Increment Financing Districts Adopted to Encourage Housing](#) below.)
- Increased Code Enforcement Office staffing from one code enforcement officer to three officers plus an administrative assistant. Having additional staff members has allowed the Code Enforcement Office to inspect more apartment

buildings (in conjunction with the Fire Department), which, in turn, has increased the availability of code-compliance apartments.

- Encouraged landlords to register with the Code Enforcement Office to improve the ability of that department to contact property managers
- Created the WEALTH (Waterville Empowering Affordable Living Through Homeownership) revolving loan and grant programs directed at rehabilitating deteriorated residential properties and creating affordable owner-occupied housing. The City made its first loan to Waterville Community Land Trust (WCLT) to rehabilitate a home in the South End.
- Hired a grant writer to apply for grants, including Community Development Block Grant (CDBG) housing grants
- Received “Delegated Review” status from the State Fire Marshall’s Office. That is, the Fire Marshall’s Office delegated review of plans for compliance with NFPA codes to the Waterville Fire Department, thus expediting construction in Waterville.

Revisions to the Zoning Ordinance to Increase Housing Units

The City revised the Zoning Ordinance to encourage housing development as follows:

- Created a new mixed-use zone along College Avenue, the Commercial-C1 zone, which added dwelling units as permitted uses (Ordinance 22-2022)
- Reduced the parking setback requirement in Downtown (Ordinance 96-2023)
- Added Accessory Dwelling Units (ADUs) as permitted uses in all residential zones and density bonuses for low-income multi-family developments (Ordinance 179-2023)
- Eliminated the requirement for landlords to provide parking spaces Downtown (Ordinance 146-2024)
- Added apartments as permitted uses in all commercial zones (Ordinance 179-2024)
- Decreased the minimum lot size in the Residential-B zone from 10,000 square feet to 8,500 square feet (Ordinance 216-2024)
- Decreased the front setback requirement in the Rural Residential zone (Ordinance 37-2025)
- Allowed mobile homes as permitted uses in all residential zones (Ordinance 116-2025). The City has allowed manufactured housing in all residential zones for many years, but mobile homes were allowed only in the Residential-B and Rural Residential zones.

Properties Rezoned to Allow Housing

In recent years, at the request of property owners, the City consistently has revised the zoning map to permit housing construction. Over the past three years alone (from April 2022 through May 2025), the City revised the zoning map 10 times to allow housing:

- 54 College Avenue, 13 Maple Street, and a portion of 10-14 Maple Street to Contract Zoned District/Commercial-A (CZD/C-A) to reduce building setback requirements for the construction of 20 townhouse apartments, Manor Gardens, including 3 units affordable to families at 80% of area median income
- 146 Kennedy Memorial Drive from Commercial-C to Commercial-A to allow two apartments on the second floor of the building.
- 8 Highwood Street from Contract Zoned District/Commercial-A (CZD/C-A) to Commercial-C1 to allow apartments for seniors and families.
- 200 Eight Rod Road from Solar Farm District back to Rural Residential to allow single family homes
- 287 and 289 Main Street to a new contract zone to allow apartments and shared parking
- 2 Seavey Street from Commercial-C to Commercial-C1 to allow apartments
- 15 Washington Street from Commercial-C to Commercial-A to allow apartments
- 218 College Avenue from Commercial-C (C-C) to Commercial-C1 (C-C1) to bring existing apartments into compliance with zoning
- 1 Saint Angela Way from Institutional to Residential-A to permit the conversion of a convent to apartments
- Seven properties on the west side of Drummond Avenue, heading south from the Fairfield town line, from General Industrial to Residential-B to allow housing.

Tax Increment Financing Districts Adopted to Encourage Housing:

The City created Tax Increment Financing Districts (TIFs) to support development of housing, much of which is affordable housing and all of which is within our designated growth area. Those TIFs are:

- Gilman Place, 21 Gilman Street
- Kennebec Realty Partners, 165 Main Street
- King Street Partners, 52 King Street
- Lockwood Mills I, 10 Water Street
- Lockwood Mills II, 6 Water Street
- Manor Gardens, 54 College Avenue
- Merici Woods, 21 Chase Avenue
- Seton Tower, 30 Chase Avenue
- 15 Washington Street (awaiting DECD approval)

Issues and Needs

Major housing needs include the following:

1. **Deteriorated Housing:** There are pockets of deteriorated housing in Waterville that could be removed to provide land for new housing, open space, or other uses that are compatible with residential use. However, in the South End, to preserve the historic character of the neighborhood, housing should only be removed on a very selective basis. For more information, see the South End Neighborhood Strategic Plan, which was developed by the South End Neighborhood Association (SENA) in 2007.
2. **Housing Affordability:** Recent housing analysis indicates that a large percentage of households cannot afford to rent the average two-bedroom apartment or buy a median-priced home in Waterville.
3. **Increase Housing Production:** There is a significant need for additional housing units in Waterville, including new construction, renovated housing, and conversion of existing commercial, industrial, and institutional structures. The City should continue its efforts to support increased housing development.
4. **Long-Term Care:** There is the potential for further growth in the health care and elderly care fields, which could be encouraged by the construction of long-term care facilities such as nursing homes, as well as congregate care, assisted living, and residential care facilities.
5. **Short Term Residential Rentals:** The City should attempt to identify all short term residential rentals and enforce the City's annual licensing requirement. Tracking the number of short term residential units may, potentially, spur the City to further limit them. (Since 2020, short term residential units have been disallowed in the Residential-A zone.)
6. **Housing Coordination:** The housing situation is complicated. The City needs a standing housing committee, reporting to the City Council, to identify and coordinate resolution of City housing issues.