TOWN OF NORTH READING, MASSACHUSETTS
HOUSING PRODUCTION PLAN

North Reading Community Planning Commission
William C. Bellavance, Chair
Warren Pearce Jr., Vice Chair
Jonathan P. Cody, Clerk
Joseph Veno, Member
Christopher Hayden, Member

Danielle McKnight, Town Planner and Community Planning Administrator
Karen Sunnarborg, Housing and Planning Consultant

April 2018

TOWN OF NORTH READING
HOUSING PRODUCTION PLAN

Acknowledgements

The North Reading Community Planning Commission and Consultant would like to thank the following individuals for their contributions to this document:

- Debbie Carbone, Assessors
- Carol Ducrow, Town Clerk's Office
- Jennifer Fossarelli, Edgewood Apartments
- Maureen Hickey, North Reading Housing Authority
- Sue Magner, Veterans Services
- Kathy Morgan, Building Department
- Mary Prenney, Council on Aging
- Rich Wallner, Advocates for Adults and Community Team (ACT) and Economic Development Committee

TOWN OF NORTH READING, MASSACHUSETTS
HOUSING PRODUCTION PLAN

Table of Contents

	Page
1. Executive Summary	**1**
1.1 Summary of Demographic, Economic and Housing Trends	1
1.2 Summary of the Housing Needs of Targeted Populations	5
1.3 Summary of Housing Production Goals	6
1.4 Summary of Housing Strategies	7
2. Introduction	**9**
2.1 Background and Purpose	9
2.2 What is Affordable Housing?	10
3. Demographic Profile	**13**
3.1 Population Growth	13
3.2 Age Distribution	14
3.3 Racial Composition	20
3.4 Household Composition	21
4. Economic Profile	**25**
4.1 Income	25
4.2 Poverty	28
4.3 Employment	28
4.4 Education	30
4.5 Disability Status	31
5. Housing Profile	**33**
5.1 Housing Growth	33
5.2 Housing Occupancy	35
5.3 Types of Units and Structures	37
5.4 Housing Market Conditions	39
5.5 Affordability Analysis	45
5.6 Subsidized Housing Inventory (SHI)	52
5.7 Targeted Housing Needs	56
6. Challenges to Producing Affordable Housing	**68**
7. Housing Production Goals	**79**
8. Housing Strategies	**83**
8.1 Capacity Building Strategies	85
8.2 Zoning Strategies	94
8.3 Development Strategies	101
APPENDICES	
Appendix 1: Local and Regional Organizations	107

Appendix 2: Glossary of Housing Terms 111
Appendix 3: Summary of Community Housing Forum 116
Appendix 4: Summary of Community Housing Survey 119

List of Tables

Table 1-1: Summary of Housing Strategies 8
Table 2-1: 2016 HUD Income Limits for the Boston Area 11
Table 3-1: Population Change, 1930 to 2017 13
Table 3-2: Age Distribution, 1990 to 2015 15
Table 3-3: Age Distribution, 2010 and MAPC Status Quo Projections 17
Table 3-4: Age Distribution, 2010 and State Data Center Projections 19
Table 3-5: Comparison of Population Projections 20
Table 3-6: Racial Information, 1990 to 2015 20
Table 3-7: Household Characteristics, 1990 to 2015 21
Table 3-8: Types of Households by Size 22
Table 3-9: Types of Households by Size and Age 23
Table 3-10: MAPC Household Projections by Age of Householder 24
Table 4-1: Household Income Distribution, 1989 to 2015 25
Table 4-2: Income Distribution by Tenure, 2000 and 2015 26
Table 4-3: Income Distribution by Age of Householder, 2015 27
Table 4-4: Median Income by Household Type, 2015 27
Table 4-5: Poverty Status, 1989 to 2015 28
Table 4-6: Average Employment and Wages by Industry, 2015 30
Table 4-7: Disability Status, 2015 31
Table 4-8: Types of Disabilities 32
Table 5-1: Residential Building Permits for Single-family Homes 34
Table 5-2: Housing Occupancy, 1990 to 2015 36
Table 5-3: Vacancy Rates, 2010 and 2015 36
Table 5-4: Units in Structure, 1990 to 2015 37
Table 5-5: Units in Structure by Tenure, 2015 38
Table 5-6: Number of Rooms per Unit, 2015 38
Table 5-7: Housing Values of Owner-Occupied Units, 1990 to 2015 39
Table 5-8: Median Sales Prices/Number of Sales, 2000-2016 40
Table 5-9: Single-family House/Condo Sales, 2/2016 to 1/2017 42
Table 5-10: Assessed Values of Single-family and Condos, 2017 42
Table 5-11: Assessed Values of Multi-family Properties, 2017 43
Table 5-12: Rental Costs, 1990 to 2015 44
Table 5-13: North Reading Market Rents 44
Table 5-14: Distribution of Single-family Homes and Condo Values by Income Range 47
Table 5-15: Cost Burdens, 2013 49
Table 5-16: Foreclosure Activity 51
Table 5-17: North Reading's Subsidized Housing Inventory (SHI) 53
Table 5-18: Housing Authority Applicants and Waits 54
Table 5-19: Unmet Housing needs 66
Table 5-20: Summary of Targeted Production Goals 67
Table 6-1: Dimensional Regulations in Residential Districts 68
Table 7-1: North Reading Housing Production Program 81

Table 8-1: Estimates CPA per Property Expenditures 87
Table 8-2: Summary of Inclusionary Zoning Requirements in Other Communities 100
Table 8-3: Watertown Inclusionary Zoning Affordability Requirements 101

List of Figures

Figure 3-1: Population Growth, 1930 to 2010 14
Figure 3-2: Changes in Age Distribution, 1990 to 2015 16
Figure 3-3: Projected Changes in Age Distribution/MAPC Status Quo 18
Figure 3-4: Population Change Projections/MAPC Stronger Region 19
Figure 3-5: Population Change Comparison 20
Figure 4-1: Change in Income Distribution, 1989 to 2015 26
Figure 4-2: Means of Commuting to Work, 2015 29
Figure 4-3: Occupations, 2015 29
Figure 4-4: School Enrollments 31
Figure 5-1: Number of Units Built 33
Figure 5-2: Distribution of Units per Structure, 2015 37
Figure 5-3: Sales Volume by Year 40
Figure 5-4: Median Single-family Home Prices for North Reading and Neighboring Communities 41
Figure 5-5: Assessed Values of Single-family Units and Condos 43
Figure 5-6: Median Household Income and Median House Price 45
Figure 5-7: SHI Units for North Reading and Neighboring Communities 52
Figure 5-8: Growth of Senior Population 57
Figure 6-1: North Reading Public Schools Enrollment Projections 76

TOWN OF NORTH READING, MASSACHUSETTS
HOUSING PRODUCTION PLAN

1. EXECUTIVE SUMMARY

North Reading has long been recognized as a desirable community, acknowledged in particular for its fine schools, appealing housing stock and neighborhoods, easy commutes to Boston, and proximity to expanding employment opportunities and other businesses rimming Route 128. However, based on a widening affordability gap largely outside of the Town's control due to demographic and economic conditions, some previous residents have had to leave the community, some existing residents are struggling to stay, many who were raised in town cannot afford to raise their own children locally, and most local workers are priced out of the housing market.

In recognition of this situation, the Town has prepared this Housing Production Plan to promote strategic planning for future residential development that will fit its own needs for more diversity in housing types and affordability while still largely complementing North Reading's community character.

1.1 Summary of Significant Demographic, Economic and Housing Characteristics and Trends

Demographic Trends – Continued population growth with projected decreases in younger residents and significant gains in older ones.

The Town's total population grew substantially after World War II through 1970. Following a period of relative stability, the population has grown significantly again over the past couple of decades and is now up to about 15,500 residents.

While the total population grew by 24% between 1990 and 2010, the older middle-age population ages 45 to 64 increased by 80% and those 65 years of age or older increased by 70%. Projections under the MAPC "Stronger Region" estimates (see Section 3.2) suggest that those 65 years of age or older are estimated to grow to 3,679 residents by 2030 to comprise 22% of all residents and almost doubling in number since 2010. The redevelopment of the Berry site for age-restricted housing will provide new opportunities for those 55 years of age or older, however all units will be market priced.

Population projections from the Metropolitan Area Planning Council (MAPC) estimate that the population will reach 16,511 residents by 2030, about 11% more than the 2010 census figure. The State Data Center at the University of Massachusetts' Donahue Institute predicts higher population growth to 17,160 residents by 2030.

On the other end of the age range, the population of children under age 18 grew somewhat between 1990 and 2000 and then leveled out at about 3,800 residents between 2000 and 2010 to comprise about one-quarter of all residents. The 2015 census estimates suggest a decrease to 3,402 residents and 22.1% of the population. This decline in children is reflected in decreasing North Reading Public School student enrollments from a high of 2,811 students in the 2007-08 school year to 2,496 students by 2016-17, representing a loss of 315 students during this period or 11%.

The MAPC "Stronger Region" figures (see Section 3.2 for details) estimate that those under age 20 will continue to decline from 4,071 to 3,463 residents by 2030 (2,659 for those under age 15) for a population loss of 15% (loss of 13% for those under age 15).

There were also overall declines in the other age cohorts through age 45 but population projections suggest some increases in these age ranges with decreases of those age 20 to 24.

Projected population changes suggest the need for housing alternatives to accommodate the increasing population of seniors and their lifestyle changes such as more handicapped accessibility, smaller units, housing with supportive services, more in-home support and social connections and units without substantial maintenance demands. Additionally, more affordable starter housing opportunities to attract young adults, including young families, should be promoted to reduce significant losses of this segment of the population that adds so much vitality to the community.

While North Reading's population grew by 24% between 1990 and 2010, the percentage of households increased by 34% from 4,065 to 5,439 households.[1] **Family households decreased** from 80.6% of all households in 1990 to 73.6% in 2010 and then were estimated to increase somewhat to 75.9% by 2015.

Reflecting more smaller and non-family households, the average household size decreased from 2.90 to 2.71 persons between 1990 and 2010, more in line with expected trends towards more "child-free" and "child-delayed" families and especially increases in empty nesters. In fact, t**hose living alone grew by 38% between 2000 and 2010.** These single-person households, who were headed by someone 65 years of age or older, increased by 44% between 2000 and 2010 and then were estimated to increase still more to 477 such households or by another 8.9% of all households by 2015.

Economic Trends – High average incomes but notable income disparities

Incomes have increased significantly over the years with the **median household income level increasing by 134% since 1989, from $52,707 to $123,103 by 2015, much higher than the rate of inflation during this period of 91% based on the Consumer Price Index (CPI).** The growing prosperity of North Reading's residents is also reflected in the increasing proportion and numbers of those earning more than $100,000, going from 7.8% of all households in 1989 to 59.3% by 2015 compared to about 34% for the state and 43% for Middlesex County.

Nevertheless, while many in the community continue to prosper, there are some who are struggling financially. For example, based on 2015 census estimates, 615 households or 11.4% of all households earned less than $35,000. Consequently it is not surprising that many are paying far too much for their housing and struggling to remain in town.

Poverty, while low in comparison to county and state levels of 8.3% and 11.6%, respectively, has fluctuated significantly over the past several decades but in general has grown[2] from 2.1% in 1989 to 3.3% by 2015, doubling in the number of residents living in poverty to 508 residents from 246. Poverty among families increased from 1.1% in 1989, to 3.8% by 2010, and then was estimated to decrease to 1.3% by 2015. There have been fluctuations in the poverty rate among those 65 years of age or older, but overall

[1] The U.S. Census Bureau defines families as a householder and one or more persons living in the same household who are related by birth, marriage, or adoption.

[2] The federal poverty levels for 2016 were $11,880 for a single individual and $20,160 for a family of three (3).

it decreased from 13.9% in 1989, to 8.4% by 2010, and then was estimated to have decreased further to 6.3% by 2015, still leaving 135 residents living in poverty.

There are also **growing income disparities** between renters and owners. About one-third of renters earned less than $35,000 in 2015, more than four times the percentage of homeowners in this income range. On the other hand, about 64% of the homeowners earned more than $100,000 compared to only about 4% of renters. The disparity of incomes by tenure is also reflected in median income levels of $52,917 and $131,382 for renters and owners, respectively; up considerably from the 2000 median income levels of $35,081 and $81,422.

Despite a relatively high average weekly wage, many of those working in North Reading would still likely find it challenging to compete in the current housing market.

Those working in North Reading were earning on average less than one-third of North Reading residents. For example, **t**he average weekly wage was $1,372 which approximates an annual wage of about $71,600. This is 58% of the median household income of those living in North Reading of $123,103.

Of all North Reading residents in 2015, **1,135 or 7.4% claimed a disability**. While lower than the 9.0% and 11.5% levels for the county and state, respectively, this still represents significant special needs within the North Reading community. As the population continues to age, with those 65 years of age or older predicted to double by 2030, the level of special needs in the community will grow.

Housing Trends – Recent slowdown in housing growth but increases in multi-family development

Only about 7% of the Town's approximately 5,700 housing units predates World War II followed by significant housing growth in the 1950s and 1990s when 959 and 906 units were produced, respectively. Since 2000, about another thousand units have been created including 524 multi-family units (433 SHI units).[3] MAPC "Stronger Region" projections (see Section 3.2) suggest continued high housing growth to 7,050 units by 2030 from 5,633 in 2010, representing a gain of about 1,400 units.

Between 1990 and 2010, about three-quarters of this housing growth occurred in the owner-occupied supply with a growth rate of 28%. While a relatively small segment of the housing stock, at about 15% of all occupied units, rental housing represented about one-quarter of the new housing growth between 1990 and 2010.

A review of building permit activity between 2010 and 2016 suggests **substantial teardown/replacement activity** with 93 demolition permits issued since 2008, all of which likely involved the replacement of more modest homes with larger more expensive ones. In fact, **housing growth has generally been fueled by large home construction as homes with nine or more room almost doubled in number between 2000 and 2015, involving 75% of the increase in the housing stock** and with a median house size of 6.9 rooms. In addition, those units most appropriate for single persons, with four (4) rooms or less, comprised only 18.7% of the housing stock. Given that 52% of North Reading's households included single individuals or two (2) persons, a substantial portion of households might be considered "overhoused."

[3] Units in the Subsidized Housing Inventory (SHI) are approved by the state as affordable although 304 SHI units at Edgewood are market priced as state guidelines allow all units in rental developments that are approved through Chapter 40B or Local Initiative Program (LIP) to be included in the SHI towards reaching the state's 10% affordability threshold.

North Reading's housing prices have been increasing. The median single-family sales price was $508,950 as of the end of 2016, up from $472,700 in 2015 and the highest in the town's history. These prices confirm a **relatively resilient "inelastic" housing market** as current values have surpassed pre-recession levels prior to the "bursting of the housing bubble". This is not the case for many communities in the state including nearby Middleton and North Andover for example. Given these rising prices, it is not surprising that Town Assessor's data indicates that there is very little affordability remaining in North Reading's single-family housing stock with less than 200 units assessed below $300,000.

For those earning at 80% of area median income limit ($65,750 for a family of three), the affordability gap is $272,950, **the difference between the maximum they could afford of approximately $236,000 and the median single-family house price of $508,950.** These calculations are also based on the ability of the purchasers to qualify for a subsidized mortgage such as the ONE Mortgage Program or MassHousing offerings and the purchaser spending no more than 30% of income on housing.

The condo market, including 755 units, has experience more volatility in terms of both values and volume of sales with a median price of $229,000 in 2016. About 57% of these condos were assessed below $200,000, and therefore remains relatively affordable. There is consequently a much lower affordability gap of $24,000 for those households earning at the 80% of area median income limit or the difference between the median condo price ($229,000) and what a household earning at $65,750 could probably afford ($205,000).

There are very few available listings of rental opportunities in North Reading, particularly apartments, but what few exist suggest that market rents are even higher than the $1,482 gross monthly rent indicated by 2015 census estimates. Nevertheless, even a low-priced market rental of $1,500 for a two-bedroom unit would require an income of about $60,000 without consideration for utilities that would boost the required income closer to $68,000 (assuming $200 in average utility bills and not paying more than 30% of income on housing costs). The median income earning renter ($52,917) could afford a rent of only about $1,123 under the same assumptions.[4] Even affordable rents at Edgewood for example, are far beyond this level.

In the context of rising prices, largely the result of housing demand outstripping supply, it is also not surprising that vacancy rates are so low with a **vacancy rate of zero (0%) for rentals and 1.3% for ownership.**

Also given such high housing prices, it is not surprising that so many North Reading households are paying far too much for their housing. A special HUD report indicates that o*f the 5,260 households included in this analysis, 1,645 or 31% were reported with cost burdens as they were paying more than 30% of their income on housing costs. Moreover, of these households, 720 or about 14% of all households were spending more than 50% of their income on housing.*

[4] Not spending more than 30% of income on housing costs including an average monthly utility allowance of $200.

590 households or 48% of households earning at or below 80% of area median income were spending more than half of their income on housing costs and thus were experiencing severe cost burdens.

There were 1,230 households, or 23% of all households, who were earning at or below 80% of median income for the Boston area. Of these, 885 households or about 72% were experiencing cost burdens.

It is particularly notable, that 760 households earning more than 80% of area median income, or 14% of all households, were also overspending. Consequently, cost burdens are spread along a wide range of incomes, the great majority being homeowners.

North Reading has made considerable progress towards reaching the state's 10% affordability goal under Chapter 40B, up to 9.65%. This means that the Town has a gap of only 20 affordable units to reach the 10% affordability threshold when it will no longer be susceptible to zoning overrides by comprehensive permit applications that are determined to be inappropriate and do not meet local needs. Housing growth will drive the 10% goal upwards, as adjusted by each decennial census, and therefore it is a moving target.

1.2 Summary of the Housing Needs of Target Populations

Based on input from a wide variety of sources including census data, the HUD report on cost burdens, market information, interviews with local and regional stakeholders, public meetings, state requirements, as well as prior planning efforts, this Housing Plan recommends that there be a ***focus on rental unit development*** based on the following important considerations:

- Target the needs of the community's most vulnerable residents with very limited financial means as rental housing is typically more affordable and requires less up-front cash.
- Promote greater housing diversity as North Reading's housing is predominantly large single-family homes. More housing options are necessary to meet the needs of local workers who are priced out of the housing market, children who grew up in North Reading and want to raise their own families locally, and empty nesters for example.
- Invest local resources in support of greater numbers of households/occupants over time as rentals turnover more regularly than ownership units and more households will benefit.
- Provide opportunities for some seniors who are "overhoused" and spending far too much on their housing to relocate to more affordable and less isolated settings, opening up their homes to families requiring more space.
- Leverage other funds as state and federal resources are almost exclusively directed to rental housing development, family rentals in particular.
- Enhance the ability to qualify occupants for housing subsidies as state requirements for including units on the SHI make it very difficult for long-term homeowners to be eligible for new affordable housing opportunities.
- Enable all units in Chapter 40B rental developments to be counted as part of the SHI while only the actual affordable units can be counted in homeownership projects.

Efforts to provide **starter homes for first-time homebuyers and better housing alternatives to empty nesters** should be promoted to address several objectives including:

- Provide opportunities for families who want to invest in North Reading but are shut-out of the current housing market.
- Lend additional stability to neighborhoods as homeowners tend to become more rooted and invested in the community.
- Enable children who were raised in North Reading to return to raise their own families locally.
- Provide housing options for municipal employees and others who work in the community.
- Provide smaller homes for increasingly smaller families.
- Offer more affordable and less isolating housing alternatives to empty nesters who want to downsize, thus opening their existing homes to families.

Small clustered cottage-style housing in pocket neighborhoods could be pursued as well as other infill development, mixed-uses that include mixed-income condo development, the redevelopment/reuse of previously nonresidential properties, and the integration of housing in nonresidential areas offer good options for increasing affordable homeownership opportunities in North Reading. Moreover, the redevelopment of the Route 28 commercial corridor opens up opportunities for creating a new community center with mixed uses and a wide range of housing options including both rental and homeownership.

Based on annual housing production goals of 28 units per year, or 140 units over five years per state guidelines, as well as a combination of information on demographic shifts, cost burdens, affordability gaps, and the community's housing mix as documented in the indicators of need listed in Section 5.7, this Housing Plan suggests the following targeted housing goals:

- Rental development goal of 80% of all new units created.
- Goal of 140 affordable units over the next five years.
- About half of units produced directed to seniors or single individuals (many with special needs) through one-bedroom units, 40% for small families with two bedrooms, and 10% of units for larger families with three bedrooms (required by state for units that are not age-restricted or for single person occupancy.)
- A minimum of 20% of one-bedroom units with handicapped accessibility and/or supportive services and at 10% for other units created. Where feasible, 100% handicapped accessibility or adaptability should be promoted in housing for seniors and those with disabilities.

1.3 Summary of Housing Production Goals

The state oversees Housing Production regulations that enable cities and towns to adopt an affordable housing plan that demonstrates production of 0.50% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory. North Reading now has to produce 28 affordable units annually to meet these production goals which will likely increase to an estimated 31 to 32 units when the 2020 census figures are released in 2021 or 2022.[5]

Under Housing Production requirements, if the state certifies that the locality has complied with its production goals, based on 0.5% or 1.0% of its year-round units, the Town may be able, through its Zoning

[5] The 36-unit figure is derived by taking 0.5% of Grafton's year-round housing stock (total housing units minus seasonal or occasional units) based on 2010 census data. The 39-unit figure estimates housing growth.

Board of Appeals, to deny comprehensive permit applications for a period of a year or two years, respectively.[6]

It is also important to note that the state's subsidizing agencies have entered into an Interagency Agreement that provides more guidance to localities concerning housing opportunities for families with children and are now requiring that at least 10% of the units in affordable production developments that are funded, assisted or approved by a state housing agency have three (3) or more bedrooms with some exceptions (e.g., age-restricted housing, assisted living, supportive housing for individuals, SRO's. etc.).

Using the strategies summarized in Section 8, the Town of North Reading has developed a Housing Production Program to chart affordable housing production activity over the next five (5) years. The projected goals are best guesses at this time, and there is likely to be a great deal of fluidity in these estimates from year to year. Production goals include the creation of an estimated 152 affordable units.

1.4 Summary of Housing Strategies

The strategies outlined below are based on the Housing Needs Assessment, community input through meetings and a survey, prior local housing efforts, and the experience of other comparable localities in the region and throughout the Commonwealth. A summary of these strategies is included in Table 1-1.

The strategies also reflect state requirements that ask communities to address a number of major categories of strategies to the greatest extent applicable.[7]

It is also important to note that these strategies are presented as a package for the Town to consider, prioritize, and process, each through the appropriate regulatory channels. Moreover, the proposed actions present opportunities to judiciously invest limited local resources to build local capacity, enhance community education and outreach, subsidize actual unit production that leverages other necessary resources, and improves the existing housing stock.

[6] If a community has achieved certification within 15 days of the opening of the local hearing for the comprehensive permit, the ZBA shall provide written notice to the applicant, with a copy to DHCD, that it considers that a denial of the permit or the imposition of conditions or requirements would be consistent with local needs, the grounds that it believes have been met, and the factual basis for that position, including any necessary supportive documentation. If the applicant wishes to challenge the ZBA's assertion, it must do so by providing written notice to DHCD, with a copy to the ZBA, within 15 days of its receipt of the ZBA's notice, including any documentation to support its position. DHCD shall review the materials provided by both parties and issue a decision within 30 days of its receipt of all materials. The ZBA shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent local needs, provided, however, that any failure of the DHCD to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.

[7] Massachusetts General Law Chapter 40B, 760 CMR 56.03.4.

Table I-1: Summary of Housing Strategies

Strategies	Years 1-2	Years 3-5	Year 5+	# Affordable Units	Responsible Parties***
1. Capacity Building Strategies					
1. Secure financial resources for affordable housing	X			*	BOS
2. Establish an Affordable Housing Trust Fund	X			*	BOS
3. Conduct ongoing community outreach and education	X			*	Sponsors of affordable housing initiatives
4. Preserve existing affordable housing			X	*	BOS
2. Zoning Strategies					
1. Allow accessory dwelling units	X			*	CPC
2. Allow more diverse housing types in more areas		X		*	CPC
3. Integrate affordable housing in the Open Space Residential Development bylaw		X		*	CPC
4. Adopt inclusionary zoning		X		*	CPC
3. Development Strategies					
1. Create a vibrant community center	X			76 units	BOS/CPC
2. Make suitable public property available for affordable housing	X			52 units	BOS/CPC
3. Partner with developers on private properties	X			24 units	CPC/ZBA

**Indicates actions for which units are counted under housing development strategies, have an indirect impact on production, do not add to the Subsidized Housing Inventory, or cannot be counted toward production goals.*

****Abbreviations**

Board of Selectmen = BOS

Community Planning Commission = CPC

Zoning Board of Appeals = ZBA

2. INTRODUCTION

2.1 Background and Purpose

Over a decade ago, as the Town prepared its Community Development Plan, the topic of affordable housing generated the most discussion and resulted in a consensus that housing issues deserved the most attention given the trend towards the building of large expensive homes, which often replaced smaller and more affordable market housing. The Plan's Community Vision Statement included the following:

> **"The Town needs to set parameters to facilitate development of a variety of housing types to serve all segments of the population. Primarily, this means placing emphasis on more affordable housing. Historically, North Reading had a higher percentage of modest housing units, with a large number of these homes built post WWII. However, recent trends in North Reading have favored much larger and expensive single-family homes and the expansion of older modest homes. Residents would like a good mix of housing including small single-family and duplexes, condominiums and senior housing balanced with larger single-family homes….A better mix of housing will result in a more sustainable community. To be sustainable, housing improvements need to be linked to diverse local employment opportunities, to alternative modes of transportation and to open space for recreation."[8]**

The Town has made progress in producing affordable housing since it developed the Community Development Plan in 2004 when only 55 units were included in its Subsidized Housing Inventory (SHI) at a 1.1% level of affordability. The SHI is now up to 537 units and 9.59%. Nevertheless, many of the same issues that were discussed in 2004 still need to be addressed today. These concerns may now be even more pressing given rising housing prices and affordability gaps.

This Housing Plan provides an opportunity to revisit housing issues and reinforce other efforts that are underway. For example, the Town is exploring development along Route 28/Main Street that would help the community attract jobs, services, revenues and housing along about three-quarters of a mile of this important commercial corridor. This redevelopment prospect has the potential to create something that the Town has been missing – a Town Center with a wide range of uses and a vibrant sense of place for all residents to enjoy.

Housing stakeholders further suggest that all housing initiatives should address the broad needs of the "community", for example:

- Children who grew up in town are now facing the increasing likelihood that they may not be able to afford to raise their own families locally.
- Long-term residents, especially the elderly, are finding themselves less able to maintain their homes and keep up with increasing expenses, particularly property taxes, but are pressed to find alternative housing that better meets their current life styles and pocketbooks.
- Families are finding it more difficult to "buy into" the housing market or even "buy up," purchasing larger homes as their families grow.
- Municipal employees are increasingly challenged to find housing that is affordable in North Reading.

[8] North Reading Community Development Plan, prepared by TerraSphere, June 2004.

- Lower-wage workers, veterans or people with disabilities are particularly burdened by high housing prices and are ever more reliant on subsidized housing or forced to move outside of the community in search of more affordable living conditions.

This Plan is meant to help North Reading chart its course in providing more affordable housing options to meet these diverse local needs. It also represents an opportunity for the Town to fully examine the specific impacts of demographic and economic changes relative to existing market conditions. Only by understanding these changes can the Town determine the current and future housing needs of its citizenry. This Housing Plan also provides guidance on any number of policy issues regarding housing such as where to best allocate resources for the production of new affordable housing, how to revise existing zoning as it relates to guiding new housing development, and how to engage housing developers and other housing service providers in partnerships that will work to address identified needs.

The Plan is being prepared under state Housing Production requirements that were developed to provide greater local control over affordable housing development through the following process:[9]

- Prepare and adopt a Housing Production Plan that demonstrates production of an increase of .05% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory (28 units and 56 units, respectively, for North Reading) for *approval* by DHCD.

- Request *certification* of compliance with the plan by demonstrating production of at least the number of units indicated above.

- Through local ZBA action, be able to deny a comprehensive permit application during the period of certified compliance, which is a 12-month period following submission of the certification documentation to DHCD or 24 months if the 1.0% threshold is met.

This document becomes the roadmap for the Town to follow over the next five years to produce housing that reflects local priorities and preferences.

2.2 What is Affordable Housing?

Affordable housing, sometimes referred to as subsidized housing or community housing, is defined by the income of the household in comparison to housing costs. For example, the federal government identifies units as affordable if a household is paying no more than 30% of its income on housing, whether for ownership or rental. If households are paying more than this threshold, they are described as experiencing housing affordability problems or cost burdens; and if they are paying 50% or more for housing they have severe housing cost burdens. A detailed analysis of affordability is included in Section 5.5.

[9] Massachusetts General Law Chapter 40B, 760 CMR 56.03(4).



Affordable housing is also defined according to its availability to households at percentages of median income for the area, and most housing subsidy programs are targeted to particular income ranges depending upon programmatic goals. Extremely low-income housing is directed to those earning at or below 30% of area median income (AMI) as defined annually by the U.S. Department of Housing and Urban Development and very low-income is defined as households earning between 31% and 50% AMI. Low-income generally refers to the range between 51% and 80% AMI.

A summary of income limits is included in Table 2-1. North Reading is part of the Boston, MA-NH Metro Area that includes a considerable number of communities in the Greater Boston area, including New Hampshire. This map shows its extensive area.

Table 2-1: HUD Income Limits for the Boston-Cambridge-Quincy, MA-NH HUD Metropolitan Area, 2016/2017

# Persons in Household	30% AMI	50% AMI	80% AMI	100% AMI *	120% AMI **
1	$20,650/21,700	$34,350/36,200	$51,150/54,750	$68,670/72,380	$82,404/86,856
2	23,600/24,800	39,250/41,400	58,450/70,350	78,480/82,720	94,176/99,264
3	26,550/27,900	44,150/46,550	65,750/70,350	88,290/93,060	105,948/111,672
4	29,450/31,000	49,050/51,700	73,050/78,150	98,100/103,400	117,720/124,080
5	31,850/33,500	53,000/55,850	78,900/84,450	105,948/111,672	127,138/134,006
6	34,200/36,000	56,900/60,000	84,750/90,700	113,796/119,944	136,555/143,933
7	36,730/38,450	60,850/64,150	90,600/96,950	121,644/128,216	145,973/153,859
8+	40,890/40,950	64,750/68,250	96,450/103,200	129,492/136,488	155,390/163,786

Source: U.S. Department of Housing and Urban Development (HUD), effective March 28, 2016 and April 11, 2017.
*Figures provided by the Community Preservation Coalition
**Based on 120% of 100% figures.

In general, programs that subsidize rental units are typically targeted to households earning below 50% and/or 60% AMI with some lower income requirements at the 30% AMI level that have been further supported by state programs. First-time homebuyer projects and the state's Chapter 40B Comprehensive Permit Program typically apply income limits of up to 80% AMI. Income limits under the Community Preservation Act (CPA) are up to 100% AMI. This CPA funding has been adopted in more than 170 communities across the state to support open space preservation, historic preservation, recreation and community housing activities through a local property tax surcharge, also leveraging state funding. Some

further income thresholds refer to workforce units as those targeted to those earning up to 120% AMI for example but still priced out of a good portion of the local housing market.

A common definition of affordable housing relates to the Chapter 40B comprehensive permit program. The state established legislation for promoting affordable housing under the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B).[10] This legislation allows developers to override local zoning if the project meets certain requirements, the municipality has less than 10% of its year-round housing stock defined as affordable in its Subsidized Housing Inventory (SHI), or housing production goals and other statutory requirements are not met. Specifically, all SHI units must meet the following criteria:

1. Subsidized by an eligible state or federal program.
2. At least 25% of the units must be affordable to those earning at or below 80% AMI or 20% must be affordable to those earning at or below 50% AMI.
3. Subject to a long-term deed restriction limiting occupancy to income eligible households for a specified period of time.
4. Subject to an Affirmative Fair Housing Marketing Plan.

Of the 5,597 year-round housing units in North Reading, 540 or 9.65% meet the Chapter 40B requirements and thus have been determined to be affordable by the Commonwealth of Massachusetts as part of the SHI. This means that the Town has a gap of only 20 affordable units to reach the 10% affordability threshold under Chapter 40B and no longer susceptible to zoning overrides by comprehensive permit applications that are determined to be inappropriate and do not meet local needs. Housing growth will drive the 10% goal upwards, as adjusted by each decennial census, and therefore it is a moving target. Even when the Town surpasses the Chapter 40B threshold however, the comprehensive permit process can be an efficient permitting tool and has been used effectively in communities that are beyond the 10% affordability threshold.

[10] Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

3. DEMOGRAPHIC PROFILE [11]

It is important to closely examine demographic characteristics and trends to understand the composition of the population and how it relates to current and future housing needs. Key questions to be addressed include the following:

- What have been the historical growth trends in the community?
- What are the ramifications of increases and decreases of various age groups in regard to housing needs?
- What are the variations in household size and types of households that suggest unmet or greater housing needs?

These and other issues are discussed in the following section. In essence, major findings indicate that for the past several decades the population has continued to grow, from 12,002 in 1990 to 15,396 by 2015, with declines in younger residents and significant gains in older ones, as well as increases in smaller households. The population is projected to continue to grow to about 16,500 residents by 2030 according to the Metropolitan Area Planning Council (MAPC). However, those over 65 are estimated to grow at a higher rate, almost doubling in number between 2010 and 2030 with a gain of as many as 1,834 residents.

3.1 Population Growth – Greatest growth after World War II through 1970 with some significant growth since 1990 after a period of little population change

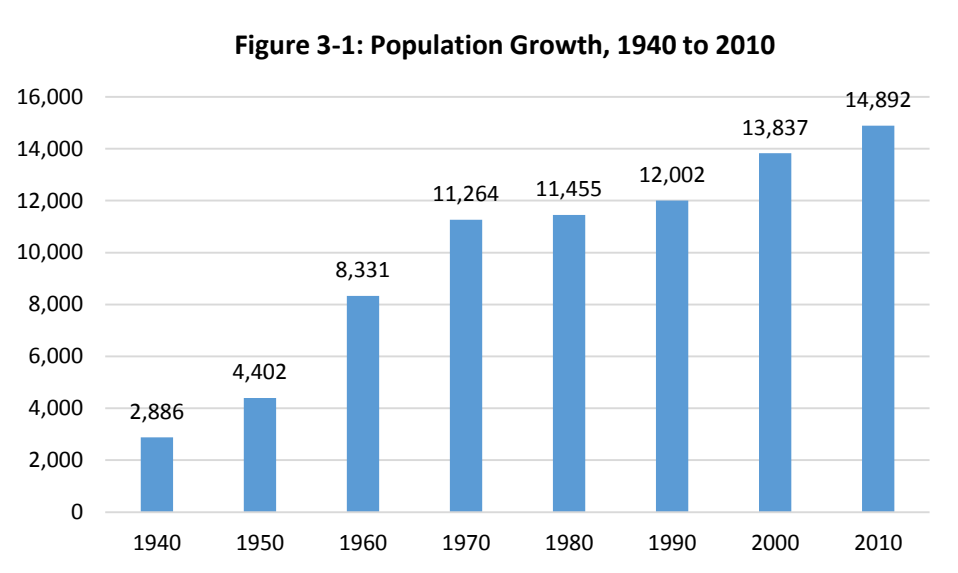
As indicated in Table 3-1 and Figure 1-1, North Reading's population increased substantially after World War II, growing from 2,886 residents in 1940 to 11,264 by 1970, almost quadrupling in number. After that, the population stabilized, increasing by only 738 residents between 1970 and 1990, and then grew by 2,890 residents or 24% between 1990 and 2010. The 2015 census estimates suggest a total population of 15,396, demonstrating continued growth. Town census records also suggest some continued growth with a total population figure of 15,500 as of the end of February 2017.

Table 3-1: Population Change, 1930 to February 2017

Year	Total Population	Change in Number	Percentage Change
1930	1,945	--	--
1940	2,886	941	48.4%
1950	4,402	1,516	52.5%
1960	8,331	3,929	89.3%
1970	11,264	2,933	35.2%
1980	11,455	191	1.7%
1990	12,002	547	4.8%
2000	13,837	1,835	15.3%
2010	14,892	1,055	7.6%
2015	15,396	504	3.4%
February 2017/ Town Records	15,500	104	0.7%

Source: U.S. Census Bureau, Census Summary File 1 and University of Massachusetts Donahue Institute State Data Center for decennial counts and North Reading Town Clerk**.** The 2015 estimate is from the U.S. Census Bureau's American Community Survey, 5-Year Estimates, 2011-2015.

[11] It should be noted that this Housing Needs Assessment includes the most up-to-date data available. The decennial census data is typically provided as this data reflects actual counts. The most recent issue of the Census Bureau's American Community Survey (ACS) is also shown for some data not covered by the decennial counts and for more up-to-date information. Because the ACS is based on a sample, it is subject to sampling error and variation.



Population projections from the Metropolitan Area Planning Council (MAPC) estimate that the population will reach 15,973 residents by 2020 under their "Stronger Region" scenario (see Section 3.2 for details). MAPC projections further indicate continued growth to 16,511 residents by 2030, about 11% more than the 2010 census figure. The State Data Center at the University of Massachusetts' Donahue Institute predicts higher population growth to 17,115 residents by 2020 and 17,160 by 2030.

3.2 Age Distribution – Decreasing younger population but growing numbers of older residents

Table 3-2 presents census data on changes in the distribution of ages from 1990 through 2015, with the following major demographic shifts:

- *Declining population of children*
  The population of children under age 18 grew somewhat between 1990 and 2000 and then leveled out at about 3,800 residents between 2000 and 2010 to about one-quarter of all residents. The 2015 census estimates suggest a decrease to 3,402 residents and 22.1% of the population.

  North Reading Public School data (see Figure 4-4) indicates declining student enrollments from a high of 2,811 students in the 2007-08 school year to 2,496 students by 2016-17, representing a loss of 315 students during this period or 11%.

- *Overall loss of college-age residents*
  After a decrease in young residents in the 18 to 24-age range between 1990 and 2000, from 9% to 5.5% of all residents, this population grew modestly to 916 residents or 6.2% of the population and has remained at about the same level according to the 2015 census estimates.

- *Young adults demonstrated a 36% decline in population between 1990 and 2010*
  Younger adults in the family formation stage of their lives, the 25 to 34-age category, decreased significantly during this period, dropping to 8.9% of the population in 2010 from 17.3% in 1990.

The 2015 census estimates suggest some resurgence of this age group to 1,694 residents or 11% of all residents.

- *Overall decreases in younger middle-age residents*
  Despite an increase of those in the 35 to 44-age range between 1990 and 2000, this population subsequently decreased from 20.1% of the population in 2000 to 15.1% in 2010 and then further to 13.3% according to 2015 census estimates.

While the total population grew by 24% between 1990 and 2010, the older middle-age population ages 45 to 64 increased by 80%. This demographic shift is significant and will have ramifications for housing needs and services over the next couple of decades as these residents continue to age.

- *Substantial growth in older middle-age population*

Influenced by the aging of the baby boom generation, those in the 45 to 64 age range increased from 22% in 1990 to 33% by 2010, or from 2,643 to 4,768 residents. The 2015 census estimates indicate continuing increases in this age group to 5,189 residents or 33.7% of the population.

This age group and those who are older had a substantial impact on the increase in median age, from 34.7 years in 1990 to 43.7 years in 2015.

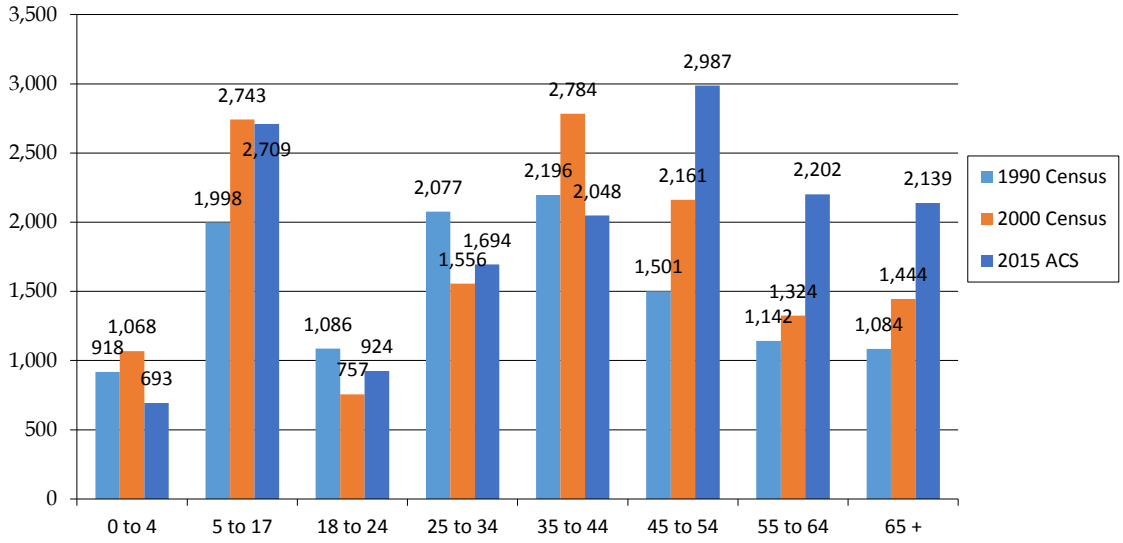
Table3-2: Age Distribution, 1990 to 2015

Age Range	1990		2000		2010		2015	
	#	%	#	%	#	%	#	%
Under 5 Years	918	7.6	1,068	7.7	760	5.1	693	4.5
5 – 17 Years	1,998	16.6	2,743	19.8	3,032	20.4	2,709	17.6
18 – 24 Years	1,086	9.0	757	5.5	916	6.2	924	6.0
25 – 34 Years	2,077	17.3	1,556	11.2	1,320	8.9	1,694	11.0
35 – 44 Years	2,196	18.3	2,784	20.1	2,251	15.1	2,048	13.3
45 – 54 Years	1,501	12.5	2,161	15.6	2,781	18.7	2,987	19.4
55 – 64 Years	1,142	9.5	1,324	9.6	1,987	13.3	2,202	14.3
65 – 74 Years	696	5.8	856	6.2	1,010	6.8	1,293	8.4
75 – 84 Years	266	2.2	451	3.3	619	4.2	677	4.4
85+ Years	122	1.0	137	1.0	216	1.5	169	1.1
Total	12,002	100.0	13,837	100.0	14,892	100.0	15,396	100.0
Under 18	2,916	24.3	3,811	27.5	3,792	25.5	3,402	22.1
Age 65+	1,084	9.0	1,444	10.4	1,845	12.4	2,139	13.9
Median Age	34.7 years		37.8 years		42 years		43.7 years	

Source: U.S. Census Bureau 1990, 2000 and 2010; 2015 American Community Survey 5-Year Estimates 2011-2015,

- ***Substantial increases in the population 65 years and over***
  Those 65 years of age and older grew by 70% between 1990 and 2010, and according to 2015 census estimates almost doubled from 1,084 residents in 1990 to 2,139. The growth is also demonstrated in the increase from 9% of all residents in 1990 to almost 14% by 2015.

Figure 3-2: Changes in Age Distribution: 1990 to 2015



MAPC "Status Quo" Projections

Table 3-3 offers population projections by age category for 2020 and 2030, comparing these figures to 2010 census results. Prepared by the Metropolitan Area Planning Council (MAPC), North Reading's regional planning agency, these projections assume a continuation of rates of births, deaths, migration and housing occupancy and estimate a population growth rate of 7.3%, or by 1,081 residents, by 2030 to 15,973 residents and continuing shifts in the age distribution. For example, those under the age of 20 are predicted to decrease from 27.3% to 21.1% of the total population, representing a 17% population loss of about 700 residents.

The projections further suggest a net increase of 270 residents in the 25 to 34 age range by 2030, or by 20%. Those in the 35 to 44 range are projected to grow by 11%, from 2,251 to 2,510 residents between 2010 and 2030, while those in the 45 to 54 age range are projected to decrease by 20%. Alternatively, the population of older middle-aged residents in the 55 to 64 range are expected to increase by almost 9%.

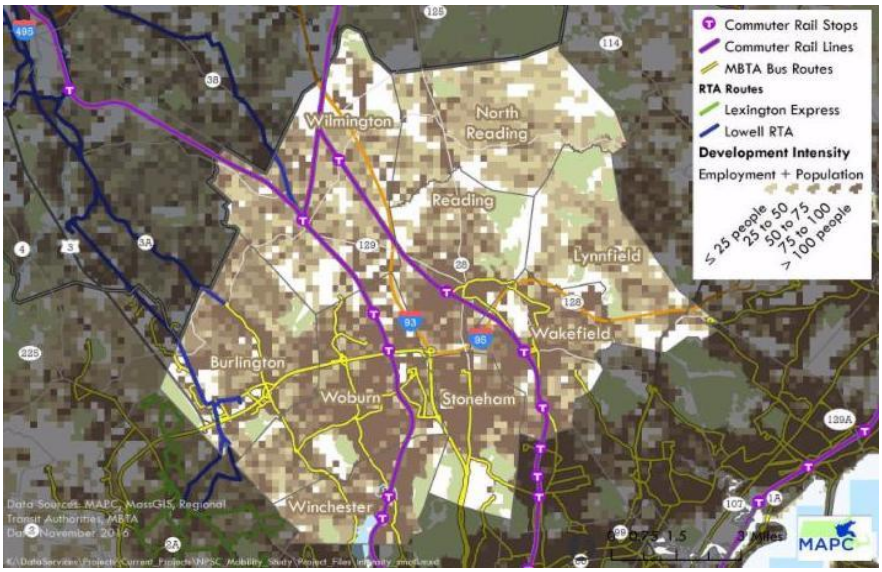
These projected population changes suggest the need for housing alternatives to accommodate the increasing population of seniors, such as more handicapped accessibility, housing with supportive services, and units without substantial maintenance demands. Additionally to maintain a diverse population, more affordable starter housing opportunities to attract young adults, including young families should be promoted both as rentals and first-time homeownership.

Those over 65 are estimated to increase from 12.4% of all residents in 2010 to 22.7% by 2030, representing a gain of 1,785 residents in this age category, in fact almost doubling in number.

Table 3-3: Age Distribution, 2010 Census and MAPC "Status Quo" Projections for 2020 and 2030

Age Range	2010 Census		2020 Projections		2030 Projections	
	#	%	#	%	#	%
Under 5 Years	760	5.1	670	4.4	747	4.7
5 – 19 Years	3,311	22.2	2,722	17.8	2,626	16.4
20 – 24 Years	637	4.3	674	4.4	488	3.1
25 – 34 Years	1,320	8.9	1,597	10.4	1,590	10.0
35 – 44 Years	2,251	15.1	2,145	14.0	2,510	15.7
45 – 54 Years	2,781	18.7	2,284	14.9	2,222	13.9
55 – 64 Years	1,987	13.3	2,629	17.2	2,160	13.5
65 – 74 Years	1,010	6.8	1,586	10.4	2,115	13.2
75 – 84 Years	619	4.2	746	4.9	1,194	7.5
85+ Years	216	1.5	248	1.6	321	2.0
Total	14,892	100.0	15,301	100.0	15,973	100.0
Under 20	4,071	27.3	3,392	22.2	3,373	21.1
Age 65+	1,845	12.4	2,580	16.9	3,630	22.7

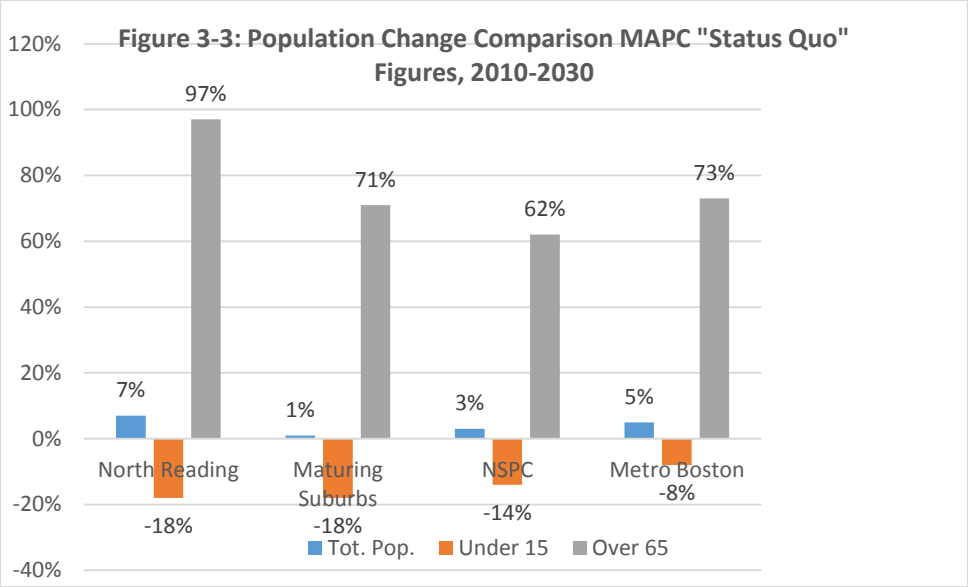
Source: Metropolitan Area Planning Council (MAPC), January 2014



North Suburban Planning Council Subregion

These projected demographic shifts are further presented in Figure 3-3, comparing projections for North Reading to other maturing suburbs in the state, the North Suburban Planning Council subregion,[12] and Metro Boston from 2010 to 2030. Estimates suggest that North Reading will experience a somewhat higher increase in total population, a comparable loss of children under 15 years of age to other maturing suburbs, and a greater increase of those over age 65.

[12] In addition to North Reading, MAPC's North Suburban Planning Council subregion includes the communities of Burlington, Lynnfield, Reading, Saugus, Stoneham, Wakefield, Winchester, Wilmington and Woburn.

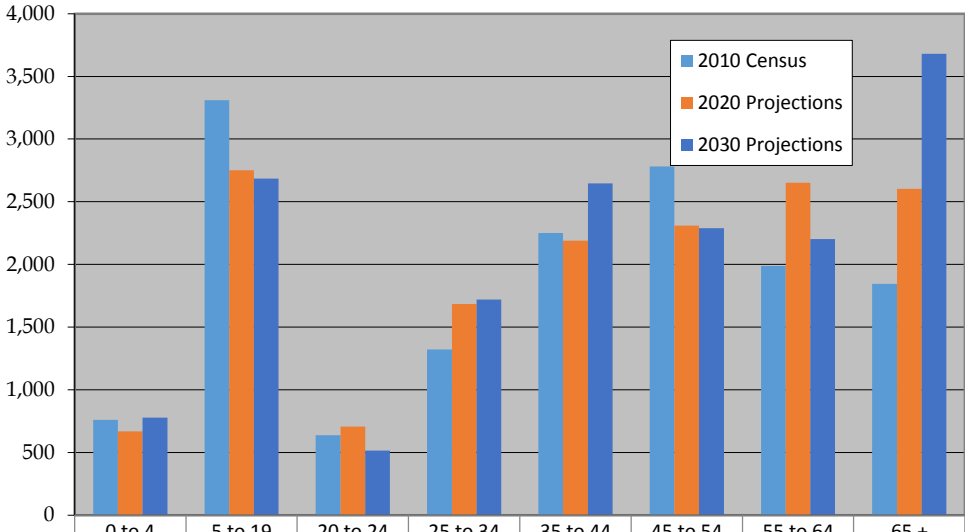


MAPC "Stronger Region" Projections

MAPC also provides "Stronger Region" projections based on the following assumptions:

- The region will attract and retain more people, especially young adults, than it does today;
- Younger households (born after 1980) will be more inclined toward urban living than their older counterparts and less likely to choose to live in single-family homes; and
- An increasing share of older adults will choose to downsize from single-family homes to apartments or condominiums.

Figure 3-4: Changes in Age Distribution: 2010 and MAPC "Stronger Region" Projections for 2020 and 2030



	0 to 4	5 to 19	20 to 24	25 to 34	35 to 44	45 to 54	55 to 64	65 +
2010 Census	760	3,311	637	1,320	2,251	2,781	1,987	1,845
2020 Projections	667	2,752	707	1,683	2,190	2,309	2,652	2,604
2030 Projections	778	2,685	514	1,719	2,647	2,288	2,201	3,679

These projections suggest an increase in total population to 15,564 residents by 2020 and then to 16,511 by 2030 representing a growth rate of 11% between 2010 and 2030. The "Stronger Region" figures estimate that those under age 20 will total 3,419 by 2020 (those under 15 totaling 2,513) and grow somewhat to 3,463 by 2030 (2,659 for those under age 15) for a population loss of 15% (loss of 13% for those under age 15). **Under the "Stronger Region" estimates, those 65 years of age or older are estimated to grow to 2,604 residents by 2020 and then to 3,679 residents by 2030 to comprise 22% of all residents with a growth rate of 99% between 2010 and 2030.**

State Data Center Projections

The State Data Center at the University of Massachusetts' Donahue Institute also prepares population projections, as summarized in Table 3-4. These estimates indicate a population growth rate of 15.2% between 2010 and 2030 compared to 11% for MAPC "Stronger Region" figures with a net increase of 2,268 residents. Like the MAPC estimates, the State Data Center indicates that those under age 20 will comprise 21% of all residents, down from 27.3% in 2010. On the other end of the age range, the State Data Center also projects major increases in those age 65 or older at 113% as opposed to 99% under MAPC "Stronger Region" estimates. The age cohorts in between demonstrate some similar fluctuations with a decrease in those between age 20 and 24, a modest increase in residents age 25 to 44, and notable declines in the 45 to 54 age range.

Table 3-4: Age Distribution, 2010 Census and State Data Center Projections, 2020 and 2030

Age Range	2010 Census		2020 Projections		2030 Projections	
	#	%	#	%	#	%
Under 5 Years	760	5.1	830	4.8	917	5.3
5 – 19 Years	3,311	22.2	2,694	15.7	2,714	15.8
20 – 24 Years	637	4.3	764	4.5	574	3.3
25 – 34 Years	1,320	8.9	1,749	10.2	1,918	11.2
35 – 44 Years	2,251	15.1	1,993	11.6	2,471	14.4
45 – 54 Years	2,781	18.7	2,466	14.4	2,204	12.8
55 – 64 Years	1,987	13.3	2,802	16.4	2,439	14.2
65 – 74 Years	1,010	6.8	1,592	9.3	2,162	12.6
75 – 84 Years	619	4.2	1,816	10.6	1,225	7.2
85+ Years	216	1.5	409	2.4	536	3.2
Total	14,892	100.0	17,115	100.0	17,160	100.0
Under 20	4,071	27.3	3,524	20.6	3,631	21.1
Age 65+	1,845	12.4	3,817	22.3	3,923	22.9

Source: University of Massachusetts, Donahue Institute, State Data Center.

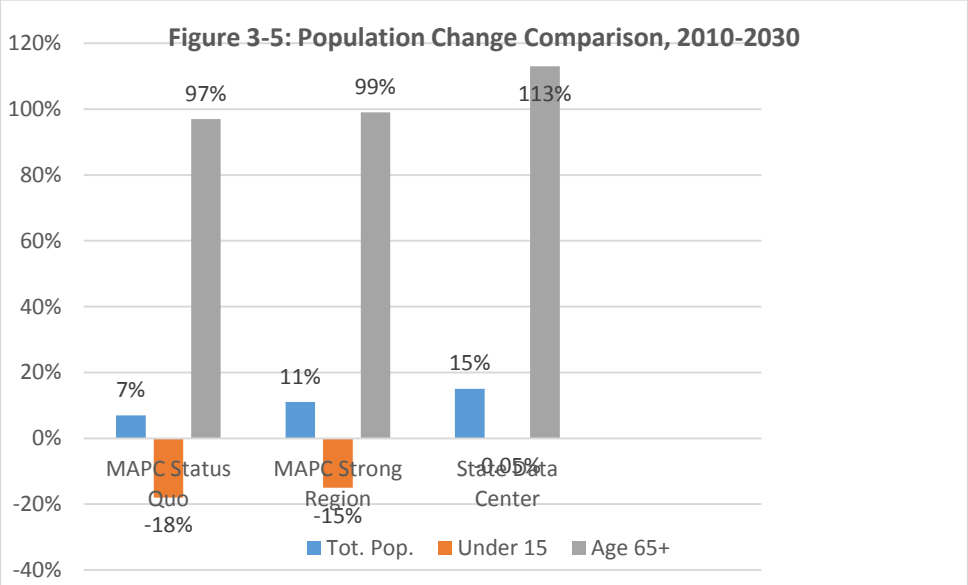
Table 3-5 and Figure 3-5 compare the two MAPC projections and the State Data Center figures. The two MAPC projections predict relatively similar proportionate distributions of children, those under 20 and those 65 and over but a lower population total under the "Status Quo" assumptions as opposed to the "Stronger Region" criteria. While the State Data Center predicts much greater population growth, it estimates a very similar distribution of ages to the MAPC projections.

The redevelopment of the State Hospital site into age-restricted ownership housing will likely result in population increases that more closely resemble MAPC's "Stronger Region" or State Data Center projections than the "Status Quo" scenario.

Table 3-5: Comparison of Population Projections, 2030

Age Range	MAPC Status Quo		MAPC Stronger Region		State Data Center	
	#	%	#	%	#	%
< Age 15	2,585	16.2	2,659	16.1	2,917	17.0
< Age 20	3,373	21.1	3,463	21.0	3,631	21.1
Age 65+	3,630	22.7	3,679	22.2	3,923	22.9
Total Pop	15,973	100.0	16,511	100.0	17,160	100.0

Sources: MAPC and the State Data Center at the Donahue Institute of the University of Massachusetts.



3.3 Racial Composition – Growing minority population

Table 3-6 presents data on the racial distribution of the population in North Reading indicating that the community has had limited but growing racial diversity with about 99% of the population describing themselves as White in 1990, down to 89.2% by 2015. The Asian population has grown ten-fold from 108 residents in 1990 to 1,094 in 2015. Black residents have almost quadrupled in number during this period with the Latino or Hispanic population more than doubling in number.

Table 3-6: Racial Information, 1990 to 2015

Population Characteristics	1990		2000		2010		2015	
	#	%	#	%	#	%	#	%
Total Population	12,002	100.0	13,837	100.0	14,892	100.0	15,396	100.0
White Population*	11,843	98.7	13,495	97.5	14,174	95.2	13,737	89.2
Minority Population	159	1.3	342	2.5	718	4.8	1,659	10.8
Asian Population*	108	0.9	180	1.3	397	2.7	1,094	7.1
Black Population *	36	0.3	55	0.4	84	0.7	148	1.0
Native American *	10	0.08	0	0.0	23	0.2	42	0.3
Some Other Race *	10	0.08	33	0.2	53	0.4	118	0.8
Those of 2+ races	--	--	67	0.5	149	1.0	257	1.7
Latino/Hispanic of any race **	85	0.7	102	0.7	231	1.6	179	1.2

Source: U.S. Census Bureau, Census 1990, 2000 and 2010 Summary File 3; 2015 American Community Survey 5-Year Estimates, 2011-2015 * Includes only those of that race ** Latino or Hispanic of any race.

3.4 Household Composition – Increasing numbers of smaller households and more seniors living alone

The trend towards fewer families and more non-family households, which include individuals and unrelated household members, is the norm in most communities, particularly those which are experiencing significant increases in older adults.

While North Reading's population grew by 24% between 1990 and 2010, the percentage of households increased by 34% from 4,065 to 5,439 households.[13] As shown in Table 3-7, the number of households is estimated to have decreased to 5,361 in 2015. **Family households decreased** from 80.6% of all households in 1990 to 73.6% in 2010 and then were estimated to increase somewhat to 75.9% by 2015.

Reflecting more smaller and non-family households, the average household size decreased from 2.90 to 2.71 persons between 1990 and 2010, once again more in line with expected trends towards more "child-free" and "child-delayed" families and especially increases in empty nesters as well as seniors. Female-headed households with children, typically among the most financially vulnerable in any community, increased between 1990 and 2010 and then were estimated to have dropped considerably in 2015 according to census estimates, from 196 to 106 such households. The average size of families has decreased somewhat between 1990 and 2010, from 3.27 to 3.22 persons, but jumped to 3.34 persons by 2015 according to census estimates.

Those living alone grew by 38% between 2000 and 2010, from 858 to 1,183 households, and then were estimated to decrease somewhat to 1,103 such households in 2015 or 18.9% of all households. These single-person households, who were headed by someone 65 years of age or older, increased by 44% between 2000 and 2010, and then were estimated to increase still more to 477 such households or 8.9% of all households by 2015, slightly lower than the 10.4% level for the county.

Table 3-7: Household Characteristics, 1990 to 2015

Household Type	1990		2000		2010		2015	
	#	%	#	%	#	%	#	%
Households	4,065	100.0	4,795	100.0	5,439	100.0	5,361	100.0
Families*	3,277	80.6	3,755	78.3	4,003	73.6	4,070	75.9
Married Couple Families*	2,826	69.5	3,303	68.9	3,449	63.4	3,610	67.3
Female Headed Families with Children <18 *	149	3.7	141	2.9	196	3.6	106	2.0
Non-families*	788	19.4	1,040	21.7	1,436	26.4	1,291	24.1
Living Alone	648	15.9	858	17.9	1,183	21.8	1,013	18.9
Living Alone 65 Years +	--	--	293	6.1	421	7.7	477	8.9
Average Household Size	2.90 persons		2.86 persons		2.71 persons		2.84 persons	
Average Family Size	3.27 persons		3.28 persons		3.22 persons		3.34 persons	

Source: U.S. Census Bureau, Census 1990, 2000 and 2010 Summary File 1; 2011-2015 American Community Survey 5-Year Estimates * Percent of all households

[13] The U.S. Census Bureau defines families as a householder and one or more persons living in the same household who are related by birth, marriage, or adoption.

It bears noting that the 1990, 2000, and 2010 census figures for population, age and household information is from actual counts and are therefore more reliable than the American Community Survey census estimates that are based on survey data with margins of error. Because these estimates provide updated information they are included in this analysis, but should be viewed also in consideration of past trends.

Table 3-8 examines the types of households by household size. Single-person households comprised a substantial portion of the population, 18.9% of all households by 2015 from 17.9% in 2000, but still lower than the 27.3% level for Middlesex County.

There were also increases in two-person households, growing from 1,393 households in 2000 to 1,784 by 2015, or from 29% to 33% of all households. These two-person households included both family and non-family households, and is much higher than the county's level of 6.2% in 2015. Large households of five (5) or more persons represented only about 11% of all households, down a bit from 12.4% in 2000 and higher than 8% for Middlesex County, once again reflective of the trend towards smaller households.

Table 3-8 Types of Households by Size, 2000 and 2010 Census and 2015 Estimates

Households by Type and Size	2000		2010		2015	
	#	%	#	%	#	%
Nonfamily Households	**1,040**	**21.7**	**911**	**18.1**	**1,291**	**24.1**
1-person	858	17.9	805	16.0	1,015	18.9
2-persons	160	3.3	76	1.5	276	5.1
3-persons	14	0.3	30	0.6	0	0.0
4-persons	4	0.08	0	0.0	0	0.0
5-persons	3	0.06	0	0.0	0	0.0
6-persons	0	0.0	0	0.0	0	0.0
7+ persons	1	0.02	0	0.0	0	0.0
Family Households	**3,755**	**78.3**	**4,115**	**81.9**	**4,070**	**75.9**
2-persons	1,233	25.7	1,652	32.9	1,508	28.1
3-persons	932	19.4	559	11.1	894	16.7
4-persons	998	20.8	1,331	26.5	1,070	20.0
5-persons	430	9.0	459	9.1	378	7.1
6-persons	115	2.4	90	1.8	147	2.7
7+ persons	47	1.0	24	0.5	73	1.4
Total Households	**4,795**	**100.0**	**5,026**	**100.0**	**5,361**	**100.0**

Sources: U.S. Census Bureau, 2000 Census, Summary File 3, and American Community Survey Five-Year Estimates for 2006-2010 and 2011-2015. Because the 2010 figures reflect sample data, they are somewhat different than the actual counts included in Table 3-7.

Table 3-9 breaks down household census information by whether the household includes someone 65 years of age or older as well as household size. The number of households with seniors increased from 964 or 20% of all households in 2000 to 1,501 or 28% of all households in 2015. Of these households, 1,024 were in two-person families, about double the number of single persons living alone at 477 individuals. Almost 60% of all households involved younger residents living as part of a family.

Table 3-9 Types of Households by Size and Age, 2000 and 2010 Census and 2015 Estimates

Households by Type and Size	2000		2010		2015	
	#	%	#	%	#	%
Households with one or more persons 65 years +	**964**	**20.1**	**1,072**	**21.3**	**1,501**	**28.0**
1-person	293	6.2	280	5.6	477	8.9
2 +-persons (Families) (Non-families)	671 (646) (23)	14.0 (13.5) (0.5)	792 (792) (0)	19.7 (15.8) (0.0)	1,024 (931) (93)	19.1 (17.4) (1.7)
Households with no persons 65 years +	**3,831**	**79.9**	**3,954**	**78.7**	**3,660**	**68.3**
1-person	565	11.8	525	10.4	538	10.0
2+ persons (Families) (Non-families)	3,266 (3,107) (159)	68.1 (64.8) (3.3)	3,429 (3,323) (106)	68.2 (66.1) (2.1)	3,322 (3,139) (183)	62.0 (58.6) (3.4)
Total Households	**4,795**	**100.0**	**5,026**	**100.0**	**5,361**	**100.0**

Sources: U.S. Census Bureau, 2000 Census, Summary File 3, and American Community Survey Five-Year Estimates for 2006-2010 and 2011-2015. Because the 2010 figures reflect sample data, they are somewhat different than the actual counts included in Table 3-7.

Both population and household growth projections suggest that there are growing numbers of smaller households with increasing numbers headed by adults in the 30 to 44 age range and those 60 years or older. Many of these households will likely prefer smaller units in more diverse settings that incorporate amenities and walkability.

MAPC "Status Quo" projections indicate that the number of households in North Reading will increase to 6,061 by 2020 and 6,575 by 2030, a 21% increase from 2010 and substantially higher than the 7% projected population increase during this period.[14] These "Status Quo" projections assume continuing patterns of births, deaths, in- and out-migration, and occupancy patterns. This is due to the significant projected increase in smaller families and non-family households, driven largely by an aging population.

MAPC "Stronger Region" projections suggest even higher growth to 6,171 households by 2020 and 6,802 by 2030 or by 25% compared to population growth projections of 11%

[14] Based on MAPC "Stronger Region" and "Status Quo" projections that both estimate an 11% population increase between 2010 and 2030.

since 2010. These household projections are summarized In Table 3-10 by age range.[15] **While households with householders in the 45 to 59 age range are projected to decline by 19%, those with older heads are predicted to increase by 89%.**

Table 3-10: MAPC Household Projections by Age of Householder, 2010 to 2030

Age Range	2010	2020	2030	Change 2010-2030	% Change 2010-2030
15-29 Years	313	397	334	21	7%
30-44 Years	1,378	1,419	1,704	326	24%
45-59 Years	2,142	2,015	1,731	-411	-19%
60 + Years	2,142	2,341	3,033	1,427	89%
Total	5,439	6,171	6,802	1,363	25%

Source: MAPC "Stronger Region" Projections

[15] See Section 3.2 for the assumptions regarding the "Stronger Region" projections.

4. Economic Profile

This section examines income, employment and educational data to address the following questions:

- What changes in income levels have occurred and how does this relate to housing affordability?
- Are there growing income disparities among residents?
- What are the trends toward educational attainment that can affect employment and housing opportunities?
- What proportion of the population is disabled or has other special needs that limit their employment options and income?

In general incomes, educational attainment, and economic disparities have been increasing.

4.1 Incomes – Relatively high income levels but notable income disparities

Table 4-1 presents income data based on census estimates over the past several decades, also visually presented in Figure 4-1. Incomes have increased significantly over the years with the **median household income level increasing by 134% since 1989, from $52,707 to $123,103 by 2015, much higher than the rate of inflation during this period of 91%**. In comparison, the median household income for the state as a whole, while somewhat lower, increased by 86%, from $36,952 to $68,563 during this same period. North Reading's median household income level is also considerably higher in comparison to Middlesex County, at $85,118, as well as most of North Reading's neighbors including $107,654 in Reading, $100,286 in North Andover, and $118,828 for Lynnfield.

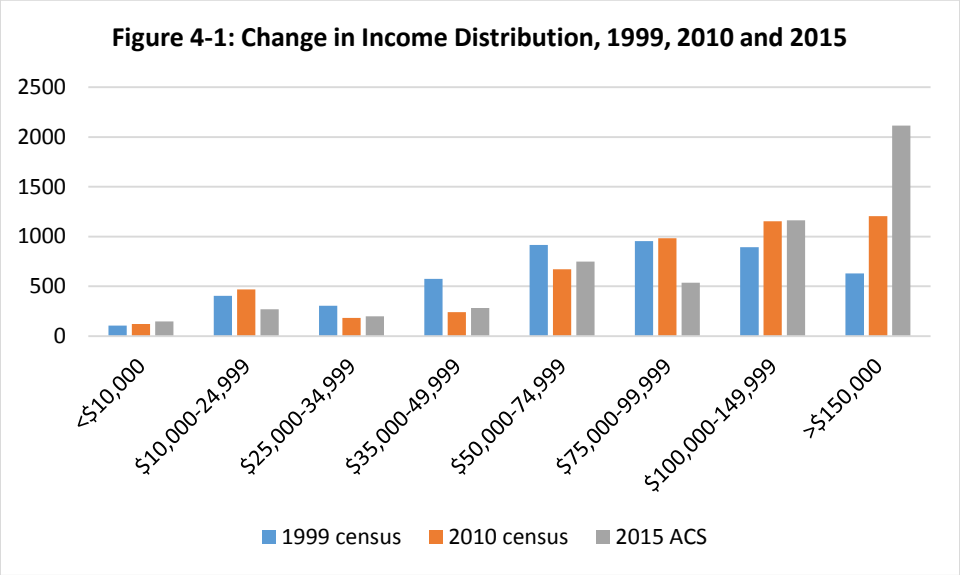
Table 4-1: Household Income Distribution, 1989-2015

	1989		1999		2010		2015	
Income Range	**#**	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Under $10,000	191	4.7	105	2.2	121	2.4	146	2.7
$10,000-24,999	428	10.5	403	8.5	470	9.4	269	5.0
$25,000-34,999	1,258	30.9	306	6.4	181	3.6	200	3.7
$35,000-49,999	821	20.2	576	12.0	240	4.8	281	5.2
$50,000-74,999	1,260	30.9	917	19.2	672	13.4	749	14.0
$75,000-99,999	619	15.2	954	19.9	982	19.5	536	10.0
$100,000-149,999	316	7.8	893	18.7	1,154	23.0	1,165	21.7
$150,000-199,000			366	7.7	703	14.0	851	15.9
$200,000 or more			264	5.5	503	10.0	1,164	21.7
Total	4,072	100.0	4,784	100.0	5,026	100.0	5,361	100.0
Median Household Income	$52,707		$76,962		$96,016		$123,103	

Source: U.S. Census Bureau, Census 1990 and 2000 Summary File 3; American Community Survey 5-Year Estimates for 2006-2010 and 2011-2015.

The growing prosperity of North Reading's residents is also reflected in the increasing proportion and numbers of those earning more than $100,000, going from 7.8% of all households in 1989 to 59.3% by 2015, compared to about 34% for the state and 43% for Middlesex County. Figure 4-1 clearly shows the surge in this income group.

Figure 4-1



While many in the community continue to prosper, there are some who are struggling financially. For example, based on 2015 census estimates, 615 households or 11.4% of all households earned less than $35,000.

A comparison of 2000 and 2015 income distributions for both owners and renters is provided in Table 4-2. About one-third of renters earned less than $35,000 in 2015, more than four times the percentage of homeowners in this income range. On the other hand, about 64% of the homeowners earned more than $100,000 compared to only about 4% of renters. The disparity of incomes by tenure is also reflected in median income levels of $52,917 and $131,382 for renters and owners, respectively; up considerably from the 2000 median income levels of $35,081 and $81,422.

Table 4-2: Income Distribution by Owner and Renter Households, 2000 and 2015

Income Range	Renters				Homeowners			
	2000		2015		2000		2015	
	#	%	#	%	#	%	#	%
Under $10,000	54	11.8	13	1.9	66	1.5	133	2.8
10,000-24,999	124	27.1	87	12.6	302	7.0	176	3.8
25,000-34,999	50	10.9	122	17.7	256	5.9	78	1.7
35,000-49,999	100	21.8	60	8.7	449	10.4	221	4.7
50,000-74,999	77	16.8	135	19.5	847	19.5	614	13.1
75,000-99,999	36	7.9	70	10.1	914	21.1	466	10.0
100,000-149,999	0	0.0	104	15.1	875	20.2	1,061	22.7
150,000 +	17	3.7	100	14.5	628	14.5	1,915	41.0
Total	458	100.0	691	100.0	4,337	100.0	4,670	100.0

Source: U.S. Census Bureau, 2000 Census and 2015 American Community Survey 5-Year Estimates.

Table 4-3 shows how age affects household income. For example, about two-thirds of those households in the 25 to 44 age range were earning over $100,000 compared to about 72% in the 45 to 64 range.

Nevertheless, it is somewhat surprising to see that about half of those in the 25 to 44 range and relatively early in their careers were earning more than $150,000. **Only 23% of those 65 years or older were earning above $100,000 as many in this age range are retired and living on fixed incomes**. On the other end of the income range, those earning less than $35,000 involved 2.6% of households in the 25 to 44 age range, 7.6% of those 45 to 64 years old, 30% of those 65 years of age or older. It is interesting to note that there were no households with heads of under 25 years of age included in the census figures.

Table 4-3: Income Distribution by Age of Householder, 2015

	Under 25 Years		25 to 44 Years		45 to 64 Years		65 Years and Over	
Income Range	**#**	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Under $10,000	0	0.0	0	0.0	71	2.7	75	5.9
10,000-24,999	0	0.0	29	2.0	78	2.9	160	12.7
25,000-34,999	0	0.0	8	0.6	53	2.0	139	11.0
35,000-49,999	0	0.0	74	5.1	116	4.4	91	7.2
50,000-74,999	0	0.0	104	7.2	241	9.1	304	24.1
75,000-99,999	0	0.0	145	10.1	194	7.3	197	15.6
100,000-149,999	0	0.0	295	20.5	670	25.2	200	15.8
150,000 +	0	0.0	687	47.6	1,234	46.4	94	7.4
Total	0	0.0	1,442	100.0	2,657	100.0	1,262	100.0

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates for 2011-2015.

Table 4-4 provides median income levels for various types of households in 2015. **Not surprisingly, incomes were highest for men, families, and homeowners.** North Reading's per capita income was $49,386 in 2015, higher than the county and state levels of $44,152 and $36,895, respectively. The median income of families was substantially higher than non-families, $144,152 versus $50,795, a finding highly correlated with the greater prevalence of two worker households in families. When looking at the age of the householder, the median income of seniors 65 years of age or older was $59,739. **It is interesting that the median incomes of households with younger workers was comparable to those with older middle-aged workers at $141,900 and $142,301, respectively.**

Table 4-4: Median Income by Household Type, 2015

Type of Household/Householder	Median Income
Individual/Per capita	$49,386
Households	$123,103
Families	$144,451
Nonfamilies*	$50,795
Male full-time workers	$92,847
Female full-time workers	$64,828
Renters	$52,917
Homeowners	$131,382
Householder less than age 25	--
Householder age 25 to 44	$141,900
Householder age 45 to 64	$142,301
Householder age 65 or more	$59,739
Veterans	$49,432

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates for 2011-2015.
*Includes persons living alone and unrelated households members.

Additionally, 1,456 residents were obtaining Social Security benefits with an average benefit of $18,128. Another 997 residents received some other retirement income representing an average of $28,163 in income.

4.2 Poverty – Relatively low but increasing

Table 4-5 indicates that poverty, while low in comparison to county and state levels of 8.3% and 11.6%, respectively, has fluctuated significantly over the past several decades but in general has grown.[16] Census estimates indicate that poverty grew from 2.1% in 1989 to 3.3% by 2015, doubling in the number of residents living in poverty to 508 residents from 246. Poverty among families increased from 1.1% in 1989, to 3.8% by 2010, and then was estimated to decrease to 1.3% by 2015. While the numbers of female-headed households in North Reading is relatively low, estimated to have decreased from 196 to 106 such households between 2010 and 2015, this data suggests the numbers living in poverty declined from 56 to zero during this period. Poverty for children declined overall from 2.7% in 1989, down considerably to 0.4% by 1999, and then subsequently increased to 1.4% by 2015. **There have been fluctuations in the poverty rate among those 65 years of age or older, but overall it decreased from 13.9% in 1989, to 8.4% by 2010, and then was estimated to have decreased further to 6.3% by 2015, involving 135 residents.**

Table 4-5: Poverty Status, 1989-2015

	1989		1999		2010		2015	
	#	%	#	%	#	%	#	%
Individuals *	246	2.1	204	1.5	685	4.6	508	3.3
Families **	36	1.1	25	0.7	152	3.8	53	1.3
Female Headed Families ***	17	11.4	17	10.6	56	28.4	0	0.0
Related Children Under 18 Years ******	79	2.7	15	0.4	99	2.6	48	1.4
Individuals 65 and Over********	151	13.9	37	2.8	155	8.4	135	6.3

Source: U.S. Census Bureau, Census 1990 and 2000 Summary File 3; American Community Survey 5-Year Estimates for 2006-2010 and 2011-2015. * Percentage of total population
** Percentage of all families *** Percentage of all female-headed families with children under 18
**** Percentage of all related children under 18 years ***** Percentage of all individuals age 65+

An estimated 206 residents, or about 4% of all residents, received Food Stamp/Supplemental Nutritional Assistance Program (SNAP) benefits, requiring a maximum gross income within 130% of the poverty level and a net income at the poverty level, adjusted by household size.

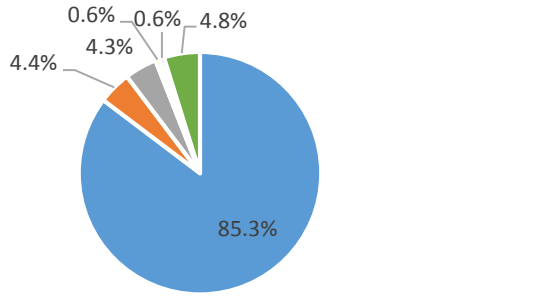
4.3 Employment – Diverse economic base

Of those 12,482 North Reading residents over the age of 16 in 2015, 8,725 or approximately 70% were in the labor market and 8,238 or about two-thirds were employed in 2015 according to census estimates. This data suggests an unemployment rate for town residents of 3.9% which was just a bit lower than the 4% rate reported by the state's Executive Office of Labor and Workforce Development for 2015. Since 2015, the state indicates that unemployment rates decreased to 2.3% as of the end of 2016. This level was a bit lower than Boston's at 2.5% but higher than Reading and Lynnfield's at 2.0% and 2.1%, respectively, and the same as North Andover, for example.

[16] The federal poverty levels for 2016 were $11,880 for a single individual and $20,160 for a family of three (3).

Census figures further indicate that 4,939 workers, or 61% of those 8,125 North Reading residents who were employed, worked in Middlesex County with 3,082 or 39% working outside of the County that included 104 who worked out of state.

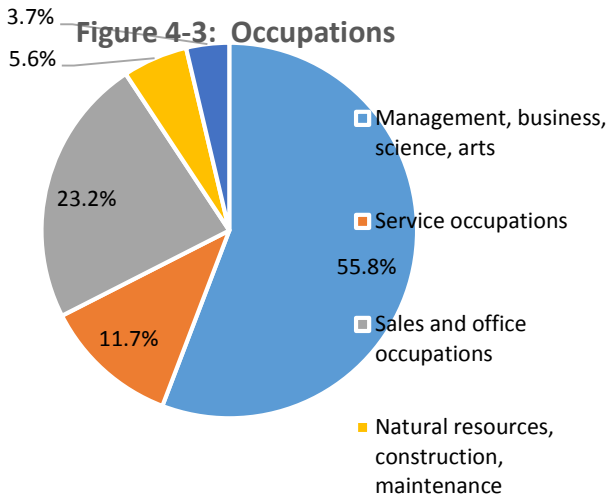
Figure 4-2: Means of Commuting to Work



As shown in Figure 4-2, 85.3% of workers drove alone to work, another 4.4% carpooled, and 4.3% used public transportation according to the 2015 census estimates. The closest commuter rail stations are in Wilmington, Woburn and Reading.

The 2015 Census Bureau's American Community Survey data also provided information on the concentration of North Reading workers by industry, indicating that **56% of residents in the labor force were involved in management or professional occupations, which explains the relatively high income levels in the community**. Another 23% were in sales and office occupations, and the remainder in service occupations (11.7%) and a mix of other occupations as shown in Figure 4-3. An estimated 85.3% were wage and salaried workers, another 10.3% were government workers, and 4.4% were self-employed.

Figure 4-3: Occupations



Detailed labor and workforce data from the state on employment patterns for those who work in North Reading is presented in Table 4-6. This information shows an average employment of 8,396 workers and a diverse range of enterprises.

The data indicates that manufacturing and warehousing/transportation have the highest numbers of employees, also with significant employment in the construction, retail trade, professional and technical services, as well as food service sectors. There are 549 businesses in town that provide $600 million in

Despite a relatively high average weekly wage, many of those working in North Reading would still likely find it challenging to live in the community unless they were long-term residents or had other sources of income given high housing costs.

total wages. The average weekly wage was $1,372 which approximates an annual wage of about $71,600. This average weekly wage was about 78% of Boston's of $1,770, but considerably higher than $781 for Reading, $1,091 for North Andover, and $915 for Lynnfield, for example.

Table 4-6: Average Employment and Wages by Industry, 2015

Industry	# Establishments	Total Wages	Average Employment	Average Weekly Wage
Construction	91	$64,056,350	760	$1,621
Manufacturing	13	$233,358,262	1,460	$3,074
Wholesale Trade	29	$36,418,994	383	$1,829
Retail Trade	52	$20,825,488	578	$693
Transportation/Warehousing	17	$85,978,061	2,075	$797
Information	12	$9,234,555	141	$1,259
Finance/Insurance	27	$11,320,226	172	$1,266
Real Estate/Rental/Leasing	10	$2,714,331	36	$1,450
Professional/Technical Services	77	$31,760,079	423	$1,444
Management of Companies	3	$9,844,445	113	$1,675
Administrative/Waste Services	37	$21,554,700	329	$1,260
Health Care/Social Assistance	59	$15,912,286	389	$787
Arts/Entertainment/Recreation	11	$2,518,979	129	$376
Accommodation/Food Services	32	$11,960,965	605	$380
Other Services	62	$7,333,187	253	$557
Total	**549**	**$599,216,964**	**8,396**	**$1,372**

Source: Massachusetts Executive Office of Labor and Workforce Development, February 27, 2017/**Shaded areas involve industries with an average employment of more than 400 workers.**

4.4 Education – Relatively high educational attainment and declining school enrollment

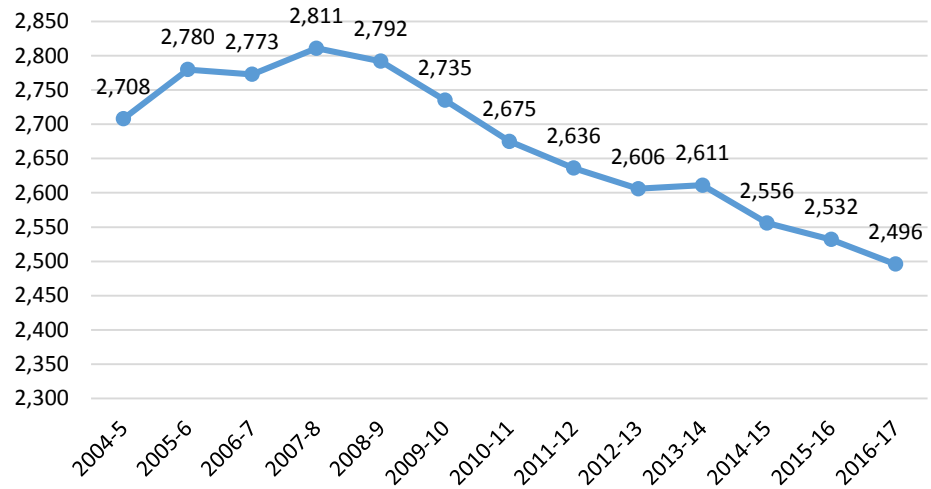
North Reading residents have a high level of educational attainment that is correlated with the higher income levels in the community. For example, the percentage of those having a high school diploma is higher in North Reading, at 96.9%, compared to county and state levels of 92.4% and 89.8%, respectively. Likewise, 51% had completed a bachelor's degree as of 2015, higher than 40.5% for the state but a bit lower than 52% for the county. Educational attainment has also been increasing, up considerably from 92.2% and 41.0% with at least high school or college degree in 2000, respectively.

Those enrolled in school (nursery through graduate school) in 2015 totaled 3,820 residents or 24.8% of the population, and those enrolled in preschool through high school totaled 2,967 students, representing 19.3% of all residents. The 2000 census figures indicate somewhat more students in preschool through high school with 3,118 students or 22.5% of the population.

The North Reading Public School District reported a student enrollment of 2,496 students for the 2016-2017 school year, down from 2,811 students in 2007-2008 when enrollments were at their highest as shown in Figure 4-4. Enrollment projections from the New England School Development Council

(NESDEC) from October 2017 suggest continuing declines to 2,396 students by 2027. These enrollment projections are being reworked given some recent increases in enrollment.

Figure 4-4: School Enrollment, 2004/05 to 2016/17



4.5 Disability Status[17] – Somewhat lower proportion of special needs residents except for children

Of all North Reading residents in 2015, 1,135 or 7.4% claimed a disability, lower than the 9.0% and 11.5% levels for the county and state, respectively, but still representing significant special needs within the North Reading community. While a bit lower overall, the North Reading level is somewhat higher for those under age 18 at 5.0% as compared to 3.4% for the county and 4.6% for the state. Disabilities among those over the age of 18 are lower in North Reading when compared to the county and state, however almost one-quarter of all seniors claimed some type of disability. These special needs will also likely increase with the significant projected increases of those 65 years of age or older. Moreover, the high housing cost burdens experienced by some of the non-elderly, non-family single individuals (see Table 5-15) is likely partially explained by those with disabilities who live primarily on Social Security and are typically some of the most hard-pressed residents to find affordable housing that meets their needs.

Table 4-7: Population Five Years and Over with Disabilities for North Reading, Middlesex County and the State, 2015

Age Range	North Reading		Middlesex County	Massachusetts
	#	%	%	%
Under 18 years	169	5.0	3.4	4.6
18 to 64 years	489	5.0	6.3	8.9
65 years +	477	23.2	30.9	33.4
Total	1,135	7.4	9.0	11.5

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates. Includes those in the civilian, noninstitutionalized population.

[17] Disabled households contain at least one or more persons with a mobility or self-care limitation. It should also be noted that the term "disabled" is being replaced by some within the housing community with "people first" terminology as those with special needs are interpreted to be the people first who need affordable, available and/or accessible housing.

Additional information on the types of disabilities for local seniors is summarized in Table 4-8, comparing North Reading estimates to those of the state based on Tufts Health Plan Foundation's Healthy Aging Community Profile. Compared to the state, those 65 years and older who live in North Reading do better on average on almost all of the disability levels. The report further indicates that North Reading is a somewhat walkable community (meaning that there are some parts of town with pedestrian access) and older residents have lower rates of depression, COPD, hypertension, arthritis, and osteoporosis but higher rates of glaucoma. They have fewer emergency department visits and take less than the state average number of prescription medications.

As the population continues to age, services from the Council on Aging and other area service providers will become increasingly important, including the potential need for more assisted living options.

Table 4-8: Types of Disabilities

Population Characteristics	North Reading Estimates	State Estimates
% disabled for a year or more	33.9%	31.0%
Hearing impairment % 65-74/% 75+	7.3%/9.6%	7.4%/21.2%
Vision impairment % 65-74/% 75+	3.3%/0.0%	3.2%/9.3%
Cognition impairment % 65-74/% 75+	2.1%/0.0%	4.7%/12.1%
Ambulatory impairment % 65-74/% 75+	10.8%/15.7%	12.9%/29.4%
Self-care impairment % 65-74/% 75+	3.2%/5.7%	3.7%/12.2%
Independent living impairment % 65-74/% 75+	1.3%/13.3%	7.2%/24.3%

Source: Tufts Health Plan Foundation, updated March 2015

5. HOUSING PROFILE

This section of the Housing Needs Assessment summarizes housing characteristics and trends, analyzes the housing market from a number of different data sources and perspectives, compares what housing is available to what residents can afford, summarizes what units are defined as affordable by the state, and establishes the context for identifying priority housing needs. In general, North Reading's housing stock is predominated by single-family homes with increases in multi-family units in the context of very low vacancy rates and increasing housing costs.

5.1 Housing Growth – Recent slowdown in housing growth although increases in multi-family development

Figure 5-1 shows North Reading's historic housing growth, indicating that only about 7% of the Town's housing predates World War II. Development was the highest In the 1950s and 1990s at 959 and 906 units, respectively, with residential construction ranging from 719 to 838 units during the decades in between. Since 2000 development has slowed significantly to 576 units built between 2000 and 2009 and only 64 units after that based on 2015 census estimates.

This data from the Census Bureau's American Community Survey (ACS) provides somewhat different housing growth figures than the census counts in Table 5-2, which for example indicates that 763 units were built between 2000 and 2009, higher than the 576 unit total from in the ACS estimates. If you add the figures for 1990 through 2009 you get a fairly comparable total of 1,458 and 1,482 units through actual census counts and the ACS data, respectively. Moreover, Table 5-2 shows a total of 58 units built between 2010 and 2015, not too far off from the ACS data with 64 new units.

Figure 5-1: Number Units Built

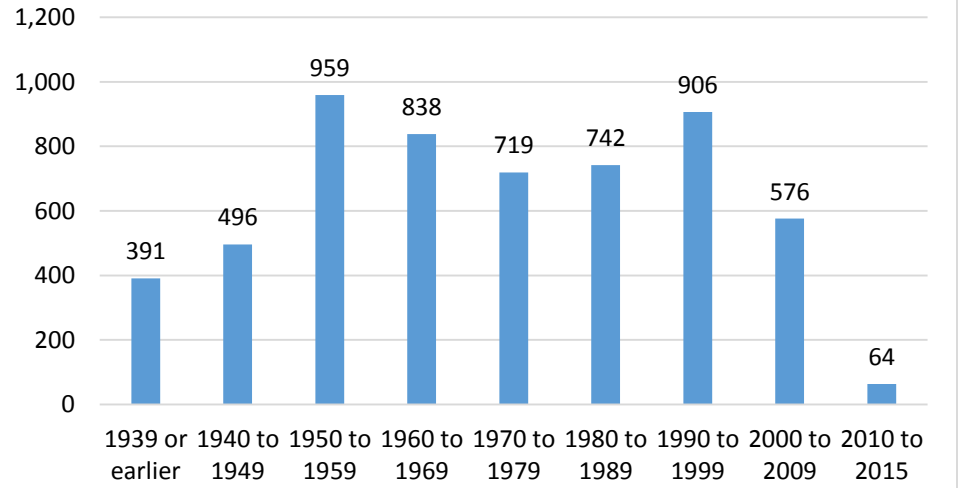


Table 5-1 provides information on the number of residential building permits for new single-family homes issued annually since 2000, with some marked fluctuations but an overall decline in building activity in general, from an average of 32 annual permits between 2000 and 2010 to a 22-permit average between 2011 and 2016. The highest number of units permitted occurred between 2002 and 2004. Building activity fell off following the recession in 2008 and 2009 then increased somewhat in 2014 with the lowest building activity occurring in 2015 with just 11 new homes.

The per unit average annual valuations fluctuated only modestly with the average about $300,000 over the entire period.

Table 5-1: Residential Building Permits for Single-family Homes, 2000 through 2016

Year	# Building Permits for New Units	Total Valuation	Average Valuation/Unit
2000	38	$10,890,800	$286,600
2001	33	$11,185,425	$338,952
2002	43	$11,607,615	$269,945
2003	43	$14,574,700	$338,947
2004	41	$12,091,400	$294,912
2005	32	$10,817,800	$338,056
2006	31	$8,496,244	$274,072
2007	31	$8,348,800	$269,316
2008	18	$4,375,700	$243,094
2009	19	$5,291,367	$278,493
2010	22	$7,204,400	$327,473
Subtotal	*351* *Average of 32 /year*	*$104,884,251*	*$298,815*
2011	17	$5,249,200	$308,776
2012	17	$5,264,500	$309,676
2013	27	$9,446,886	$349,885
2014	29	$8,414,500	$290,155
2015	11	$3,156,800	$286,982
2016	29	$7,472,000	$257,655
Subtotal	*130* *Average of 22/year*	*$39,003,886*	*$300,030*
Total	**481**	**$143,888,137**	**$299,144**

Source: University of Massachusetts, Donahue Institute, State Data Center and North Reading Building Department
Note: All units are single-family unless otherwise noted.

The total new units in Table 5-1 is complicated by teardown activity. Consequently, the actual net new units produced is not the same as the new building permit number included in Table 5-1. **The replacement of older more modest homes by larger expensive ones has become a significant component of the community's market dynamic**. Based on data from North Reading's Building Department, there were approximately 93 demolition permits issued since 2008 by the Town and all are likely to involve replacement housing involving 19% of the new residential permits identified in Table 5-1. This means that instead of 481 new single-family units built since 2000, it was likely closer to 388 units. Subtracting out the teardowns, net new housing units per year since 2011 are averaging 13 homes instead of 22. This would bring the total number of units as of 2016 to 5,782 units.

Some significant development of multi-family housing also occurred during this period including:

- Central Place, a 55 and over condo development, includes 26 units on Central Street. This project was developed through the Chapter 40B comprehensive permit process with seven affordable units.
- Whittridge Place Condos is a 36-unit development on Mt. Vernon Street. Also permitted through Chapter 40B, the project includes nine affordable units.
- A total of 14 market units was built as part of the Ipswich River Townhome development on Haverhill Street.

- Another 14 units were built on Pilgrim Road. Known as Edgewater Place, the project also involved a comprehensive permit and includes four affordable units.
- A total of 28 units was included as part of the Rowe Farm development on Elm Street with seven affordable units permitted through Chapter 40B.
- Eleven buildings and 406 units of rental housing were built at the Edgewood Apartments project at 100 Lowell Road that was occupied in 2008. Lincoln Properties developed the project as part of a Chapter 40R Smart Growth Zoning Overlay District, and all of the units are counted as affordable in North Reading's Subsidized Housing Inventory (SHI).

This information suggests that a total of 524 multi-family units were created during the last decade, including 433 affordable ones,[18] bringing the total number of units building since 2000 to 1,012, higher than the 821 units included in the census counts in Table 5-2 and much more than the census estimates in Figure 5-1. When considering teardown activity, the net new units built between 2000 and 2015 is closer to 950 units.

As to future housing growth, the Metropolitan Area Planning Council (MAPC) projects that the number of housing units will increase from 5,633 units in 2010 to 6,291 in 2020 and 6,816 by 2030. This suggest the addition of 1,183 net new units and representing a 21% rate of growth over these decades. These projections were based on MAPC's "Status Quo" projections that assume continuing trends towards births, deaths, in- and out-migration and occupancy patterns. Their "Stronger Region" projections suggest greater housing growth to 6,405 units by 2020 and 7,050 by 2030 and a growth rate of 25% based on a projected increase of 1,417 units between 2010 and 2030.[19] Certainly the redevelopment of the State Hospital site will contribute to these significant unit increases.

MAPC also recently prepared some calculations regarding undeveloped land that suggested that there were 118 parcels, comprising 232.5 acres, which were classified as developable or potentially developable land in residential, commercial and industrial districts. There are also some parcels classified as vacant municipal land which will require further analysis to determine potential use for some amount of affordable housing. Further buildout analysis of these parcels should be considered in an effort to update previous projections.

5.2 Housing Occupancy – High level of owner-occupancy and very low vacancy rates

Besides total housing unit figures, Table 5-2 includes a summary of housing characteristics from 1990 through 2015 that indicates the following major trends:

- *High level of owner-occupancy*
  Of the 5,633 total housing units in 2010, North Reading had 5,597 year-round units[20] of which 5,439 or 96.6% were occupied, reflecting low vacancies. Of the occupied units, 4,608 or 84.7% were owner-occupied compared to 62% for Middlesex County and the state. The 2015 census estimates indicate an increase of 62 owner-occupied units for a total of 4,670 units or 87% of the housing stock, not far off from 88.3% in 1990. In fact **about three-quarters of housing growth occurred in the owner-occupied supply between 1990 and 2010** with a growth rate of 28%. The

[18] The actual number of affordable units is 102 as 304 market units were included in the SHI for Edgewood.
[19] See Section 3.2 for a description of the "Stronger Region" assumptions.
[20] The year-round figure (5,597 units) is the one used under Chapter 40B for determining the 10% affordability goal and annual housing production goals. It is calculated by subtracting the seasonal or occasional units (36) from the total number of units (5,633) per the 2010 census. The figure will be readjusted when the results of the 2020 census are released.

2015 census estimates suggest an increase of 62 owner-occupied units since 2010, lower than the 101 single-family building permits that were issued between 2011 and 2015.

- *Significant rental housing growth*
  Census data indicates that renter-occupied units grew by 75% between 1990 and 2010, from 474 to 831 units, while total occupied housing growth was 34%. This new development was largely a product of the 406 new units created as part of the Edgewood Apartments. **While a relatively small segment of the housing stock, at about 15% of all occupied units, rentals represented about one-quarter of the new housing growth between 1990 and 2010.** The 2015 census estimates indicate a loss of 140 rental units between 2010 and 2015 which is highly questionable.

- *Decrease in persons per unit*
  The average number of persons per unit declined between 1990 and 2010, from 3.00 persons to 2.87 persons for owner-occupied units and from 2.15 persons to 1.82 persons for rental units. The 2015 census estimates suggest some increase in both these averages which is surprising and questionable. These low average occupancy levels reflect local, regional and national trends towards smaller households and relate to the change in the average household size in North Reading from 2.90 persons in 1990 to 2.71 in 2010 and then to 2.84 persons by 2015 (representing another questionable reversal of past trends).

Table 5-2: Housing Occupancy, 1990 to 2015

Housing Characteristics	1990		2000		2010		2015	
	#	%	#	%	#	%	#	%
Total # Housing Units	4,175	100.0	4,870	100.0	5,633	100.0	5,691	100.0
Occupied Units*	4,065	97.4	4,795	98.5	5,439	96.6	5,361	94.2
Total Vacant Units/ Seasonal, Rec. or Occasional Use*	111/ 19	2.7/ 0.5	75/ 31	1.5/ 0.6	194/ 36	3.4/ 0.6	330/ 32	5.8/ 0.6
Occupied Owner Units**	3,591	88.3	4,339	90.6	4,608	84.7	4,670	87.1
Occupied Rental Units**	474	11.7	456	9.5	831	15.3	691	12.9
Average Household Size/ Owner-occupied Units	3.00 persons		2.95 persons		2.87 persons		2.97 persons	
Average Household Size/ Renter-occupied Units	2.15 persons		2.01 persons		1.82 persons		1.97 persons	

Source: U.S. Census Bureau, Census 1990, 2000 and 2010 Summary File 1 and American Community Survey 5-Year Estimates, 2011-2015 * Percentage of all housing units ** Percentage of occupied housing units

- *Very low vacancy rates, particularly for rentals*
  As shown in Table 5-3, census data suggests very low vacancy rates of 1.3% for ownership and zero for rentals as of 2015. The rental vacancy rate is lower than the county and state with the homeowner rate just slightly above the county and state. As any rate below 5% reflects tight housing market conditions, these vacancy levels signal limited housing availability for both rentals and ownership.

Table 5-3 Vacancy Rates, 2000, 2010 and 2015

Tenure	2000	2010	2015	County 2015	MA 2015
Rental	1.3%	6.8%	0.0%	3.2%	4.2%
Homeowner	0.4%	0.9%	1.3%	0.9%	1.2%

Source: U.S. Census Bureau, 2000, and 2010 and American Community Survey 5-Year Estimates, 2011-2015.

5.3 Types of Structures and Units – Fluctuations in some housing types over time predominated by single-family homes

Census data indicates that there is some limited diversity in North Reading's existing housing stock as summarized in Table 5-4 and shown in Figure 5-2 with about 20% of all units in multi-family housing of two units or more, 12% in properties with ten units or more. Clearly the development of the Edgewood project significantly boosted the amount of available multi-family housing. Also, while there were 41 mobile homes and 27 households living in vans, RV's, etc. in 1990, these disappeared according to 2015 census estimates but Town Assessor records identify 30 such units at 103 and 142 Main Street.

Table 5-4: Units in Structure, 1990 to 2015

Type of Structure	1990		2000		2010**		2015	
	#	%	#	%	#	%	#	%
1 unit detached	3,406	81.6	4,029	82.7	4,282	80.7	4,543	79.8
1 unit attached	132	3.2	171	3.5	233	4.4	300	5.3
2 units	50	1.2	38	0.8	153	2.9	62	1.1
3-4 units	72	1.7	103	2.1	98	1.8	44	0.8
5-9 units	13	0.3	30	0.6	57	1.1	50	0.9
10+ units	435	10.4	451	9.3	470	8.9	692	12.2
Mobile home	41	1.0	48	1.0	15	0.3	0	0.0
Other*	27	0.6	0	0.0	0	0.0	0	0.0
Total	4,176	100.0	4,870	100.0	5,308	100.0	5,691	100.0

Source: U.S. Census Bureau, Census 1990, 2000 and Summary File 3; American Community Survey 5-Year Estimates for 2006-2010 and 2011-2015

*Other includes boats, vans, etc. **Figures are from sample data and not actual counts and the total number of housing units is an estimate and not the same as the 2010 actual census count of 5,633 in Table 5-2.

Figure 5-2: Distribution of Units per Structure, 2015

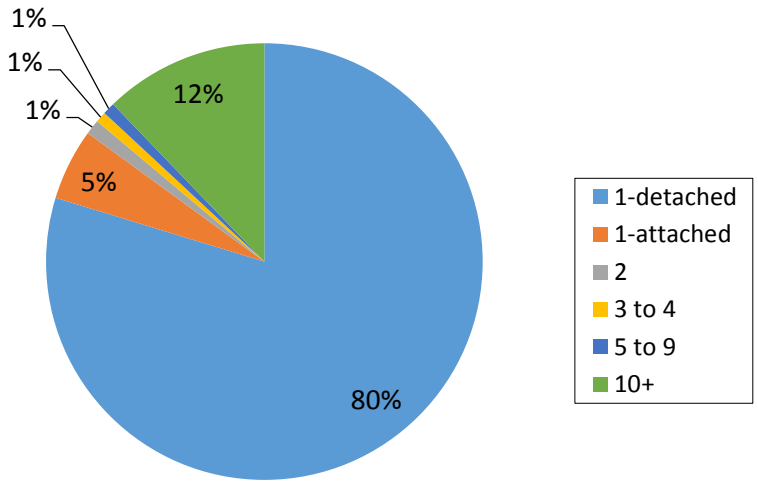


Table 5-5 provides an estimated breakdown of the 2015 distribution of types of properties according to whether the units were occupied by renters or homeowners. While 94% of owners resided in single-family homes, almost a third of renters also lived in single-family detached homes (223 renters in detached and 19 in attached dwellings), significantly more than the 10% statewide level. Half of all renters lived in

larger multi-family structures of ten units or more for a total of 347 units which is less than what would be expected given the 406 units at Edgewood Apartments.

Table 5-5: Units in Structure by Tenure, 2015

Type of Structure	Owner-occupied Units		Renter-occupied Units	
	#	%	#	%
Single unit detached and attached	4,372	93.6	242	35.0
2 to 4 units	29	0.6	77	11.1
5 to 9 units	25	0.6	25	3.6
10+ units	244	5.2	347	50.2
Total	4,670	100.0	691	100.0

Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates

Table 5-6 provides information on the distribution of unit sizes and indicates that the median-sized unit included 6.9 rooms according to 2015 census estimates or with about four bedrooms, much higher than the county and state medians of 5.7 and 5.5 rooms, respectively. In addition, those units most appropriate for single persons, with four rooms or less, comprised about 19% of the housing stock in 2015, higher than the 15% level in 2000 and related to the construction of rental housing. Given that 52% of North Reading's households included single individuals or two (2) persons, **a substantial portion of households might be considered "overhoused". On the other end of the spectrum, there was a substantial increase in larger homes of nine rooms or more, almost doubling in number between 2000 and 2015 and fueling 75% of the increase in the housing stock.**

Table 5-6: Number of Rooms per Unit, 2000 and 2015

Number of Rooms per Unit	2000		2015	
	#	%	#	%
1 Room	0	0.0	0	0.0
2 Rooms	55	1.1	84	1.5
3 Rooms	202	4.1	391	6.9
4 Rooms	477	9.8	589	10.3
5 Rooms	601	12.3	456	8.0
6 Rooms	909	18.7	1,038	18.2
7 Rooms	949	19.5	801	14.1
8 Rooms	895	18.4	931	16.4
9 or More Rooms	782	16.1	1,401	24.6
Total	4,870	100.0	5,691	100.0
Median (Rooms) for All Units	6.7 rooms		6.9 rooms	

Source: U.S. Census Bureau, 2000, Summary File 3, and the 2011-2015 American Community Survey

It should also be noted that there is no reported overcrowding in North Reading as 2015 census estimates indicated that there were no units with more than 1.51 occupants per room, the traditional definition.

5.4 Housing Market Conditions – Housing costs have surpassed pre-recession levels and continue to increase

The following analysis of the housing market looks at past and present values of homeownership and rental housing from a number of data sources including:

- The 1990, 2000 and 2010 Decennial U.S. Census Bureau figures
- The U.S. Census Bureau's American Community Survey 5-year Estimates, 2006-2010 and 2011-2015
- The Warren Group's median sales price statistics and sales volume by year, from 2000 through 2016
- Multiple Listing Service data
- Assessor's data
- Internet listings
- Local real estate agents

Homeownership

Census data also provides information on housing values as summarized in Table 5-7 for owner-occupied units. The 2015 census estimates indicate that the median owner-occupied house value was $439,500, down from $463,800 in 2010. It was also 131% of the 1990 median of $177,200 and much higher than the 81% rate of inflation for the 1990 to 2015 period.

Table 5-7: Housing Values of Owner-occupied Units, 1990 to 2015

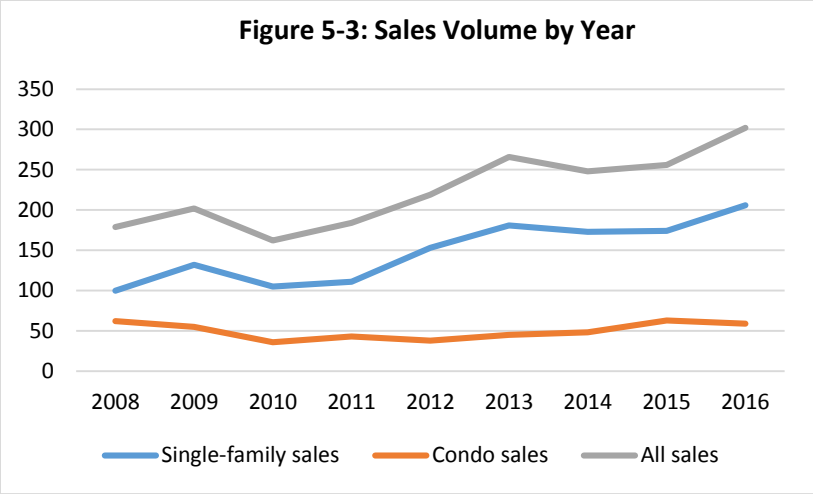
	1990		2000		2010		2015	
Price Range	**#**	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Less than $100,000	70	2.3	37	1.0	58	1.3	126	2.7
$100,000-$199,999	1,682	55.4	861	22.3	184	4.1	194	4.1
$200,000-$299,999	957	31.5	1,508	39.0	348	7.7	395	8.5
$300,000-$399,999	253	8.3	1,227	31.6	2,006	44.5	2,305	49.4
$400,000-$499,999	57	1.9						
$500,000-$999,999	16	0.5	221	5.7	1,806	40.0	1,569	33.6
$1 million or more			8	0.2	109	2.4	81	1.7
Total	3,035	100.0	3,862	100.0	4,511	100.0	4,670	100.0
Median (dollars)	$190,300		$270,300		$463,800		$439,500	

Source: U.S. Census Bureau, 1990 and 2000 Summary File 3 and American Community Survey 5-Year Estimates for 2006-2010 and 2011-2015.

Based on census data, there is little affordability remaining in the ownership housing stock with 320 units valued below $200,000 and 715 below $300,000, representing about 7% and 15% of all owner-occupied units, respectively. Most of these units are condos.

While there is only a modest supply of owner-occupied units that are relatively affordable, more than one-third of all owner-occupied units were valued at more than $500,000, including 82 units beyond $1 million. Units priced in the mid-range, between $300,000 and $499,999, increased significantly, from about 10% of owner-occupied properties in 1990 to half of all units by 2015.

Table 5-8 provides The Warren Group data on median sales prices and number of sales from 2000 through 2016, offering a long-range perspective on sales activity. This data is tracked from Multiple Listing Service (MLS) information based on actual sales.



The median sales price of a single-family home as of the end of 2016 was $508,950, up from $472,700 in 2015 and considerably higher than the median of $439,500 from the 2015 census estimates. This median is the highest in the town's history from a previous high of $480,000 in 2005 just before the "bursting of the housing bubble". Values fell off substantially after the recession and reached its lowest level in 2009 at $367,549.

As shown in Figure 5-3, the number of single-family home sales has climbed in recent years beyond pre-recession levels to a high of 206 sales in 2016, the highest in North Reading's history from a low of 100 sales in 2008.

The condo market has experienced more volatility in terms of both values and number of sales. The highest median sales price was $321,000 in 2011, declining to $185,451 in 2014, and then increasing after that to $229,000 in 2016. The volume of condo sales was highest in 2007, at 76 sales, and then plummeted after that to a low of 36 sales in 2010, and revived somewhat after that but not near the 2007 level.

Table 5-8: Median Sales Prices and Number of Sales, 2000 through 2016

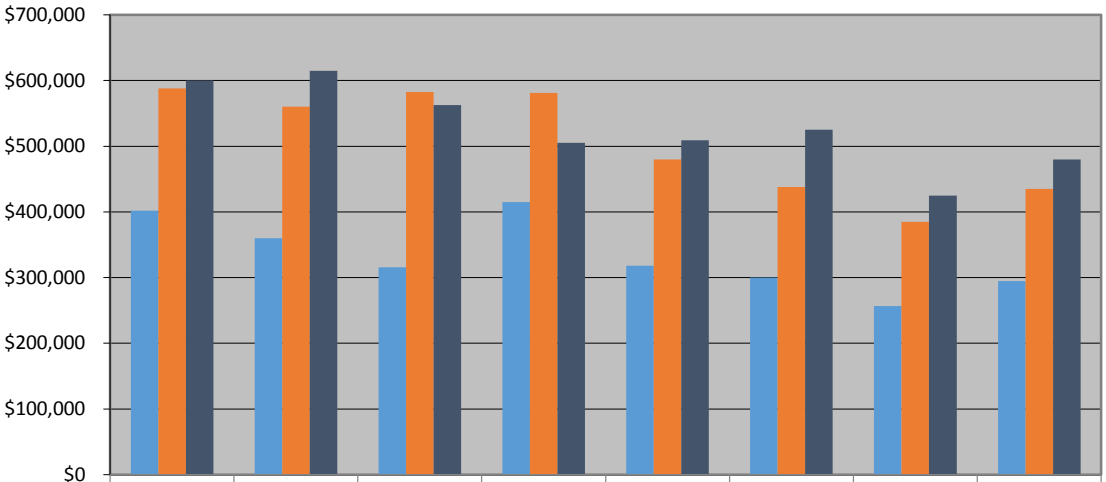
Year	Months	Single-family		Condominiums		All Sales	
		Median	# Sales	Median	# Sales	Median	# Sales
2016	Jan – Dec	$508,950	206	$229,000	59	$450,000	302
2015	Jan – Dec	472,700	174	210,000	63	425,000	256
2014	Jan – Dec	456,020	173	185,450	48	429,950	248
2013	Jan – Dec	425,000	181	240,000	45	397,500	266
2012	Jan – Dec	390,000	153	239,950	38	370,000	219
2011	Jan – Dec	380,000	111	321,000	43	358,900	184
2010	Jan – Dec	409,000	105	262,250	36	375,000	162
2009	Jan – Dec	367,549	132	239,900	55	348,950	202
2008	Jan – Dec	407,000	100	297,450	62	385,000	179
2007	Jan – Dec	395,000	140	216,000	76	390,000	244
2006	Jan – Dec	423,500	158	207,000	62	392,500	244
2005	Jan – Dec	480,000	153	215,000	59	429,285	262
2004	Jan – Dec	430,000	181	175,250	50	405,500	279
2003	Jan – Dec	399,000	172	180,000	71	383,750	308
2002	Jan – Dec	368,700	156	152,000	55	337,000	271
2001	Jan – Dec	315,000	138	135,000	65	280,000	252
2000	Jan – Dec	317,950	160	114,900	63	265,000	269

Source: The Warren Group/Banker & Tradesman, March 1, 2017

North Reading's single-family house prices have been consistently higher than county levels and are currently comparable to North Andover as demonstrated in Figure 5-4. Only Middleton and North Andover's medians have not caught up with the 2005 values, when the housing market was at its height for most communities prior to the recession.

Lynnfield had the highest 2016 median single-family house price at $615,000 although Andover at $600,000 is catching up and had higher median values than Lynnfield in both 2000 and 2005. Neighboring Wilmington has consistently had the lowest values with a 2016 median price of $425,000.

Figure 5-4: Median Single-Family Home Values for North Reading and Neighboring Communities



	Andover	Lynnfield	Middleton	N. Andover	N. Reading	Reading	Wilmington	Middlesex Cty
2000	$402,000	$360,000	$315,450	$414,900	$317,950	$300,000	$256,500	$294,900
2005	$587,750	$560,000	$582,500	$581,250	$480,000	$438,000	$385,000	$435,000
2016	$600,000	$615,000	$562,550	$505,000	$508,950	$525,000	$425,000	$480,000

Another analysis of housing market data is presented in Table 5-9, which breaks down sales data from the Multiple Listing Service as compiled by *Banker & Tradesman* of The Warren Group for single-family homes and condominiums. This table provides a snapshot of the range of sales from February 2016 through January 2017.

There were 285 total sales during this period, including 227 single-family homes and 58 condos. One single-family home and 23 condos sold below $200,000, and were therefore roughly affordable to those earning at or below 80% of area median income (AMI).[21] However, it is likely that many of these units were very small and/or in poor condition. Most of the single-family homes sales were in the $300,000 to $600,000 range with a median sales price of $505,000 during this 12-month period. North Reading has a luxury market, albeit small, with 13 properties that sold for more than $1 million during this period; 83 sold for more than $600,000.

Condos were considerably more affordable as almost all sales were below $500,000 and 40% were below $200,000 with a median sales price of $276,000.

[21] There were two single-family home sales for $7,000 each that were unlikely arms-length market transactions and are not included in the analysis.

Table 5-9: Single-family House and Condo Sales, February 2016 through January 2017

Price Range	Single-families		Condominiums		Total	
	#	%	#	%	#	%
Less than $200,000	1	0.4	23	40.0	24	8.4
$200,000-299,999	21	9.3	8	13.8	29	10.2
$300,000-399,999	36	15.9	7	12.1	43	15.1
$400,000-499,999	52	22.9	15	25.9	67	23.5
$500,000-599,999	36	15.9	3	5.2	39	13.7
$600,000-699,999	25	11.0	2	3.4	27	9.5
$700,000-799,999	22	9.7	0	0.0	22	7.7
$800,000-899,999	13	5.7	0	0.0	13	4.6
$900,000-999,999	8	3.5	0	0.0	8	2.8
Over $1 million	13	5.7	0	0.0	13	4.6
Total	227	100.0	58	100.0	285	100.0

Source: Banker & Tradesman, March 1, 2017

Assessor data on the assessed values of residential properties in North Reading is presented in Tables 5-10 and 5-11, as well as in Figure 5-5, providing some insights into not only the diversity of the existing housing stock but also the range of values for each dwelling type.

Table 5-10 provides information on the assessed values of single-family homes and condominiums. This data shows that North Reading has 4,261 single-family properties which is less than the 4,543 single-family detached units included in the 2015 census estimates but close to the 4,282 units counted in the 2010 census figures. Only seven of these units were valued below $200,000 with only another 187 homes assessed between $200,000 and $300,000. Consequently, Assessor data confirms that **there is very little affordability remaining in the single-family housing stock**. More than half of the homes were assessed between $300,000 and $500,000. The remaining 1,900 units, or 46% of the single-family homes, were valued beyond $500,000 with 120 assessed for over $1 million. The median assessed value was $474,900, less than the median sales price of $508,950 as of the end of 2016 according to The Warren Group (see Table 5-8), although assessed values are typically somewhat lower than market prices, particularly under rising market conditions.

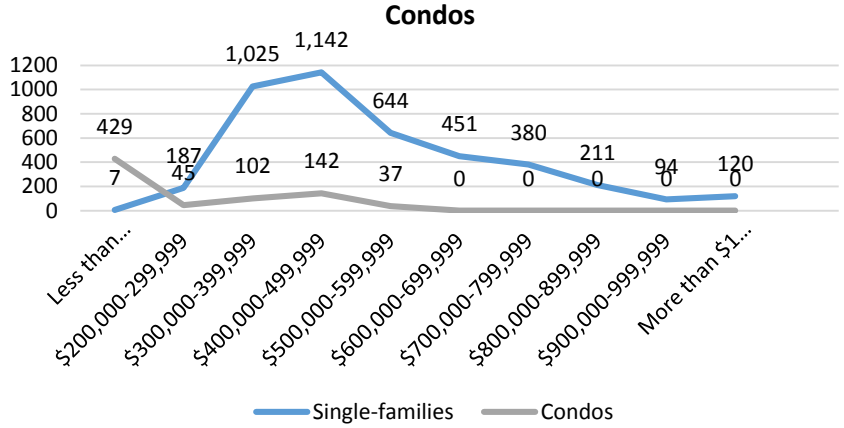
Table 5-10: Assessed Values of Single-family and Condominiums

Assessment	Single-family Dwellings		Condominiums		Total	
	#	%	#	%	#	%
Less than $200,000	7	0.2	429	56.8	436	8.7
$200,000-299,999	187	4.4	45	6.0	232	6.4
$300,000-399,999	1,025	24.1	102	13.5	1,127	22.5
$400,000-499,999	1,142	26.8	142	18.8	1,284	25.6
$500,000-599,999	644	15.1	37	4.9	681	13.6
$600,000-699,999	451	10.6	0	0.0	451	9.0
$700,000-799,999	380	8.9	0	0.0	380	7.6
$800,000-899,999	211	5.0	0	0.0	211	4.2
$900,000-999,999	94	2.2	0	0.0	94	1.9
Over $1 million	120	2.8	0	0.0	120	2.4
Total	4,261	100.0	755	100.0	5,016	100.0

Source: North Reading Assessor, Fiscal Year 2017

Condominiums are a much smaller segment of North Reading's housing stock with 755 such units. The relative affordability of the condo market is demonstrated by 429 condos, or about 57% of all condos, assessed below $200,000 with a median assessed value at $186,000. Most of these condos are likely in older buildings that may require updating. This median is once again lower than the median sales price of $229,000 based on The Warren Group's *Banker & Tradesman* data as of the end of 2016. This is again not surprising given rising market conditions.

Figure 5-5: Assessed Values of Single-family Homes and Condos



Assessor's data for multi-unit properties, as presented in Table 5-11, indicates that there are 35 two-family homes (70 units), 5 three-family homes (15 units), and 57 properties with multiple dwelling units on a single lot. The median two-family house is assessed at $422,500, the three-family house at $517,400, and multiple dwellings on a single lot at $504,300. Assessor's data includes two multi-family developments with four to eight units and two with eight or more units, including Edgewood. The data does not provide information on the numbers of units however.

Table 5-11: Assessed Values of Multi-family Properties

Assessment	2-unit Properties		3-unit Properties		Multiple Houses on 1 Lot		4-8 Unit Properties/More Than 8-Unit Properties	
	#	%	#	%	#	%	#	%
Less than $200,000	0	0.0	0	0.0	0	0.0	0/0	0.0/0.0
$200,000-299,999	1	2.9	0	0.0	7	12.3	0/0	0.0/0.0
$300,000-399,999	11	31.4	2	40.0	12	21.1	0/0	0.0/0.0
$400,000-499,999	18	51.4	0	0.0	6	10.5	1/0	50.0/0.0
$500,000-599,999	4	11.4	3	60.0	16	28.1	1/0	50.0/0.0
$600,000-699,999	0	0.0	0	0.0	8	14.0	0/0	0.0/0.0
$700,000-799,999	1	2.9	0	0.0	2	3.5	0/0	0.0/0.0
$800,000-899,999	0	0.0	0	0.0	0	0.0	0/0	0.0/0.0
$900,000-999,999	0	0.0	0	0.0	2	3.5	0/0	0.0/0.0
Over $1 million	1	2.9	0	0.0	4	7.0	0/2	0.0/100.0
Total	35 70 units	100.0	5 15 units	100.0	57	100.0	2/2	100.0/ 100.0

Source: North Reading Assessor, Fiscal Year 2017.

North Reading also has 22 mixed-use properties including 11 that are primarily residential with a median value of $391,700 and 11 that are largely commercial with a residential component and a median of $517,800. Once again, the data does not include the number of units in these properties.

Rentals

Table 5-12 presents information on rental costs from 1990 to 2015 based on U.S. Census Bureau figures. This data indicates that the greatest cost increases in the rental market occurred between 2000 and 2010 when the median gross rent increased by 65%, from $783 to $1,289. It increased still more to $1,482 by 2015 or by another 15%. It is also important to note again that the census counts include 202 actual subsidized units,[22] representing about 38% of all rental units in North Reading and thus make the median rentals in Table 5-12 appear more affordable than they really are.

Table 5-12: Rental Costs, 1990 to 2015

	1990		2000		2010		2015	
Gross Rent	**#**	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Under $200	41	8.9	15	3.3	14	2.7	31	4.5
$200-299	24	5.2	31	6.8	32	6.2		
$300-499	71	15.3	66	14.4	15	2.9		
$500-749	167	36.1	82	17.9	64	12.4	153	22.1
$750-999	93	20.1	167	36.5	38	7.4		
$1,000-1,499	45	9.7	55	12.0	220	42.7	144	20.8
$1,500+			24	5.2	132	25.6	320	46.3
No Cash Rent	22	4.8	18	3.9	0	0.0	43	6.2
Total	463	100.0	458	100.0	515	100.0	691	100.0
Median Rent	$640		$783		$1,289		$1,482	

Source: U.S. Census Bureau, Census 1990 and 2000 Summary File 3 and American Community Survey 5-Year Estimates for 2006-2010 and 2011-2015

Table 5-13 provides a summary of available rentals that were listed on various websites. These listings are primarily in larger apartment complexes or smaller multi-family properties with most of the rents considerably higher than the $1,482 median rent listed in the 2015 census estimates.

Table 5-13: Market Rental Listings, February 2017

Location	# Bedrooms	# Baths	Square Footage	Listed Rent
Edgewood	1 2	1 1-2	-- --	$1,695-$2,320 $2,165+
46 Main Street/condo for rent	2	--	981	$1,650
38 Main Street/condo for rent	2	1	742	$1,500
Main Street/room in condo	1	1	750	$750
House on Adrian Drive	5	4	5,249	$5,000
30 Haven Street/Reading	1 2	1 2	774 1,221	$1,895-$2,095 $2,575-$2,659
Royal Crest Estates/Andover	2 3	2 2	885-1,250 1,300-1,450	$1,549-$3,585 $2,039-$6,320
Berry Farms/North Andover	1 2 3	1 2 2	756-907 1,056-1,081 1,219-1,226	$1,710-$1930 $2,075-$3,250 $2,240-$2.545
Avalon Oaks/Wilmington	1 2 3	1 2 2	764-1,048 1,174-1,514 1,313-1,648	$1,745-$2,030 $1,990-$2,195 $2,359-$2,645

Sources: Various websites including Apartments.com, rent.com, Zillow, Trulia.

[22] While the SHI counts 506 rental units, 304 of these units are actually market units.

After a $750 room for rent in a two-bedroom condo, the next lowest apartment listing was $1,500 for a two-bedroom condo on Main Street and the highest North Reading apartment listing was a one-bedroom unit for $2,340 at Edgewood. A large single-family home was also listed at $5,000. A sample of listings in neighboring communities is also included that further suggests high rental costs for the general area.

It should also be noted that a very low rental vacancy rate reflects little availability of rentals beyond normal unit turnover. Moreover, it is likely that many rentals turnover by word of mouth instead of listings by real estate agents or property managers.

Additionally, many rentals require first and last month's rent plus a security deposit equivalent to as much as a month's rent. For a $1,500 apartment that totals potentially as much as $4,500 in up-front cash, an amount that many prospective tenants do not have available.

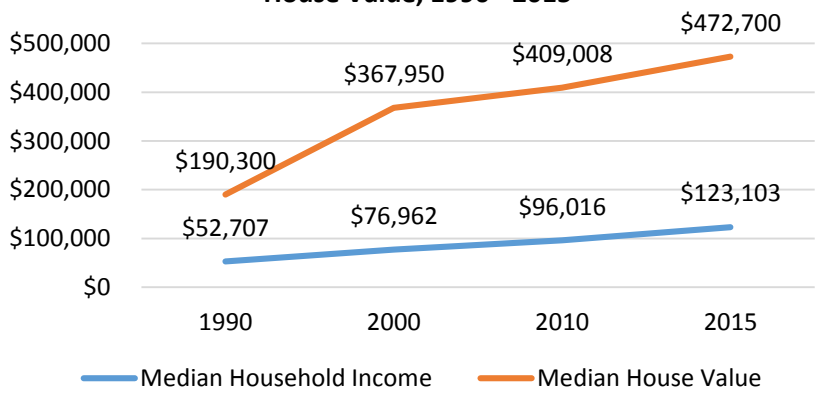
5.5 Affordability Analysis – Widening affordability gaps and high cost burdens

While it is useful to have an understanding of past and current housing costs, it is also important to analyze the implications of these costs on residents' ability to afford them for both homeownership and rentals.

Affordability Gaps - Homeownership

A traditional rough rule of thumb is that housing is affordable if it costs no more than 2.5 times the buyer's household income. By this measure, the median income household earning $123,103 in North Reading could afford a house of approximately $307,758, 60% the median house price of $508,950 as of the end of 2016 according to The Warren Group that tracks all sales. *This implies that the household in the middle of the town's income range faced an "affordability gap" of about $200,000.*

Figure 5-6: Median Household Income and Median House Value, 1990 - 2015



Housing prices have in fact risen faster than incomes as the gap between median household income and the median single-family house price has widened. While incomes increased by 134% between 1990 and 2015, the median single-family house price rose by 148% based on The Warren Group data. *Moreover, the gap between income and house value was $137,593 in 1990 but increased to $349,597 in 2015*.

Another way of calculating the affordability gap is to estimate the difference between the median priced house and what a median income earning household can afford to pay based on spending no more than 30% of income on housing costs.[23] To afford the median sales price of a single-family home of $508,950, based on The Warren Group's *Banker & Tradesman* data as of the end of 2016, a household would have to earn an estimated $125,434 with 80% financing.[24] This income is only somewhat higher than the

[23] Based on the 2015 census estimate of $123,103 for median household income for North Reading.

[24] Figures based on 80% financing, interest of 5.0%, 30-year term, annual property tax rate of $16.41 per thousand, $250 in monthly condo fees, and insurance costs of $4 per $1,000 for condominiums and $6 per thousand for single-family homes. The

median household income for the town per the 2015 census estimate of $123,103 and consequently there is only a small affordability gap.

The median income earning household could likely afford a single-family home of about $500,000 based on 80% financing. ***The affordability gap is then about $9,000*** **- the difference between the price of the median priced single-family home ($508,950) and what a median income household can afford ($500,000).[25] The $105,000 in down payment and closing costs would effectively widen this affordability gap however.**

Even what could be considered a "starter home" of $358,000 requires an income of about $88,290. There are only about 600 single-family homes available to those earning at or below this income level.

For those earning at 80% of area median income limit ($65,750 for a family of three), this gap is $272,950, the difference between the maximum they could afford of approximately $236,000 and the median single-family house price of $508,950. These figures are based on 95% financing, assuming that the purchasers could qualify for first-time homebuyer programs such as the state's One Mortgage Program or MassHousing's mortgage offerings for example. It should also be noted that this price is based on the 80% of area median income (AMI) limit for the Boston area, and purchase prices for deed-restricted units are calculated for a household earning at 70% AMI to allow for some marketing window in addition to other prescribed requirements.

There are no affordability gaps for condos as the median condo price of $229,000, as of the end of 2016 from The Warren Group's Banker & Tradesman, would require an income of about $72,300, which is well below North Reading's median household income of $123,103. A median income-earning household could likely afford a condo for about $471,500 which is more than double the median condo price of $229,000.[26] The affordability gap for those households earning at the 80% of area median income limit ($65,750 for a household of three) increases to an estimated $24,000 or the difference between the median condo price ($229,000) and what a household earning at $65,750 could probably afford ($205,000).

Table 5-14 provides a breakdown of the number of units existing within various affordability ranges and demonstrates how little affordability exists within the single-family housing stock.

calculations are also based on the purchaser spending no more than 30% of gross income on mortgage (principal and interest), taxes and insurance.

[25] Ibid.

[26] Figures based on 95% financing, interest of 5.0%, 30-year term, annual property tax rate of $16.41 per thousand, $250 monthly condo fee, insurance costs of $4 per $1,000 for condominiums, and the purchaser spending no more than 30% of gross income on mortgage (principal and interest), taxes and insurance. It is also assumes that the purchaser would be eligible for a subsidized mortgage program such as the ONE Mortgage Program on a MassHousing mortgage that would not require private mortgage insurance.

Table 5-14: Distribution of Single-family Home and Condo Values by Income Range

Price Range Single-family/ Condo*	Income Range (based on HUD Area Median Income (AMI) Limits	Single-family Homes Available in Price Range		Condominiums Available in Price Range	
		#	%	#	%
$500,000/$471,500	At Town's median Income ($123,103)^	2,095	49.1	644	85.3
$236,000/$205,000	At 80% AMI ($65,750)**	42	1.0	430	57.0
$236,001-$358,000/ $205,001-$326,500	80% - 100% AMI^ ($65,750 - $88,290)***	563	13.2	89	11.8
$358,001-$430,000/ $326,501-$400,000	100% - 120% AMI ($88,291 - $105,948)^	1,006	23.6	57	7.5
More than $430,000/more than $400,000	More than 120% AMI (More than $105,948)^	2,650	62.2	179	23.7
Total		**4,261**	**100.0**	**755**	**100.0**

Source: Town Assessor's Database for Fiscal Year 2017. Please note that as a standard practice, assessed value is assumed to be at least 93% below actual value or potential sale price with some assessments even lower. Figures based on a three-person household.

* Includes estimated condo fee of $250 per month.

** Based on 95% financing given potential eligibility for subsidized mortgage programs such as the ONE Mortgage Program and MassHousing offerings. All other income ranges assume 80% financing.

^Based on 80% financing.

*** Based on Community Preservation Act income limits for a household of 3.

According to Assessor's data, about half of all *single-family homes* were affordable to households earning below the town's median income ($123,103) based on 2015 census estimates. Using percentages of area median income for the Boston area, only 42 or 1% were likely affordable to those earning at or below 80% of area median income ($65,750 for a household of three). Another 563 units or 13% of all single-family homes were likely affordable to those earning between 80% and 100% of area median income ($88,290 based on a three-person household). It should also be noted that many of these units were likely small with some in poor condition.

More than two-thirds of condos were potentially affordable to those earning at or below 100% AMI, 57% below 80% AMI, which demonstrates considerable affordability in this segment of North Reading' housing market.

Condominiums are valued much more affordably with 644 units or about 85% of condos likely affordable to households earning at or below the North Reading $123,103 median household income using the 2015 census estimate. This is largely due to the fact that many condos were built in the 1970s and are located in older buildings that have not been renovated. Newer condos are valued in the 400s however.

Assessor's data also indicated that North Reading had 97 small multi-family dwellings including 35 two-family properties (70 units), 5 three-family dwellings (15 units) as well as 57 properties with more than one house on the lot. Such housing is frequently more affordable as it often generates rental income. For example, the median valued two-family home in North Reading, based on Assessor's data, was $422,500. While high, this price if owner-occupied with one rental unit would be affordable to a purchaser earning approximately $58,000 based on 80% financing (conservatively assuming rental income of $1,000 of which 75% or $750 is likely to be included in mortgage underwriting computations). This is low in comparison

to a condo at the same price that would require an income of about $95,000 for 80% financing given the additional computation of the condo fee (assuming $250) and lack of rental income.

Affordability Gaps - Rentals

In regard to rentals, a low-priced market rental of $1,500 for a two-bedroom unit would require an income of about $60,000 without consideration for utilities that would boost the required income closer to $68,000 (assuming $200 in average utility bills and not paying more than 30% of income on housing costs). The median income earning renter ($52,917) could afford a rent of only about $1,123 under the same assumptions.[27] As noted earlier, even affordable rents at Edgewood for example have rents far beyond this level. It is consequently not surprising that so many renters are paying far too much for their housing. The upfront costs involved in leases adds additional barriers to affordability.

Cost Burdens

It is also useful to identify numbers of residents living beyond their means based on their housing costs. The U.S. census provides data on how much households spent on housing whether for ownership or rental. Such information is helpful in assessing how many households are overspending on housing, defined as spending more than 30% of their income on housing.

Based on 2015 census estimates, 334 homeowners in North Reading were spending between 30% and 34% of their income on housing and another 729 were spending more than 35% of their income on housing expenses, totaling 1,063 or 23% of all owner households.

In regard to renters, 47 renter households were spending between 30% and 34% of their income on housing and another 230 were allocating 35% or more of their income for housing for a total of 277 renter households or 40% of all renters.

This census data suggests that 1,340 households or one-quarter of all North Reading households were living in housing that was by common definition unaffordable.

HUD provides additional data on housing affordability problems through its CHAS report that identifies cost burdens by household type and whether they are renters or owners, also offering a breakdown of households within specific income categories as summarized in Table 5-15. For example, the first cell indicates that of the 85 elderly renters earning at or below 30% of area income, 40 were spending between 30% and 50% of their income on housing costs with another 25 spending more than half of their income on housing.

590 households or 48% of households earning at or below 80% of area median income were spending more than half of their income on housing costs and thus were experiencing severe cost burdens.

This report, based on 2013 census data for North Reading (the latest report available), indicates that o*f the 5,260 households included in this analysis, 1,645 or 31% were reported with cost burdens as they were paying more than 30% of their income on housing costs.* **Moreover, of these households, 720 or about 14% of all households were spending more than 50% of their income on housing, referred to as being severely cost burdened.**

[27] Not spending more than 30% of income on housing costs including an average monthly utility allowance of $200.

There were 1,230 households, or 23% of all households, who were earning at or below 80% of median income for the Boston area. Of these, 885 households or about 72% were experiencing cost burdens.

It is particularly notable that 760 households earning more than 80% of area median income, or 14% of all households, were also overspending. Consequently, cost burdens are spread along a wide range of incomes, the great majority being homeowners.

Table 5-15: Cost Burdens by Tenure, Income and Type of Household, 2013

Type of Household	Households Earning < 30% AMI/ # with cost burdens **	Households Earning > 30% to <50% AMI/ # with cost burdens**	Households Earning > 50% to < 80% AMI/ # with cost burdens**	Households Earning > 80% and < 100% AMI /# with cost burdens**	Households Earning > 100% AMI/ # with cost burdens**	Total
Elderly Renters	85/40-25	90/40-50	15/0-0	0/0-0	15/0-0	205/80-75
Small Family Renters	40/0-40	90/65-15	15/15-0	10/10-0	115/0-0	270/90-55
Large Family Renters	0/0-0	0/0-0	15/0-0	0/0-0	0/0-0	15/0-0
Other Renters	30/0-15	15/0-15	45/15-15	40/40-0	100/0-0	230/55-45
Total Renters	**155/40-80**	**195/105-80**	**90/30-15**	**50/50-0**	**230/0-0**	**720/225-175**
Elderly Owners	230/40-190	140/40-40	160/15-0	115/15-15	470/35-0	1,115/145-245
Small Family Owners	40/0-40	15/0-0	55/15-15	105/95-0	2,210/250-85	2,335/360-140
Large Family Owners	10/0-10	0/0-0	45/0-45	50/25-0	545/70-15	650/95-70
Other Owners	70/0-60	0/0-0	25/10-15	60/30-0	285/60-15	440/100-90
Total Owners	**350/40-300**	**155/40-40**	**285/40-75**	**330/165-15**	**3,420/415-115**	**4,540/700-545**
Total	**505/80-380**	**350/145-120**	**375/70-90**	**380/215-15**	**3,650/415-115**	**5,260/925-720**

Source: U.S. Department of Housing and Urban Development (HUD), SO200/75-35CDS CHAS Data, and American Community Survey, 2013. **First number is total number of households in each category/second is the number of households paying between 30% and 50% of their income on housing (with cost burdens) – and third number includes those that are paying more than half of their income on housing expenses (with severe cost burdens). Small families have four (4) or fewer family members while larger families include five (5) or more members. Elderly are 62 years of age or older. "Other" renters or owners are non-elderly and non-family households.

More specific findings from this report include the following:

Renters

- There were 720 renters included in this report of whom 440 or 61% had incomes at or below 80% of area median income (AMI) for the Boston area as defined by HUD.[28] Of these, 400 or 56% were spending too much on their housing including 175 or 44% with severe cost burdens. Only 40 renter households in this income range were not overspending and were likely living in subsidized housing such as the 40 units at Peabody Court. However, given 202 actual affordable rentals in the SHI, it appears that many living in such housing were also overspending.

[28] The 720 total renter household figure in this analysis is somewhat more than the total number of occupied rental units included in the 2015 census estimates of 691 but less than the 2010 count of 831 units that is likely more reliable given the significant increase in rental units between 2000 and 2010 through the Edgewood Apartment development and little documentation for such a decrease in rentals after that.

- Of the 205 elderly renters 62 years of age or older, 95 or 46% were overspending including 75 or 37% spending at least half of their income on housing costs. A total of 85 or 41% had incomes at or below 30% of median with 65 who were overspending and should be targets for additional subsidized housing.

- There are only 15 seniors earning above 80% AMI who were renting, none with cost burdens.

- Of the 145 small families with incomes equal to or less than 80% AMI, almost all were experiencing cost burdens, 75 or more than half with severe cost burdens.

- *There were only 15 large families (5 members or more) that were renting in North Reading*. This is not altogether surprising as large families are likely to encounter difficulty finding larger units to rent in the community and rents for homes are steep.

- There were also a significant number of non-family and non-elderly households, largely single individuals, who were overspending including 60 of the 90 such households earning at or below 80% AMI.

Owners

- There were 4,540 homeowner households[29] identified in this report of which 1,245 or 27% were experiencing cost burdens including 545 or 12% with severe cost burdens.

- Of the 790 or 17% of owners earning at or below 80% AMI, 535 or 68% were overspending and 415 or 52% were spending more than half of their income on housing costs.

- There were also 710 owner household who were earning more than 80% AMI and cost burdened.

- *About one-quarter of North Reading's homeowners are 62 years of age or older.* Of these elderly households, 530 or 48% were earning at or below 80% AMI that included 325 with cost burdens and 230 with severe cost burdens.

- Families also had considerable cost burdens. A total of 70 or 64% of the 110 small families earning at or below 80% AMI were overspending, 55 or half with severe cost burdens.

- There were only 650 large families (five or more household members) who owned their homes, only 55 earning at or below 80% AMI and all 55 with severe cost burdens.

- There were 440 non-family, non-elderly homeowners, mostly single individuals, of which 190 or 43% were experiencing cost burdens. Of these, 95 or almost half were earning at or below 80% AMI with 85 experiencing cost burdens and 75 with severe cost burdens.

Foreclosure Activity

Also related to housing affordability is the issue of foreclosures, which has been a problem for many homeowners across the country since the "bursting of the housing bubble" more than half a decade ago.

[29] This 4,540 figure is not far off from the 4,670 total homeowners included in the 2015 census estimates.

There has been some foreclosure activity in North Reading with a handful of homeowners losing their homes to date as shown in Table 5-16.

Table 5-16: Foreclosure Activity, 2007 thought March 5, 2017

Year	Petitions to Foreclose	Foreclosure Auctions	Total Activity
As of March 5, 2017	3	0	3
2016	13	0	13
2015	12	1	13
2014	3	1	4
2013	1	2	3
2012	8	1	9
2011	0	1	1
2010	0	0	0
2009	0	0	0
2008	0	0	0
2007	0	0	0
Total	40	6	46

Source: The Warren Group, March 5, 2017.

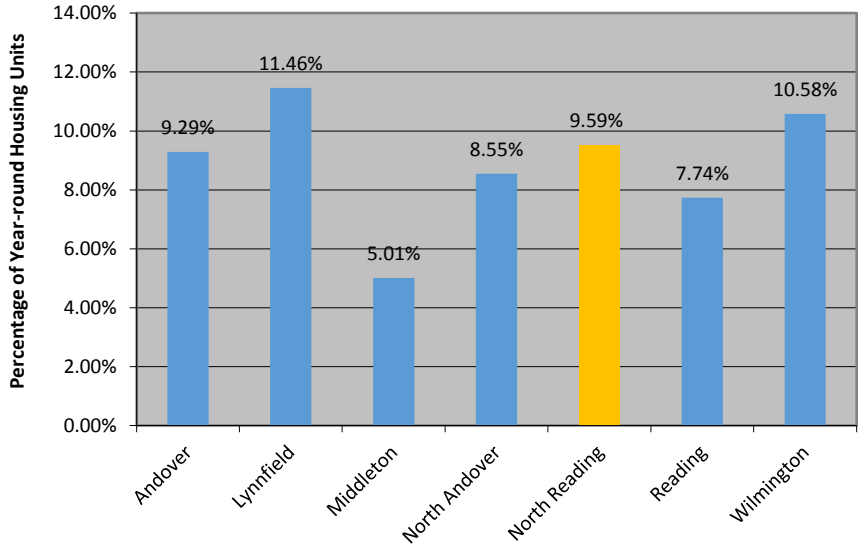
While there were no foreclosures prior to 2009, there have been six foreclosure auctions and 40 petitions since then with the highest level of foreclosure activity in the last couple of years. Front page news from the September 12, 2015 edition of *The Boston Globe* was headlined, "Housing Crash Lingers in Mass" and pointed out that much of the jump in foreclosure activity in recent years, which was also experienced in North Reading, relates to a backlog of cases that have been on hold pending court cases and the need to clarify new regulations.[30]

[30] Woolhouse, Megan, *The Boston Globe*, September 12, 2015.

5.6 Subsidized Housing Inventory (SHI) – The Town is close to surpassing the state's 10% affordability goal under Chapter 40B

The state listed 540 affordable housing units in North Reading's state-approved SHI as of September 13, 2017, representing 9.65% of the total year-round housing stock of 5,597 units. Consequently the Town is approaching the state's 10% affordability goal under Chapter 40B.[31] This means that with an additional 20 affordable units, North Reading will be in position to deny what it considers inappropriate Chapter 40B comprehensive permit applications that do not meet local needs without the developer's very limited ability to appeal the decision. It also means that at that point the Town will be in a good negotiating position with developers to insure that new development projects respond to local priorities and preferences if the permitting is not by-right.

Figure 5-7: SHI Units for North Reading and Neighboring Communities



It should be noted that the 10% threshold is a moving target as the number of year-round housing units will change over time, next when the 2020 census figures are released. For example, the Town was once at the 11% level. The Town will continue to lose ground on the 10% goal if market unit development continues to outgain affordable unit creation.

Many communities in the state have been confronting challenges in boosting their relatively limited supply of affordable housing although North Reading and many of its neighbors have made substantial progress as shown in Figure 5-7. Affordable housing production ranges from a low of 5.01% in Middleton to a high of 11.46% in Lynnfield.

Table 5-17 provides a summary of North Reading's SHI units.

An important component of the Town's SHI units includes *North Reading Housing Authority (NRHA)* developments that involve a total of 44 subsidized housing units in two developments, one for the elderly and younger disabled at Peabody Court (35 for elderly and 5 for non-elderly people with disabilities) and four units

[31] Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

for families at Swan Pond Road. Both of these projects were financed by the state through the Chapter 677 and Chapter 705 Programs, respectively.

Table 5-17: North Reading's Subsidized Housing Inventory (SHI)

Project Name	# SHI Units	Type of Project	Subsidizing Agency	Use of a Comp Permit	Affordability Expiration Date
Peabody Court*	40	Rental/Elderly and younger disabled	DHCD	No	Perpetuity
Swan Pond Road*	4	Rental/ Family	DHCD	No	Perpetuity
Fairview Terrace Estates	3	Ownership	DHCD	Yes	2039
McLaughlin House	8	Rental/Special Needs	FHLBB & HUD	No	2041
DDS Group Homes	51	Rental/Special Needs	DDS	No	NA
Rowe Farm	7	Ownership	MassHousing	Yes	Perpetuity
Central Place	7	Ownership	MassHousing	Yes	2104
Edgewater Place/Pilgrim Road	4	Ownership	MassHousing	Yes	Perpetuity
Mount Vernon	9	Ownership	MassHousing	Yes	Perpetuity
Residences at Martin Brook/ Edgewood Apartments	406	Rental	DHCD	No	2038
Bradford Pond Estates	1	Ownership	DHCD	No	Perpetuity
Total	**540**	**509 rentals/94% 31 Ownership 6%/205 actual affordable rentals**		**31 or 5.8% used 40B/ All ownership**	**424 or 80% expiring use units**

Source: Massachusetts Department of Housing and Community Development, September 13, 2017
* North Reading Housing Authority units.



Peabody Court

While not included on the SHI, the Housing Authority also owns and manages two condos that they acquired on Main Street and which are rented by Section 8 voucher holders. The units were not included on the SHI given shorter than required 10-year deed restrictions. The acquisition was partially financed by HOME Program funds. There was some subsequent consideration to applying for additional HOME funding to make necessary repairs and restore the units to the SHI. To do this, the Housing Authority would have to prepare and implement an Affirmative Fair Housing and Resident Selection Plan, to be approved by DHCD, implement the

Marketing Plan, conduct a lottery to rank the eligible applicants, and then wait for the units to turnover even though existing tenants qualify.

The number of applicants and average estimated wait times for NRHA units are summarized in Table 5-18. With only 44 units, the Housing Authority has more than 400 applicants on their wait lists including 24 local applicants. **Because local residents get priority consideration, it is rare that the Housing Authority is able to accommodate non-locals. The family units in particular rarely turnover. In fact one family was among the first occupants when the development opened in 1987.**

In addition to prioritizing local applicants, the Housing Authority also places a top priority for local veterans over other local applicants who live or work in the community. They have recently been advised that even non-local veterans will receive priority status over other North Reading applicants which will extend the wait still further for locals. Most of the veterans currently residing in Housing Authority units are older from the Viet Nam era although one served in Desert Storm.

The Housing Authority also administers 22 Section 8 Housing Choice vouchers that provide a subsidy to qualifying households that fills the gap between Fair Market Rents (FMRs established by HUD annually) and a percentage of their income.[32] These subsidies are paid directly to participating landlords. Half of the voucher holders have found qualifying units in other communities. This is largely the result of such high market rents in North Reading that are beyond the FMR limits. The Housing Authority indicates that some of their voucher holders work in North Reading but live in Lawrence. **Waits for these vouchers is at least seven years even for those with a local preference.**

Table 5-18: North Reading Housing Authority Applicants and Waits

Development	Type of Unit	# Units	Total # Applicants	# Local Applicants	Estimated Average Waits
Peabody Court	Elderly	35	73	3	6 months to a year for local applicants, rare to get to non-locals
	Non-elderly persons with disabilities	5	160	12	2 Years for local applicants
Swan Pond Road	Two-bedroom for families	2	100	3	Units rarely turnover
	Three-bedroom for families	2	70	6	Units rarely turnover
Total		**44**	**403**	**24**	

Source: North Reading Housing Authority, March 2, 2017

Other information from the Housing Authority regarding housing needs include:

- The Housing Authority has no barrier-free units and a challenging property for often frail residents to navigate. More handicapped accessible housing is needed but it is very difficult to integrate it into existing developments.

[32] Fair Market Rents for FY 2017 are as follows for the Boston-Cambridge-Quincy MA-NH metro area: efficiency at a maximum of $1,084, one-bedroom at $1,372, two-bedroom at $1,691, three-bedroom at $2,116, and four-bedroom at $2,332.

- The lack of access is further exacerbated by the Town not having service from The Ride that can significantly help meet the transportation needs of those with disabilities.

- The housing needs of younger disabled residents is perhaps the greatest need in town given the number of applicants.

- Peabody Court does not include supportive services for tenants, although the infusion of this support would be very helpful in addressing the needs of residents.

- Affordable units directed to more moderate-income households are also needed to provide more opportunities for older residents looking to downsize. Mixed-income housing with several income tiers should be considered in future planning.

- State funding to support the capital needs of the developments has improved but it remains a challenge to properly maintain the buildings. For example, funding supports only a part-time maintenance position. NRHA receives approximately $44,000 by formula annually through state Capital Plan funding. While limited, this funding has supported the replacement of all the roofs at Peabody Court, improvements to the parking lot, and improvements to stairs and new fences that are important for accessibility and making the place look more inviting. The roofs at Swan Pond Road will be replaced next year. The Housing Authority also received some extra funding this year of $200 per unit that will allow it to make some important improvements to landscaping at Peabody Court that will further improve the appearance of the property and boost resident morale.

- While 102 units at Edgewood Apartments are defined as affordable under the state's Local Initiative Program (LIP), the rents, which are based on 30% of the 80% of area median income level based on state Local Initiative Program (LIP) and Chapter 40R guidelines, are still considered by many to be too high. For example, the rent for a two-bedroom unit would be $1,644 minus a prescribed utility allowance and $1,826 minus a utility allowance for a three-bedroom unit based on 2016 HUD income limits. The Housing Authority in fact has a tenant who drew down all of her savings at Edgewood and is now living at Peabody Court.

Of the total 537 SHI units, 61 are directed to those with special needs. In addition to the five units set-aside for non-elderly persons with disabilities at Peabody Court (13.5% of all units required), North Reading has an additional 56 special needs units through the following group facilities:

- *McLaughlin House*
  This development includes eight one-bedroom affordable housing units that was developed with financing from the HOME Program and federal Section 811 Supportive Housing for Special Needs Program.

- *DDS Group Homes*
  There are 51 units in group homes for those with developmental disabilities sponsored by the Massachusetts Department of Developmental Services (DDS).



Edgewood Apartments

By far the greatest number of SHI units are part of the 406-unit Edgewood Apartments project on Lowell Road. This project was developed by Lincoln Properties as part of a Chapter 40R Smart Growth Overlay District. While 102 units are actually affordable, all 406 units count as part of the SHI given state guidelines.

Thirty of the town's 31 affordable ownership units were developed through the Chapter 40B comprehensive permit process. With the exception of Central Place with seven units and Fairview Terrace Estates with three units, all of the other units in these developments are affordable in perpetuity.

Proposed or Potential Projects

There are no specific projects that include affordable units in the development pipeline but the Town is in the process of identifying municipally-owned property that might be suitable for affordable housing and also exploring development opportunities along Route 28/Main Street. It contracted with the Metropolitan Area Planning Council (MAPC) to prepare a Short-term (2016-2021) Economic Development Strategy that would help the community attract jobs, services, revenues and housing along about three-quarters of a mile of this commercial corridor. This Study identified a number of conditions around a cluster of underutilized structures at or near the intersection of Routes 62 and 28. The development potential of this area is currently constrained by environmental constraints and a lack of sewer infrastructure however.

In pursuit of the Study's recommendations, the Town is planning to issue a Request for Proposals (RFP) for a conceptual plan and implementation study for the redevelopment of these underutilized properties. The primary focus of this project will be an analysis of how a privately funded and operated wastewater treatment "package plant" could become the catalyst for the full development of these properties.

It should be noted that the Town anticipates receiving significant funds from the sale of the State Hospital site that Pulte Homes will develop as market-rate, age-restricted ownership housing. This funding can be invested in other Town initiatives, potentially affordable housing development.

5.7 Targeted Housing Needs

Given the substantial numbers of residents who are paying too much for their housing (see Table 5-15) and growing affordability gaps, there is a pressing need to further diversify the housing stock to provide more housing options including greater affordability. The Town will continue to work with public and private sector stakeholders to devise and implement strategies that preserve and produce additional community housing options, directing development to appropriate locations and target populations.

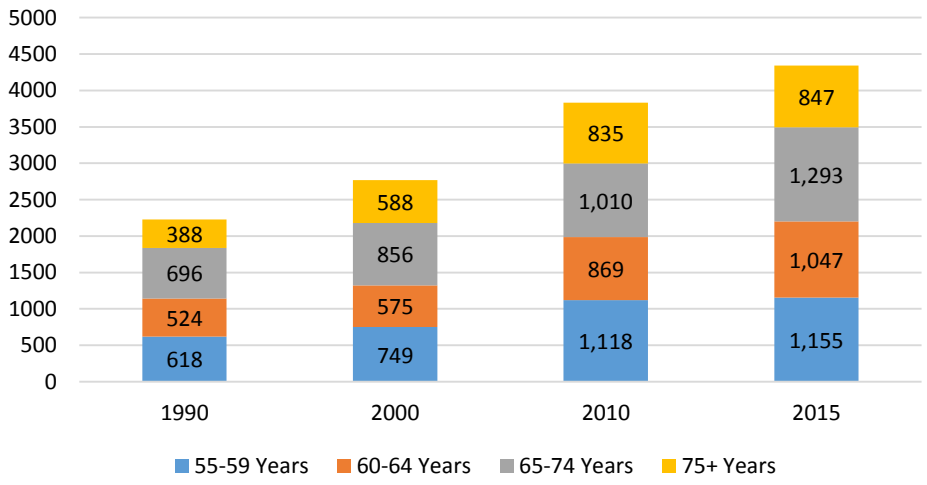
Based on input from a wide variety of sources including census data, market information, interviews with local and regional stakeholders, and community meetings, as well as prior planning efforts, this Housing Production Plan identifies the following **indicators of housing needs** in the North Reading community, looking at important subpopulations of its residents. These indicators of need are followed by a more quantitative analysis of unmet housing needs in Tables 5-18 and 5-19.

Housing Needs of Seniors

Housing needs of seniors are growing as this population continues to become a larger segment of North Reading's population and cost burdens remain significant. Clearly housing alternatives to accommodate this increasing population – such as more handicapped accessibility, housing with supportive services, greater connections to the community, and smaller units without substantial maintenance demands – must be integrated into housing planning and development efforts.

- *Recent population growth:* As shown in Figure 5-8, the number of those 55 years of age and older increased considerably since 1990, from 2,226 residents in 1990 to 4,342 by 2015, almost doubling in number while the total population increased by only 28%. Those 60 years and over also almost doubled and comprised about 21% of the population by 2015, from 13% in 1990. Seniors 65 years and older increased from 1,084 residents in 1990 to 2,140 in 2015, representing a 97% increase to 14% of all residents.

Figure 5-8: Growth of Senior Population, 1990 to 2015



- *Increasing numbers of households with seniors:* Households with one or more persons age 65 or older increased from 964 in 2000 to 1,510 by 2015, or from 20% to 28% of all households.

- *High projected growth:* Population projections indicate that the population of those 65 years of age or older will double between 2010 and 2030, increasing by 97% and 99% under the Metropolitan Area Planning Council (MAPC) "Status Quo" and "Stronger Region" assumptions, respectively, (see Section 3.2 for details) and the State Data Center at UMass' Donahue Institute projects a 113% increase.

- *Growth in those living alone:* Single-person households, who were headed by someone 65 years of age or older, increased by 44% between 2000 and 2010, and then were estimated to increase still further to 477 such households or 8.9% of all households by 2015.

- *Projected growth in households headed by seniors:* Households that include someone age 65 or older were estimated to increase from 2,142 to 3,022 or by 89% between 2010 and 2030 according to MAPC "Stronger Region" projections (see Section 3.2 for details).

- *A significant segment of older adults were living on very limited incomes:* Thirty percent of those 65 years of age or older were earning less than $35,000 and 18.6% (235 households) were earning less than $25,000.

Seniors relying primarily on Social Security are likely to have monthly incomes that fall below market rent levels as well as rents targeted to households earning at 80% AMI. Deeper subsidies are required for these households.

- *Significant challenges for many relying on Social Security Income.* Many seniors living on fixed incomes and relying substantially on Social Security find that their income may not be sufficient to afford their current housing and other expenses, particularly when they lose their spouse. For example, the average Social Security Disability benefit was $1,171, significantly lower than the rent for a one-bedroom apartment at Edgewood of $1,461 in 2016 minus a prescribed utility allowance for those expenses that are the responsibility of the tenant. Even the average retirement income of residents in North Reading of $28,163, or $2,347 per month, would be constrained by high housing costs.

- *Poverty decreasing but still an issue:* While poverty among those 65 years of age or older has been decreasing, there remains 135 such residents who were living below the poverty line in 2015.

- *Wide affordability gaps:* The median income earning senior with $59,739 in annual earnings could afford a single-family home of about $256,000. The difference between this price and the median single-family house price as of the end of 2016 is $252,950, a considerable affordability gap. The gap for condos is about $10,000, the difference between the median condo price of $229,000 and what a median income earning senior can afford of about $219,000.[33]

- *High cost burdens for renters:* Of the 205 elderly renters 62 years of age or older, 95 or 46% were overspending including 75 or 37% spending at least half of their income on housing costs. A total of 85 or 41% had incomes at or below 30% of median with 65 who were overspending and should be targets for additional subsidized housing.

- *High cost burdens for homeowners:* About one-quarter of North Reading's homeowners were 62 years of age or older. Of these elderly households, 530 or 48% were earning at or below 80% AMI that included 325 with cost burdens and 230 with severe cost burdens.

[33] Figures based on 95% financing, interest of 5.0%, 30-year term, annual property tax rate of $16.41 per thousand, $250 monthly condo fee, insurance costs of $4 per $1,000 for condominiums, and the purchaser spending no more than 30% of gross income on mortgage (principal and interest), taxes and insurance. It is also assumes that the purchaser would be eligible for a subsidized mortgage program such as the ONE Mortgage Program on a MassHousing mortgage that would not require private mortgage insurance.

- *Significant special needs:* Almost one-quarter of all seniors claimed some type of disability. These special needs will also likely increase with the significant projected increases of those 65 years of age or older.

- *Long waits for subsidized housing:* The North Reading Housing Authority has a waitlist of 73 elderly applicants for senior housing at Peabody Court that includes three local applicants with waits between six months to a year for local applicants. Due to local and veteran priorities, non-local, non-veteran applicants are rarely offered a unit.

- *Limited housing choices:* While most seniors want to stay in the community, the Town is losing some to nearby communities given limited opportunities to downsize that are relatively affordable. Edgewood Apartments and the development of the Old State Hospital site as age-restricted housing provide more housing options, however housing costs are high in both developments.

- *Importance of staying in the community:* Research has shown that older adults benefit from remaining in the community where they have spent a good part of their life as those with strong connections to family and friends live longer and better. While some choose to move into new housing that is tailored to the needs of seniors, others decide to "age in place" because it may be both more affordable and "home".[34]

It is important to note that seniors represent a very diverse group of residents with varying needs and expectations regarding their futures based on age, health, income, community connection, among other issues. Nevertheless, as a common denominator, perhaps "community" matters even more as people age as "where we live shapes the contours of our daily experience, determining our access to the things we want and need in our lives" as stated in a paper by Joseph Coughlin at MIT's AgeLab.[35]

It will be a challenge for the Town of North Reading to provide an "age-ready" community that fully meets the increasing needs of older adults but redevelopment prospects at the junction of Routes 28 and 62, the development of other more accommodating housing types for seniors, support for home modifications, and efforts to foster better connections within the North Reading can offer new and vital ways to help keep elders healthy, engaged and connected to the community.

Mr. Coughlin further suggests that, "the sheer size of the next retiree cohort will certainly drive sales in 'active aging developments' and senior housing options, but it is unclear as to whether today's 50-plus communities or senior housing options will tap the full market potential of the largest generation ever to retire. This cohort will expect homes that are convenient, yet able to provide homecare across their lifespans; communities that are accessible and supportive, yet stimulating and engaging; and activities and services that provide what is needed, as well as experiences that can excite and delight."

The community should look to investing in the future of its older residents who invested in North Reading over many years, including important funding support for local schools.

[34] Time, "Where Will All the Old Folks Live?" February 27-March 6, 2017.
[35] Coughlin, Joseph F., "Designing Tomorrow's Ageless Community", MIT AgeLab.

Housing Needs of Families

There are many low- and moderate-income households in North Reading that are struggling to pay their bills, housing expenses chief among them. With rising housing prices, this situation will worsen. Moreover, given an impending crisis, a family may become at risk of homelessness, some forced to double-up with friends or family and/or live in substandard conditions while waiting for subsidized housing or a Section 8 Housing Choice Voucher. Some may be forced to leave the community altogether in search of more affordable living conditions.

- *Declines in family households:* Family households decreased from 80.6% of all households in 1990 to 73.6% in 2010 and then were estimated to increase somewhat to 75.9% by 2015. It may be that the cost of living in North Reading, including housing costs, has driven some families away from the community.

- *High cost burdens for renters:* Of the 145 small families with incomes equal to or less than 80% AMI, almost all were experiencing cost burdens including 75 or more than half with severe cost burdens.

  There were only 15 large families (5 members or more) that were renting in North Reading. This is not altogether surprising as large families are likely to encounter difficulty finding larger units to rent in the community and rents for homes are steep.

- *High cost burdens for owners:* Of the 2,335 small families (four or fewer household members) who owned homes, 500 or 21% were overspending on their housing including 140 with severe cost burdens. A total of 70 or 64% of the 110 small families earning at or below 80% AMI were overspending, 55 or half with severe cost burdens.

  There were only 650 large families (five or more household members) who owned homes, only 55 earning at or below 80% AMI and all with severe cost burdens.

- *Fewer subsidized housing opportunities and long waits:* The North Reading Housing Authority has only four subsidized housing units available for families and these units rarely turnover. One tenant has been there since the property was first occupied in 1987. Additionally, those families looking for a Section 8 Housing Choice Voucher administered by the Housing Authority have waits of at least seven years if they have local preference as they live or work in North Reading.

- *Female-headed households:* While the numbers of female-headed households in North Reading is relatively low, estimated to have decreased from 196 to 106 such households between 2010 and 2015, these households are typically among the most financially at risk in any community, often requiring support services (job skills, child care, etc.) in addition to affordable housing to become stabilized.

Housing Needs of Single Individuals

There are also considerable numbers of lower income non-elderly, non-family households in North Reading, mostly single individuals, experiencing cost burdens and long waits for subsidized housing that make finding appropriate affordable housing a challenge. Some of these individuals have disabilities that further complicate their housing problems as those with disabilities, many reliant on Social Security, tend to be among the most financially vulnerable residents in a community.

- *More people living alone:* There are increasing numbers of single-person households, growing from 17.9% of all households in 2000 to 18.9% by 2015 or from 858 to 1015 residents**.**

- *High cost burdens for renters:* Sixty of the 90 such households earning at or below 80% AMI were spending too much on their housing including 45 or half with severe cost burdens.

- *High cost burdens for owners:* A total of 190 or 43% of the 440 non-family, non-elderly homeowners were experiencing cost burdens. Of these, 95 or almost half were earning at or below 80% AMI with 85 experiencing cost burdens and 75 with severe cost burdens.

- *Long waits for subsidized housing:* The Housing Authority sets aside five units for those who are younger than 60 and disabled. Of the 160 such applicants on the waitlist, 12 are local applicants with waits of at least two years.

- *Lower incomes*: Those with disabilities tend to experience the greatest difficulty in finding housing that is both affordable and accessible.

Housing Needs of Veterans

There are 632 veterans who are residents of North Reading, representing 5.3% of the population. Of these, 64% are 65 years of age or older. Given their service, these residents deserve particular attention to insure their easy integration into the community.

- The median income of veterans is $49,432, significantly less than the median household income of $123,103 based on 2015 census estimates. This means that the median income earning veteran household could afford a home of approximately $212,000 at most with an affordability gap of almost $300,000.

- About 29% of veterans have a bachelor's degree or higher as opposed to 51% of all residents, correlated to lower on average income earnings.

- Almost 25% of all veterans had some type of disability, about three times the level of disability claimed by the total population. The Town's Veterans Services Office encounters even higher levels of vets with disabilities in connection with those that they provide assistance.

- The Housing Authority places a top priority for local veterans over other local applicants who live or work in the community. They have recently been advised that even non-local veterans will receive priority status over other North Reading applicants which will extend access to veterans in the area to subsidized housing. Most of the veterans currently residing in Housing Authority units are older from the Viet Nam era although one served in Desert Storm.

- The lack of starter housing in North Reading is a significant barrier to younger veterans who want to settle in town to start their own families.

- Few housing options also affect older veterans who could greatly benefit from housing that has some available services and handicapped accessibility.

Rental housing is the most significant need

Both rental and ownership housing are needed to encourage a mix of housing types in response to diverse populations and household needs. There is, however, a more compelling case for rental units based on the following important considerations:

- Target the needs of the community's most vulnerable residents with very limited financial means as rental housing is typically more affordable and requires less up-front cash.
- Continue to promote greater housing diversity as more housing options are necessary to meet the needs of local workers who are priced out of the housing market, people who grew up in North Reading and want to raise their own families locally, and empty nesters, for example.
- Invest local resources in support of greater numbers of households/occupants over time as rentals turnover more regularly than ownership units.
- Provide more appropriately sized units for increasing numbers of small households.
- Provide opportunities for some seniors who are "overhoused" and spending far too much on their housing to relocate to more affordable and less isolated settings, opening up their homes to families requiring more space.
- Leverage other funds, as state and federal resources are almost exclusively directed to rental housing development, family rentals in particular.
- Enhance the ability to qualify occupants for housing subsidies as state requirements for including units on the SHI make it very difficult for long-term homeowners to be eligible for affordable housing.
- Provide opportunities for mixed-income housing where several different income tiers can be accommodated within the same project.

Indicators of Need

The following issues related to limited income, high cost burdens, low vacancy rates, etc. suggest a pressing need for more affordable rental housing:

- *Limited incomes:* Based on 2015 census estimates, 615 households or 11.4% of all households earned less than $35,000 including 228 renter households. These households can afford no more than about $675 per month, including utility costs, making it extremely difficult if not impossible to find market rentals without spending too much on housing.

- *High cost burdens:* North Reading's renters are in fact spending too much for their housing with about 80% of all the 400 renter households earning at or below 80% AMI overspending including 175 or 44% who were spending more than 50% of their income on housing costs (with severe cost burdens).

- *High rents:* The 2015 estimated gross median rent of $1,482 (that included 202 actually affordable SHI units or 38% of all rental units) would require an income of $67,280 assuming $200 per month in utility bills and housing expenses of no more than 30% of the household's income. Market rents are higher and tend to be beyond the reach of lower wage earners.

- *High up-front cash requirements:* Many apartments require first and last month's rent plus a security deposit. For a $1,500 apartment, that totals as much as $4,500, an amount that many prospective tenants do not have available to them.

- *Low vacancy rates:* The 2015 census estimates suggest a zero percent vacancy rate for rental units in North Reading although vacancies at Edgewood average about 4% however.

- *Deficit of affordable rents:* Calculations in Table 5-18 estimate that there is a shortage of 400 rental units based on the numbers of those who are spending too much for their housing.

New ownership opportunities are also in need

Efforts to provide starter homes for first-time homebuyers and better housing alternatives to empty nesters should be promoted to address several objectives including:

- Provide opportunities for families who want to invest in North Reading but are shut-out of the current housing market.
- Lend additional stability to neighborhoods as homeowners tend to become more rooted and invested in the community.
- Enable children who were raised in North Reading to return to raise their own families locally.
- Provide housing options for municipal employees and others who work in the community.
- Provide smaller homes for increasingly smaller families.
- Offer more affordable housing alternatives to empty nesters who want to downsize, thus opening their existing homes to families.

Small clustered cottage-style housing in pocket neighborhoods could be pursued as well as other infill development, mixed-uses that include mixed-income condo development, the redevelopment/reuse of previously nonresidential properties, and the integration of housing in nonresidential areas offer good options for increasing affordable homeownership opportunities in North Reading.

Indicators of Need

The rising cost of housing is shutting increasing numbers of residents out of the private housing market, particularly the ownership market. For example, the median single-family house price increased from $472,700 as of the end of 2015 to $508,950 as of the end of 2016, with condo prices also increasing from $210,000 to $229,000 during this period. High upfront costs also challenge first-time purchasers. More affordable options are necessary that can support a range of incomes based on the indicators of need below.

- *Few subsidized ownership units:* Only 31 units or 6% of the Town's SHI units involve ownership.

- *Potential pool of qualified first-time homebuyers:* An estimated one-third of all renter households earned enough to potentially qualify for subsidized first-time homebuyer opportunities if they become available.

- *High affordability gaps for single-family homes:* There is very little affordability remaining in North Reading's housing market and even what could be considered a "starter home" of $358,000 requires an income of about $88,290. There are only about 600 single-family homes available to those earning at or below this income level. For those earning at 80% of area median income limit ($65,750 for a family of three), the affordability gap is $272,950, the difference between the maximum they could afford of approximately $236,000 and the median single-family house price of $508,950. This suggests a need for subsidies to promote affordability and reduce excessive cost burdens.

Because of the relative affordability of condos, they could become targets of efforts to convert existing housing to long-term affordability.

- *Condos are much more affordable:* There are no affordability gaps for condos as the median condo price of $229,000, as of the end of 2016 from The Warren Group's Banker & Tradesman, would require an income of about $72,300, which is well below North Reading's median household income of $123,103. A median income-earning household could likely afford a condo for about $471,500 more than double the median condo price of $229,000.[36] Most of the more affordable condos are located in older buildings however, with newer units priced above $400,000.

  The affordability gap for those households earning at the 80% AMI ($65,750 for a household of three) increases to an estimated $24,000 or the difference between the median condo price ($229,000) and what a household earning at $65,750 could probably afford ($205,000). Nevertheless, while condos present a more affordable alternative for new homeownership, obtaining financing since the recession has become challenging for condominiums in particular and monthly fees raise housing expenses, limiting the amount that can be borrowed.

- *Maintain population diversity and attract young families:* Younger adults in the family formation stage of their lives, the 25 to 34-age category, have decreased significantly, dropping to 8.9% of the population in 2010 from 17.3% in 1990. The 2015 census estimates suggest some resurgence of this age group to 1,694 residents or 11% of all residents, still well below earlier levels. Without equity from another house or subsidized starter homes, many young families are virtually shut out of the homeownership market.

- *Financing challenges:* Without a subsidized mortgage, households have to come up with a substantial amount of cash, now more typically a down payment of 20%, thus blocking many who seek to own a home. Credit problems also pose substantial barriers to homeownership.
  Prior generations have had the advantage of GI loans and other favorable mortgage lending options with reasonable down payments. Also, in prior years the median home price to income ratio was much lower than it is today, making homeownership more accessible. Given current economic conditions, the ability to obtain financing is more challenging for today's first-time homebuyers without subsidized ownership. State-supported mortgage programs, such as the ONE Mortgage Program or MassHousing offerings, can offer important financial assistance to first-time purchasers.

- *Extremely low vacancy rates:* The 2015 vacancy rate for homeownership units was 1.3%, reflecting extremely tight market conditions.

- *High cost burdens:* There remains a need for more affordable homeownership opportunities in North Reading as of the 790 owner households who were estimated to have earned at or below

[36] Figures based on 95% financing, interest of 5.0%, 30-year term, annual property tax rate of $16.41 per thousand, $250 monthly condo fee, insurance costs of $4 per $1,000 for condominiums, and the purchaser spending no more than 30% of gross income on mortgage (principal and interest), taxes and insurance. It is also assumes that the purchaser would be eligible for a subsidized mortgage program such as the ONE Mortgage Program on a MassHousing mortgage that would not require private mortgage insurance.

80% AMI, only 255 units might be affordable to them, resulting in a deficit of 435 affordable ownership units in this income range. While the Town should focus on those more financially vulnerable residents earning below 80% AMI, it is worth noting that when looking at cost burdens (spending more than 30% of income on housing) there are deficits in the higher income categories as well that suggest a need to consider integrating some higher income ranges into new development including of 100% or 120% AMI for example.

It should be noted that it is difficult for existing homeowners to qualify for new affordable housing opportunities as there are limits on financial assets and current ownership. Nevertheless, there are still opportunities to assist low- and moderate-income owners as discussed in Section 8.

Integrate handicapped accessibility and supportive services into new development

Handicapped accessibility and supportive services (such as those offered by the Council on Aging or through assisted living options as well as transportation and home maintenance programs) should be integrated into new housing production efforts.

Indicators of Need:

- *Significant local population with disabilities:* Of all North Reading residents in 2015, 1,135 or 7.4% claimed a disability, representing significant special needs within the North Reading community.

- *Long waits for subsidized units reserved for the disabled:* As noted earlier, there are 160 applicants on the waitlist for only five North Reading Housing Authority units that are reserved for people with disabilities and are younger than age 60. Twelve of these applicants live or work in North Reading.

- *Lack of barrier-free units:* The North Reading Housing Authority has no handicapped-accessible units and sloping site conditions present substantial challenges for existing elderly and disabled residents to move about the property.

- *Growing senior population:* As the number of seniors continues to increase with the aging of the baby boomers, growing numbers of residents will need better access to housing that includes on-site supportive services and/or handicapped accessibility.

Table 5-19 provides a summary of unmet housing needs according to income level and type of household, looking at households that are paying too much of their income on housing costs. Proportionately, analyzing those with cost burdens, there is a relatively higher need for rentals than homeownership units with the unmet need at 56% of all rental units and 27% for homeownership. When focusing on those earning at or below 80% AMI, the unmet housing numbers change to 80% and 68% of all rental and ownership units in this income range, respectively.

Table 5-19 also provides numbers on the unmet housing needs of seniors, families and non-elderly single individuals earning at or below 80% AMI. Of all renter households with cost burdens within this income range, 45% were seniors, 17% were non-elderly individuals, and 38% were families. In the case of homeownership, 61% were seniors, 24% were single non-elderly individuals and 23% were families. Clearly there were greater proportions of seniors with cost burdens which is correlated with retirement and living on fixed incomes.

Table 5-19: Unmet Housing Needs

Population in Need	All Units	Housing Available That is Affordable	Unmet Need* (Spending > 50% of income)
Rentals			
Extremely Low Income (Within 30% AMI)	155	35	120 (80)
Very Low Income (30% to 50% AMI)	195	10	185 (80)
Low to Moderate Income (50% to 80% AMI)	90	45	45 (15)
Subtotal	*440*	*90*	*350 (175)*
80% to 100% AMI	50	0	50 (0)
Above 100% AMI	230	230	0 (0)
Subtotal	*280*	*230*	*50 (0)*
Total	***720***	***320***	***400 (175)***
Homeownership			
Extremely Low Income (Within 30% AMI)	350	10	340 (300)
Very Low Income (30% to 50% AMI)	155	75	80 (40)
Low to Moderate Income (50% to 80% AMI)	285	170	115 (75)
Subtotal	*790*	*255*	*535 (415)*
80% to 100% AMI	330	150	180 (15)
Above 100% AMI	3,420	2,890	530 (115)
Subtotal	*3,750*	*3,040*	*710 (130)*
Total	***4,540***	***3,295***	***1,245 (545)***
TOTAL (Rental & Ownership)	**5,260**	**3,327**	**1,645 (720)**
Target Population in Need	**All Units Occupied By Those Earning < 80% AMI**	**Housing Available That is Affordable to Those Earning < 80% AMI**	**All Those with Cost Burdens/Units Occupied by Those Earning < 80% AMI**
Seniors (62 and over)	190 Renters 530 Owners	35 Renters 205 Owners	155 Renters 325 Owners
Families	160 Renters 155 Owners	30 Renters 30 Owners	130 Renters 125 Owners
Non-elderly Individuals	90 Renters 95 Owners	30 Renters 10 Owners	60 Renters 85 Owners
TOTAL	**440 Renters 780 Owners**	**95 Renters 245 Owners**	**345 Renters 535 Owners**

Source: U.S. Department of Housing and Urban Development (HUD), SOCDS CHAS Data, 2013.
*Includes all those spending too much on their housing per Table 5-15.

Table 5-20 presents targeted affordable housing development goals based on a distribution of housing needs over the next five years and annual Housing Production goals of 28 units per year or 140 over five years per state guidelines. **A combination of information on demographic shifts, cost burdens, affordability gaps, and the community's housing mix suggest the following targeted housing needs:**

- Rental development goal of 80% of all new units created.
- Goal of 140 affordable units over the next five years.
- About half of units produced directed to seniors or single individuals (many with special needs) through one-bedroom units, 40% for small families with two bedrooms, and 10% of units for larger families with three bedrooms (required by state for units that are not age-restricted or for single person occupancy.)
- A minimum of 20% of one-bedroom units with handicapped accessibility and/or supportive services and at 10% for other units created. Where feasible, 100% handicapped accessibility or adaptability should be promoted in housing for seniors and those with disabilities.

Table 5-20: Summary of Targeted Production Goals[37]

Type of Housing	Seniors + Single Persons/ One Bedroom Units @ 50%	Small Families/ 2 Bedrooms @ 40%	Large Families/3+ Bedrooms @ 10%	Total/5-Year Goals
Rental @ 80%	56	45	11	112
Ownership @ 20%	14	11	3	28
Total	70	56	14	140
Special Needs* (a % of total units)	(14)	(6)	(2)	(22)

Source: 2013 HUD SOCDS CHAS and Karen Sunnarborg Consulting

* Represents 10% of all units created in family housing and 20% in senior and single-person housing. For example, of the total 70 projected total one-bedroom units produced, largely directed to seniors or those with disabilities, 20% or a goal of at least 14 would involve handicapped accessibility and/or supportive services.

There is a need to provide support to all these types of households along a wide range of incomes. Everyone should have a right to safe and affordable housing which is so fundamental to stabilizing both individuals and families who may be living in substandard conditions and/or spending far too much for their housing. The whole community benefits when all residents have a decent and affordable place to call home.

[37] Focuses on units created for those earning at or below 80% AMI but many of the rentals will be directed to those earning at or below 60% AMI and additional income tiers can be created for those earning more than 80% AMI but still priced out of the housing market, including market units.

6. HOUSING CHALLENGES

The Town of North Reading is committed to encouraging sustainable growth and development, including the production and preservation of affordable housing. It also recognizes the importance of promoting such growth within the context of preserving natural resources, economic health, and quality of life. It will continue to be a great challenge for the community to create enough housing choices to address the wide range of housing needs in light of the following constraints:

6.1 Regulatory Constraints

As is the case in most American communities, a zoning by-law or ordinance is enacted to control the use of land including the patterns of housing development. North Reading is divided into 14 different Zoning Districts, including seven (7) Residential Districts that comprise approximately 88% of the community's total land area. Zoning also includes three (3) Business Districts, and one (1) Industrial District (three other Industrial Districts exist in the town's Zoning Bylaw, but there is no longer land in the town with the IA, IB or IC designation), as well as a quite a few Overlay Districts.

As shown in Table 1, residential zoning requirements vary considerably by District. The smallest lots of at least 20,000 square feet are allowed in the RB district, involving limited areas of town close to the town core and in the Martin's Pond area in the northwest part of town. Most of the residential area is included the RA District with minimum lot sizes of 40,000 square feet that lie outside these more highly developed areas. Minimum lot sizes of 120,000 square feet are required in the RD District that includes parts of the Aquifer Protection Overlay District in the northeast area of town around Swan Pond. In addition to large-lot requirements, zoning also requires large frontages and setbacks as well as no more than a 20% lot coverage ratio and minimum open space of 60% of the total lot area.

Because affordable housing typically relies on economies of scale that come with greater density, the large-lot zoning that is required in almost all of the Town's residential area, in combination with other provisions, while protecting the environment make it extremely challenging to build affordable housing without waivers of existing requirements through the Chapter 40B process or other special local zoning. Additionally, participants in the July 27th Community Housing Forum also remarked that historic district limitations in the Town Center have created development challenges and driven up costs.

Table 6-1: Dimensional Regulations in Residential Districts

Requirements	RA	RR	RB	RD	RE
Minimum Lot Requirements					
Area, square feet	40,000	40,000	20,000	120,000	40,000
Frontage, feet	160	160	125	160	160
Minimum Yard Requirements					
Front, feet	40	40	25	40	40
Side, feet	25	25	20	25	25
Rear, feet	50	50	24	50	50
Maximum Height					
Feet	35	35	35	35	35
Max Building Area					
Percentage	20	20	20	20	20
Min Open Space					
Percentage	60	60	60	60	60

Single-family detached homes are allowed in all residential districts except RM (Residential Multi-family). Two- and three-family dwellings operated by the Housing Authority are allowed by Special Permit in the RA, RB, RD and RE Districts. Two-, three-family and other multi-family housing are allowed in the RA, RR and RE districts through an Open Space Residential Design, though the increase in density over what would normally be allowed by zoning only relates to open space preservation. Townhouses and other multi-family structures are allowed only in the RM zoning district, and in certain overlay districts, as described below.

Zoning Provisions that Address Affordable Housing and Smart Growth
Despite these zoning constraints, North Reading's Zoning Bylaws include the following provisions that promote affordable housing, smart growth development, and a greater diversity of housing types:

- *Main Street Mixed Use Overlay District*[38]
  The recent 2017 spring Town Meeting approved zoning to encourage mixed-use development to "provide opportunities for the development of new multi-family housing within the Town, in the interest of providing a variety of needed housing types; to encourage the revitalization of an important commercial district within a key section of Main Street by introducing residential development to support new and existing retail, restaurants and other businesses and services; and to foster a town-center-type development pattern, in accordance with the planning studies and recommendations completed by the local Regional Planning Agency with and for the Town."[39]

  The District includes properties on the eastern side of Main Street (Route 28) at the junction of Winter Street (Route 62). Multi-family dwellings are permitted by Special Permit under the bylaw as a component of mixed-use development where the residential component is no greater than 80% of the total square footage of the building with the remaining 20% occupied by another use allowed by right or by Special Permit. Assisted living facilities, senior housing, and 55+ age-restricted/active adult housing are permitted by right in the above mixed-use configuration.

- *Affordable Housing Overlay District*[40]
  The Town adopted the Affordable Housing Overlay District bylaw in 2008 to promote affordable housing development on specific parcels on West Street, Homestead Terrace, Oakdale Road and several other streets scattered throughout town. The parcels were selected through an analysis of Town-owned properties that were slightly undersized, had some wetland areas or other minor defects, but were still developable under modified zoning. They also had adequate frontage along an existing way or were positioned to obtain adequate access. All affordable units must meet state requirements for inclusion in the Subsidized Housing Inventory and all types of residential structures are allowed under specific dimensional and density regulations but maximum density for single-family attached or multi-family dwelling can be no more than one (1) unit per 5,000 square feet of lot area. Minimum affordable housing requirements include –

[38] North Reading Zoning Bylaw, Article XXVI.
[39] North Reading Zoning Bylaw, Article XXVI, Section 200-157.
[40] North Reading Zoning Bylaw, Article XXI, Section 200-117.

- Single-family detached dwellings: For a single-family dwelling, the unit must be affordable. In a development with two units, one of the units must be affordable, and in a development of three or more units, at least one out of every three dwellings must be affordable.
- Two-family dwellings: At least one of the units must be affordable.
- Multi-family dwellings: At least one out of every three units must be affordable.
- At least 10% of multi-family units must be affordable. This requirement is inconsistent with the one above and should be deleted in future zoning changes.
- A development that includes more than five affordable units must provide a range of affordability with units priced for households between 65% and 80% of area median income. This provision should also be revisited in future rezoning efforts to be more specific regarding any breakdowns between 65% and 80% AMI units and insure conformance with state Local Initiative Program (LIP) requirements.

No units have been created to date through these provisions, however the Town has not yet issued a Request for Proposals (RFP) for the development of the parcels it owns (see strategy 8.?)

- *Berry Center Smart Growth Overlay District*[41]
  This Smart Growth Overlay District was established as part of the state's Chapter 40R provisions to regulate the development of the former J. T. Berry property. The State Legislature approved the Chapter 40R zoning tool for communities in 2004 in recognition that escalating housing prices, beyond the reach of increasing numbers of state residents, were causing graduates from area institutions of higher learning to relocate to other areas of the country in search of greater affordability. The statute defines 40R as "a principle of land development that emphasizes mixing land uses, increases the availability of affordable housing by creating a range of housing opportunities in neighborhoods, takes advantage of compact design, fosters distinctive and attractive communities, preserves open space, farmland, natural beauty and critical environmental areas, strengthens existing communities, provides a variety of transportation choices, makes development decisions predictable, fair and cost effective and encourages community and stakeholder collaboration in development decisions."[42] The key components of 40R include:

  - Allows local option to adopt Overlay Districts near transit, areas of concentrated development, commercial districts, rural village districts, and other suitable locations;
  - Allows "as-of-right" residential development of minimum allowable densities;
  - Provides that at least 20% of the units be affordable and North Reading's bylaw specifically states that at least 25% of the units must be affordable in any rental development;
  - Promotes mixed-use and infill development;
  - Provides two (2) types of payments to municipalities (one based on the number of projected housing units and another for each unit that receives a building permit); and

[41] North Reading Zoning Bylaw, Article XX, Section 200-102.
[42] Massachusetts General Law, Chapter 40R, Section 11.

- Encourages open space and protects historic districts.

The state also enacted Chapter 40S under the Massachusetts General Law that provides additional benefits through insurance to municipalities that build affordable housing under 40R that they would not be saddled with the extra school costs caused by school-aged children who might move into this new housing. In effect, 40S is a complimentary insurance plan for communities concerned about the impacts of a possible net increase in school costs due to new housing development.

North Reading's 40R District enabled the Edgewood Apartment development to be built that includes 406 total units with 102 actually affordable ones, although all units count as part of the Subsidized Housing Inventory. Consequently, this zoning boosted the Town's level of affordability considerably.

- *Open Space Residential Development (OSRD) bylaw*[43]
  The OSRD bylaw was adopted in 2008 to better protect open space in a more efficient and environmentally sensitive form than the conventional grid subdivision, also encouraging a variety of housing choices. This bylaw enables the Community Planning Commission (CPC) to issue a Special Permit in a development of six or more units in the RA, RR, or RE Districts although the CPC also has the discretion to issue a Special Permit under this bylaw for projects that contain less than six dwelling units or residential lots. Both single-family dwellings as well as townhouses with no more than four units per building are allowed under the bylaw, and at least half of the total land area must be permanently protected as usable, common open space. The maximum number of units cannot exceed 1.20 times the number of single-family house lots allowed under a conventional plan in full conformance with all regulations. The bylaw does not include any mandates or incentives for including affordable housing nor has it been used much, creating only 25 single-family homes in 2001.

- *Planned Unit Development*[44]
  The CPC may also issue a Special Permit in the RE District in order to provide a mix of housing types at somewhat greater densities than would normally be allowed to better preserve open space and create development that is more harmonious with the parcel's natural features. Both single-family and multi-family uses are permitted. The minimum parcel size must by at least 100 contiguous acres and at least 20% of the land area must be set aside as open space for common use and at least 75% of this open space cannot contain wetlands or more than 5% slopes. The open space must be conveyed to the Town or held jointly and maintained by the owners of the units. The maximum residential density is one unit per gross acre. As is the case with the OSRD bylaw, there are no mandates or incentives for including affordable housing. These provisions have also been used only once as part of The Greens development involving 172 condominiums (from single-family to four-unit dwellings) around a golf course, comprising the entire RE District.

[43] North Reading Zoning Bylaw, Article X, Section 200-47.
[44] North Reading Zoning Bylaw, Article XI, Section 200-53.

- *North Reading Housing Authority Multi-family Housing*[45]
  In 1983 and 1984, the Town approved zoning to enable the North Reading Housing Authority to build multi-family housing of up to 3 units in zoning districts that otherwise would not allow this housing type: RA, RR, RB, and RD, and RE, which also allows Planned Unit Developments. This enabled the construction of the family housing on Swan Pond Road.

- *Multi-Family District*
  In 1984, The Town adopted zoning to enable multi-family development within two parcels in the town center. Property along Railroad Avenue was eventually developed with 14 townhouse units, all market rate. [46]

Mitigation Measures: This Housing Plan recommends new zoning to better promote affordable housing and smart growth development including allowing accessory dwelling units and other more diverse housing types in more areas as well as integrating affordable housing in the Open Space Residential Development bylaw and adopting inclusionary zoning. Also, as the town continues to grow, it will reasonably explore the feasibility of wastewater treatment options to appropriate areas to make somewhat denser development possible, the area around Main and Winter Streets a particular possibility.

6.2 Limited Community Infrastructure

Sewer Services

North Reading has no sewer services or wastewater treatment facilities accessible to private developments, and consequently residents and businesses are reliant on septic systems. There are however several special on-site treatment facilities in town serving the High School complex and some larger developments. The total reliance on septic systems raises concerns about the impacts of any new development on the environment, water supply and quality in particular.

Water Services

North Reading has public wellfields that in addition to water purchased from Andover provide about 85% of residents with water. The areas that are not covered are very rural, environmentally sensitive, and lack other infrastructure such as the Swan Pond area. In addition to the wells, the Town has two water treatment plants, three water storage tanks, and about 80 miles of water mains that include about 4,600 water service connections.

Transportation

The Town also has no access to public transportation and consequently residents rely on private automobiles. Public railway connections are available in nearby communities however, including Reading, Wilmington, and Andover with public bus service in Andover and Reading. The Council on Aging does provide some limited transportation services for elders, which has been helpful.

Mitigation Measures:

Sewer Services

The Town completed a Comprehensive Wastewater Management Plan that recommended the development of a wastewater disposal system for areas of town that were determined to be most

[45] North Reading Zoning Bylaw, Article XV, Section 200-89.
[46] North Reading Zoning Bylaw, Article XV, Section 200-90.

in need. Potential sites have not proven viable however, and the Town is currently reviewing development strategies that will eliminate the need for a Town-owned treatment plant such as accessing the City of Lawrence's system.

Water Services
The Town has been proactive in restricting the use of water on a year-round basis given the extremely low flows in the Ipswich River and has also established a rain barrel program to provide them to residents at a reduced cost. In addition to community education activities promoting reduced water usage, the Town is also revising its drought and water restriction plan and is seeking funding to develop a Capital Improvement Plan. The Town's long-term plan is to lower capacity and improve efficiencies by purchasing water from the Massachusetts Water Resource Authority (MWRA). North Reading also has adopted an Aquifer Protection Overlay District and seeks to further protect water resources with a stormwater program.

Transportation
The Town recently joined the Merrimack Valley Regional Transit Authority and is now offering an on-call paratransit service, though this is currently limited to medical appointments for seniors and disabled veterans. This service will be offered in addition to the Council on Aging's in-town service and very limited volunteer out-of-town service. The Town hopes to expand this MVRTA service in the future to allow access to greater numbers of residents and for trips beyond just medical appointments.

6.3 Environmental Constraints

As North Reading continues to grow, the Town will have to be increasingly attentive to the impacts of development on the environment. Some of the environmental issues that are of particular concern to the community and/or a constraint to further development include:

- The Town's water resources continue to be of particular importance to the community. The Ipswich River is considered to be "flow-stressed" due to excessive groundwater pumping and municipal water consumption in the region. Consequently, the Town needs to continue to press for efforts that will protect and conserve the public drinking water supply as well as surface and groundwater resources.
- There has been regular flooding of the Ipswich River near the Town Center which requires efforts to keep contaminating materials and erodible soil out of the flood zone to the greatest extent possible.
- Eroding soil has been problematic, particularly on steep slopes, which will increasingly become targets for development as other less problematic developable land continues to decrease.
- The Town has several hazardous waste sites that are being monitored by the Department of Environmental Protection (DEP) including a Tier 1A site in the industrial zone in the southwest corner of town within the Aquifer Protection District Zone 1 that is considered a high priority for monitoring. There are also two Tier 1D sites that are of a somewhat lesser priority for monitoring. North Reading's gas stations may also pose some environmental problems, particularly if they are redeveloped for another use at some point in the future.
- North Reading also has rare and endangered species that require protection. For example, the state lists the Adder's Tongue Fern as Threatened and the Tiny Cow Lily as Endangered.

Another Endangered species includes the Clubtail Dragonfly with the Blanding's Turtle identified as Threatened. These species became rarer as land use changed from primarily agricultural to suburban.

Mitigation Measures: Balancing the need to protect the environment with the need for affordable housing and economic growth requires integrated planning and policies for land use management. The Town prepared an Open Space and Recreation Plan in 2013 which identified environmental concerns and approaches for preserving its natural resources. In addition to acquiring open space, the Town adopted special zoning including the establishment of a Floodplain Overlay District to protect property in particular flood prone areas; an Aquifer Protection Overlay District to protect the Town's water supply; a Wetlands Bylaw; and the Mixed Use Development Overlay District (MD), Berry Center Smart Growth Zoning Overlay District, and Open Space Residential Development bylaw to promote "smart growth" development principles. The Town has also adopted Lot Slope requirements as part of the zoning bylaw to encourage the maximum retention of natural topographic features and to minimize water runoff and soil erosion problems that result in the grading of steep slopes.

6.4 Limited Subsidies

North Reading does not have a specific revenue stream on which it can rely to subsidize local efforts to promote affordable housing. One participant at the June 27, 2017 Housing Forum asked, "North Reading is a small community with limited resources, can we really accomplish much with respect to affordable housing?" To further exacerbate this absence of local funding, other public resources to subsidize affordable housing preservation and production as well as rental assistance have suffered budget cuts over the years making funding more limited and extremely competitive. Levels of future funding are questionable, particularly in light of initial federal announcements of severe budget cutbacks. Moreover, as housing prices continue to rise, deeper subsidies are required to fill the gaps between what housing costs to develop and what residents can afford.

Unlike more than 170 communities in Massachusetts, North Reading does not have an important local resource for subsidizing affordable housing – the Community Preservation Act (CPA). Under CPA, at least 10% of the funding raised through a local property surcharge and additional funding through the statewide CPA Trust Fund, must be directed in support of efforts to preserve and produce affordable housing, with at least another 10% allocated for open space preservation and recreation as well as historic preservation. The Town could benefit from funding support for all of these activities.

Mitigation Measures: This Housing Plan includes a recommendation to explore the adoption of the Community Preservation Act (CPA) in North Reading. The Plan also includes strategies for working in close partnership with developers to obtain other regional, state and federal funding to support housing development efforts with potential use of programs such as the Low Income Housing Tax Credits, Chapter 40R/40S, the Starter Home Program, Housing Choice Initiative and Community Scale Housing Initiative (see development strategies in Section 8).

6.5 Community Perceptions

Some participants in the June 27, 2017 Community Housing Forum remarked on what they perceive as the lack of community awareness, education and interest in the issue of affordable housing and raised questions about local political will to be proactive about the issue. Many of those gathered expressed concerns about the shifting demographics and rising prices in North

Reading that are forcing those with more limited means to leave the community or pay inordinate amounts on housing costs.

Residents in most communities are concerned about the impacts that any new development will have on local services and the quality of life, and many may also have negative impressions of affordable housing in general. It is not unusual for the very term "affordable housing" to carry with it a negative connotation or stigma. Therefore, local opposition to new affordable developments is more the norm than the exception in most communities. Residents often prefer the status quo to the uncertain implications of new development and Not in My Backyard (NIMBY) push-back from neighbors can block positive developments for years in the event of litigation.

Mitigation Measures: This Housing Production Plan represents a positive step forward in showcasing the issue of affordable housing including needs and benefits. North Reading will pursue ongoing community education to inform local leaders and residents on the issue of affordable housing to help dispel negative stereotypes, provide up-to-date information on new opportunities, and to garner political support. It will be important to continue to be sensitive to community concerns and provide opportunities for residents to not only obtain accurate information on housing issues, whether they relate to zoning or new development, but have opportunities for significant input.

6.6 Limited Developable Property

A perception persists that there is limited availability of land for development. This sentiment was echoed by participants in the June 27th Town-sponsored Community Housing Forum. It may reflect concerns about finding appropriate locations for development as well as the higher development costs that are involved in building housing on remaining vacant lots that likely come with challenging topography or other environmental constraints.

Nevertheless, the buildout analysis that was conducted by MAPC in 2000 estimated that 913 total new residential units could be built based on current zoning at the time and environmental constraints. Another analysis that was undertaken by the CPC in 2001 projected the potential for 1,329 new housing units. Some reasons for this discrepancy is that the Town did not exclude large portions of wetlands and flood zone areas, included the potential for infill units in existing developments, and included build-out factors based on historical subdivision data.

Since that time about 900 new units were created but about half of these were developed through special zoning, including the 406 units at Edgewood Apartments, still leaving somewhat less than a thousand buildable lots. MAPC recently prepared some calculations regarding undeveloped land that suggested that there were 118 parcels, comprising 232.5 acres, which were classified as developable or potentially developable land in residential, commercial and industrial districts. There are also some parcels classified as vacant municipal land which will require further analysis to determine potential use for some amount of affordable housing. Further buildout analysis of these parcels should be considered in an effort to update previous projections.

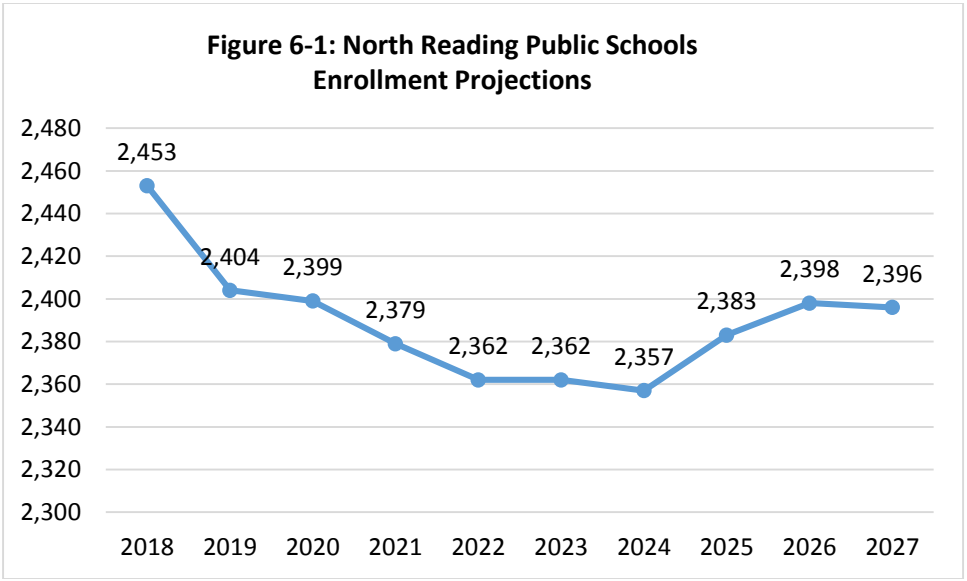
Mitigation Measures: Given limitations, it will be important for the Town to make the best use of existing development opportunities through redevelopment activities such as the creation of a mixed-use community center and the potential inclusion of special wastewater treatment facilities or even the sewering of appropriate additional areas of town to facilitate higher density development, or other rezoning efforts. It will also be important to preserve what affordability

exists or is created in the Town's housing stock, working to extend affordability restrictions if units are not created affordable in perpetuity.

6.7 School Capacity

The population of children in North Reading has been on the decline and is projected to continue to do so, decreasing from 4,071 residents under age 20 in 2010 to a projected 3,463 by 2030 according to MAPC's estimates. Additionally, North Reading Public School data (see Figure 4-4) indicates declining student enrollments from a high of 2,811 students in the 2007-08 school year to 2,496 students by 2016-17, representing a loss of 315 students during this period or an 11% decrease. Enrollment projections from the New England School Development Council (NESDEC) from October 2016 suggest continuing declines to 2,396 students by 2027 as shown in Figure 6-1. These enrollment projections are being reworked given some recent increases in enrollment.

Figure 6-1: North Reading Public Schools Enrollment Projections



Mitigation Measures: Most of the units produced through this Housing Plan would include one and two-bedrooms given the greater focus on multi-family and mixed-use rental development and approximately 10% with three-bedrooms. Half of the units included in housing production goals are targeted to seniors or single individuals. These units are unlikely to cause any significant problems in the Town's current school capacity.

6.8 High Housing Costs

As detailed in Sections 5.4 and 5.5 of this Plan, both housing costs and affordability gaps are very high and thus substantial amounts of subsidies are required to make affordable housing financially feasible. Moreover, the Town has a relatively high property tax rate of $16.41 per thousand that adds to housing costs. Interviews as well as comments from the June 27th Community Housing Forum expressed concern that older long-term residents have few options for downsizing and thus have been moving out of town.

These high-priced market conditions are summarized below.

Ownership Housing

Assessor data confirms that there is very little affordability remaining in the single-family housing stock. More than half of the homes were assessed between $300,000 and $500,000. The remaining 1,900 units, or 46% of the single-family homes, were valued beyond $500,000 with 120 assessed for over $1 million. The median assessed value was $474,900, less than the median sales price of $508,950 as of the end of 2016 according to The Warren Group (see Table 5-8), although assessed values are typically somewhat lower than market prices, particularly under rising market conditions. Even what could be considered a "starter home" of $358,000 requires an income of about $88,290. There are only about 600 single-family homes available to those earning at or below this income level.

Condominiums are a significant part of North Reading's housing stock, totaling 755 units, and are significantly more affordable as 429 condos, or about 57% of all condos, were assessed below $200,000 with a median assessed value at $186,000. Many condos are located in older buildings however, that likely involve deferred maintenance needs.

Given rising housing prices, it is not surprising that there are affordability gaps. For example, for those earning at 80% of area median income limit ($65,750 for a family of three), this gap was $272,950, the difference between the maximum they could afford of approximately $236,000 and the median single-family house price of $508,950. These figures are based on 95% financing, assuming that the purchasers could qualify for homebuyer programs such as the state's One Mortgage Program or MassHousing's mortgage offerings for example.[47]

Accompanying these widening affordability gaps are increased cost burdens as 27% of all households who were homeowners were spending too much for their housing, defined as spending more than 30% of their income on housing costs. Moreover, of these households 545 or about 12% were spending more than 50% of their income on housing, referred to as being severely cost burdened.

Rental Housing

Rents are also high as it is difficult to find a two-bedroom, year-round, market rental for less than $1,500 with most listed at more than $2,000. In regard to affordability, a year-round, market rental priced at about $1,500 would require an income of about $60,000 without consideration for utilities that would boost the required income closer to $68,000 (assuming $200 in average utility bills and not paying more than 30% of income on housing costs).

The median income earning renter ($52,917) could afford a rent of only about $1,123 under the same assumptions. Even affordable rents at Edgewood have rents far beyond this level. Consequently, the affordability gap would be at least $400, the difference between the lowest listed market rental of $1,500 and what a median-income earning renter could afford. It is consequently not surprising that 24% of all renter households are paying far too much for their housing including 56% of these households earning at or below 80% AMI. The upfront costs involved in leasing a unit add additional barriers to affordability.

[47] Figures are based on 95% financing, 4.5% interest rate, 30-year term, property tax rate of $16.41, and insurance costs of $6 per thousand.

Vacant Property
Assessor's data suggests that there are about 37 vacant developable residential parcels remaining in town based on Assessor records.[48] The median valued of such parcels was assessed at $276,000. Conservatively assuming $200 per square foot in total development costs, a 2,000 square foot house would cost about $400,000 before acquisition costs and about $676,000 in total costs by adding the median assessed value, significantly higher than the median single-family house price of $508,950 and well beyond the means of many if not most long-term residents.

Mitigation Measures: Given high property costs and resulting affordability gaps, it will be important for the Town to find resources to subsidize and leverage additional public and private subsidies to make units more affordable to households earning a wide range of incomes who are priced out of the private housing market. The donation of Town-owned land, new zoning mandates, and adoption of CPA are examples.

It should also be noted that North Reading still has 30 mobile home units at 103 and 142 Main Street according to assessor records that are among the most affordable units in the unsubsidized housing market and make an important contribution to the very small stock of truly affordable units the community has to offer.

[48] Assessor records also include 81 additional properties classified as potentially developable residential properties or developable/potentially developable commercial and industrial properties.

7. AFFORDABLE HOUSING PRODUCTION GOALS

The Massachusetts Department of Housing and Community Development (DHCD) administers the Housing Production Program in accordance with regulations that are meant to provide municipalities with greater local control over housing development. Under the program, cities and towns are required to prepare and adopt a Housing Production Plan that demonstrates the production of an increase of at least 0.5% of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory, the equivalent of 28 units in the case of North Reading.[49] If DHCD certifies that the locality has complied with its annual goal or that it has produced at least 1.0% of its year-round housing (the equivalent of 56 units for North Reading), the Town could, through its Zoning Board of Appeals, potentially deny what it considered inappropriate comprehensive permit applications for one or two years, respectively, without the developer's ability to appeal the decision to the state.[50]

When the 2020 census figures are released, likely later in 2021, the annual housing production goal will increase, reflecting housing growth since 2010. For example, the Town once had an 11% affordability level, which decreased below 10% when the 2010 year-round census figure became available. MAPC projections estimate a total housing stock of 6,291 or 6,405 units based on their Status Quo and Stronger Region projections, respectively, for 2020 (see Section 3.2 for descriptions of these scenarios). This would imply annual housing production goals of 31 or 32 affordable units, respectively. The redevelopment of the Berry Property as well as Edgewood Apartments will contribute to these significant unit increases.

Using the strategies summarized under Section 8 and priority needs and targeted goals established in Section 5.7, the Town of North Reading has developed a Housing Production Program that estimates affordable housing activity over the next five (5) years. The projected goals are best guesses at this time, and there is likely to be a great deal of fluidity in these estimates from year to year. The goals are also based largely on the following criteria:

- At a minimum, at least fifty percent (50%) of the units that are developed on publicly-owned parcels should be affordable to households earning at or below 80% of area median income. The rental projects will also target some households earning at or below 60% of area median income with lower income tiers as well depending upon subsidy program requirements.
- Projections are based on no fewer than four (4) units per acre. However, given specific site conditions and financial feasibility, it may be appropriate to decrease or increase density as long as projects are in compliance with state Title 5 and wetlands regulations. Because development opportunities are limited, the Town should make sure that new development makes good use of

[49] Massachusetts General Law Chapter 40B, 760 CMR 56.00.

[50] If a community has achieved certification within 15 days of the opening of the local hearing for the comprehensive permit, the ZBA shall provide written notice to the applicant, with a copy to DHCD, that it considers that a denial of the permit or the imposition of conditions or requirements would be consistent with local needs, the grounds that it believes have been met, and the factual basis for that position, including any necessary supportive documentation. If the applicant wishes to challenge the ZBA's assertion, it must do so by providing written notice to DHCD, with a copy to the ZBA, within 15 days of its receipt of the ZBA's notice, including any documentation to support its position. DHCD shall review the materials provided by both parties and issue a decision within 30 days of its receipt of all materials. The ZBA shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent local needs, provided, however, that any failure of the DHCD to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.

designated development parcels.

- Because housing strategies include development on privately owned parcels, production will involve projects sponsored by private developers through the standard regulatory process or possibly the "friendly" comprehensive permit process or Chapter 40R. The Town will continue to work with these private developers to fine-tune proposals to maximize their responsiveness to community interests and to increase affordability to the greatest extent feasible.
- The projections involve a mix of rental and ownership opportunities that reflect the targeted housing goals included in the Housing Needs Assessment (see Section 5.7) where at least 80% of the units are projected to be rentals. The Town will work with developers to promote a diversity of housing types directed to different populations with housing needs including young families, seniors, single occupants and individuals with special needs to offer a wider range of housing options for residents.
- Goals are include handicapped accessibility and/or supportive services in at least 10% of all affordable units created in family housing and at least 20% of all units in affordable senior/single-person housing.

Table 7-1: North Reading Housing Production Program

Strategies by Year	Affordable Units @ < 80% AMI	Ineligible for SHI	Total Units*
Year 1 – 2018			
Public property development/Housing Authority units that are not deed restricted (rental)	2	0	2
Subtotal	*2*	*0*	*2*
Year 2 – 2019			
Public property development/Affordable Housing Overlay District properties (ownership) @50% affordability	10	10	20
Private property development/"friendly 40B" (ownership)	12	36	48
Private property development/special needs housing (rental)	6	0	6
Accessory Dwelling Units	0	2	2
Subtotal	*28*	*48*	*76*
Year 3 – 2020			
Create a community center/Main Street mixed-use project/'friendly 40B" (senior rental housing)**	40	0	40
Accessory Dwelling Units	0	2	2
Subtotal	*40*	*2*	*42*
Year 4 – 2021			
Public property development/"friendly 40B"/Carpenter Drive (rental)**	40	0	40
Accessory Dwelling Units	0	2	2
Subtotal	*40*	*2*	*42*
Year 5 – 2022			
Create a community center/Main Street mixed-use project (rental housing)**	36	0	36
Private property development/Open Space Development bylaw – pocket neighborhood	2	8	10

with bungalow-style units (ownership) @15% affordability			
Private property development/inclusionary zoning (ownership) @15% affordability	4	20	24
Accessory Dwelling Units	0	2	2
Subtotal	*42*	*26*	*68*
TOTAL	**152**	**82**	**234**

* The totals include market rate units in addition to the affordable units.

** All units in 40B rental developments qualify for inclusion in the SHI.

8. HOUSING STRATEGIES

The strategies outlined below are based on previous plans, studies, the Housing Needs Assessment, local housing goals, community input and the experience of other comparable localities in the area and throughout the Commonwealth. Of particular importance was the Community-wide Housing Workshop that was held on June 22, 2017 that included breakout group brainstorming on priority actions for the Town to pursue as part of this Plan as well as a Community Housing Survey. Summaries of this Workshop and Survey results are included as Appendix 3 and 4, respectively.

The strategies are categorized according to those that will build the community's capacity to promote or preserve affordable housing as well as those related to zoning and direct development projects. Moreover, the strategies are prioritized with "High" priority actions estimated for immediate attention and implementation during the first two years of this Plan, "Medium" for Years 3 to 4, and "Lower" for longer-term implementation. A summary of these actions is included in Table 1-1.

The actions also reflect state requirements that ask communities to address all of the following major categories of strategies to the greatest extent applicable:[51]

- *Identification of zoning districts or geographic areas in which the municipality proposes to modify current regulations for the purposes of creating affordable housing developments to meet its housing production goal;*
    - Integrate affordable housing in the Open Space Residential Development Bylaw (see strategy 8-2.3)
    - Allow more diverse housing types in more areas (strategy 8.2.2)
    - Partner with developers on privately owned sites (strategy 8.3.3 – includes some locations)

- *Identification of specific sites for which the municipality will encourage the filing of comprehensive permit projects;*
    - Make suitable public land available for affordable housing (strategy 8.3.2)
    - Partner with developers on privately owned sites (strategy 8.3.3)

- *Characteristics of proposed residential or mixed-use developments that would be preferred by the municipality;*
    - Integrate affordable housing in the Open Space Residential Development Bylaw (see strategy 8.2.3)
    - Allow Accessory Dwelling Units (strategy 8.2.1)
    - Partner with private developers on privately owned sites (strategy 8.3.3) The Town should continue to work with developers to create affordable housing in line with smart growth principles including:
        - Mixed-use development in appropriate locations, particularly Main Street
        - Smaller infill housing in existing neighborhoods
        - Accessory apartments
        - Redevelopment of underutilized, nonresidential properties into housing
        - Cluster development

[51] Massachusetts General Law Chapter 40B, 760 CMR 56.03.4.

- Group homes or other congregate living options for older residents or special needs populations
- Multi-generational, multi-family housing

- *Municipally owned parcels for which the municipality commits to issue requests for proposals to develop affordable housing.*
  - Make suitable public property available for affordable housing (strategy 8.3.2)

- *Participation in regional collaborations addressing housing development*
  - Participate in the Metro North Regional Housing Services Office (MNRHSO)
  - Participate in North Suburban HOME Consortium

It will also be important to insure that affordable units produced through this Plan get counted, to the greatest extent possible, as part of the Subsidized Housing Inventory (SHI), applied through the Local Initiative Program (LIP) administered by the state's Department of Housing and Community Development (DHCD) if another state or federal housing subsidy is not involved. In order to be counted as part of the Subsidized Housing Inventory the units must meet the following major criteria:

- Subsidized or approved by a state subsidizing agency;
- Sold or rented based on procedures articulated in an affirmative fair housing marketing and resident selection plan approved by DHCD;
- Sales prices and rents must be affordable to households earning at or below 80% of area median income; and
- Long-term affordability is enforced through affordability restrictions, approved by DHCD.

In addition to being used for "friendly 40B" projects, LIP can be used for counting those affordable units as part of a Town's Subsidized Housing Inventory that are being developed through some local action including:

- Zoning-based approval, particularly inclusionary zoning provisions and special permits for affordable housing;
- Substantial financial assistance from funds raised, appropriated or administered by the municipality; and/or
- Provision of land or buildings that are owned or acquired by the municipality and conveyed at a substantial discount from their fair market value.

A Requesting New Units Form must be submitted to DHCD with other required materials to insure that these units get counted. MNRHSO is under contract with the Town to provide assistance in insuring that state requirements are met for all new affordable units and the appropriate documentation is submitted to DHCD to have the units counted as part of the SHI.

It should be also noted that a major goal of this Plan is not only to strive to surpass the state's 10% goal under Chapter 40B, but to also serve local needs. Consequently, there are instances where housing initiatives might be promoted to meet these needs that will not necessarily result in the inclusion of units in the Subsidized Housing Inventory; examples potentially include the promotion of mixed-income housing that incorporates income tiers above 80% of area median income and the promotion of accessory dwelling units.

Within the context of compliance issues, identified local needs, existing resources, and community input, the following housing strategies are offered for consideration. *It is important to note that these strategies are presented as a package for the Town to prioritize and process, each through the appropriate regulatory channels.*

8.1 Capacity Building Strategies

North Reading is a relatively small community and, unlike many cities, does not have substantial annual state or federal funding available to support local housing initiatives on an ongoing basis. Nevertheless, the Town has a local structure in place to coordinate housing activities that includes the following components:

The *Community Planning Commission* is the Town's official planning entity and the sponsor of this Housing Production Plan. It is staffed by the *Town Planner/Community Planning Administrator*, who provides professional support to guide the Town's land use decisions with respect to physical development, including affordable housing and historic preservation.

The *North Reading Housing Authority (NRHA)* owns and manages 44 subsidized housing units in two developments, one for the elderly and younger disabled at Peabody Court (35 for elderly and 5 for non-elderly people with disabilities) and four units for families at Swan Pond Road. Both of these projects were financed by the state through the Chapter 677 and Chapter 705 Programs, respectively. They also own two condominiums that they rent to qualifying tenants and manage 22 Section 8 Housing Choice Vouchers.

Metro North Regional Housing Services Office (MNRHSO)
The Metro North Regional Housing Services Office was established as a collaborative effort among the four communities of Reading, Wilmington, Saugus and North Reading to provide assistance in planning, permitting, monitoring, maintaining, and increasing their inventory of affordable housing. Reading serves as the Host Community. This collaboration was developed on the following premises:

- Develop a regional approach for finding common solutions for common challenges, looking at housing through a municipal lens.
- Make efficient use of resources, both leveraging knowledgeable staff and providing shared access to affordable housing opportunities for residents.
- Proactively monitor the community's Subsidized Housing Inventory to ensure the preservation of the units.

Each participating community pays an annual membership fee to the Town of Reading to cover the Office's expenses and pays an additional amount in support of the services provided. These services significantly boost the Town's capacity to not only preserve existing affordable units, but to also move forward in the implementation of this Housing Plan by providing professional support.

There are other important local and regional entities that can continue to provide important support in the implementation of this Housing Plan as described in Appendix 1.

The Town is also working with the Metropolitan Area Planning Council (MAPC) on the update of its *Master Plan*. This process will involve a substantial amount of community involvement into the future of North Reading including the collaboration of most Town boards and committees. This *Housing Production Plan*

will provide the basis for the housing element, providing the necessary blueprint for the Town's housing agenda the next five (5) years and beyond, prioritizing affordable housing initiatives based on documented local needs and community input. The Plan will also serve as a comprehensive reference on housing issues in North Reading.

The following strategies are proposed to further build local capacity to implement the components of this Housing Production Plan through resources to subsidize and guide implementation.

8.1.1 Secure Financial Resources for Affordable Housing

Timeframe: Years 1 to 2
Responsible Party: Board of Selectmen

Current Status: As noted in Section 6 of this Plan, a major constraint to promoting greater housing affordability, diversity and sustainability in North Reading is the lack of local subsidy funds. The Town should consider obtaining the following additional financial resources to subsidize housing preservation and production activities. These funds could be deposited into a special dedicated Affordable Housing Trust Fund as recommended in strategy 8.1.2 below.

- **Allocate a percentage of the Berry property proceeds for affordable housing**
  The Town received significant funds from the sale of the Berry property that Pulte Homes will develop as market-rate, age-restricted, ownership housing. This funding could be invested in other Town initiatives, potentially affordable housing development, as was strongly supported in the June 22nd Community Housing Forum. The sale brought $21M to the community.

- **Adopt the Community Preservation Act (CPA)**
  This Housing Plan recommends that the Town embark on a process to adopt the Community Preservation Act (CPA). CPA funds will not only provide a vital resource to support housing, but will also address other important local issues such as open space, recreation and historic preservation. Without this funding or a substantial allocation of the Berry property proceeds, the Town will be limited to pursuing affordable housing development through donated municipal property, zoning or reacting to proposals from the development community.

  The Community Preservation Act (CPA)[52] establishes the authority for municipalities in the Commonwealth to create a Community Preservation Fund derived from a surcharge of 1% to 3% of the property tax, to be matched by the state based on a funding commitment of approximately $36 million annually.[53] Once adopted, the Act requires at least 10% of the funding raised to be distributed to each of three categories – open space/recreation, historic preservation and affordable housing – allowing flexibility in distributing the majority of the money to any of these uses as determined by the community. Also, CPA allows communities to target funds to those earning up to 100% of area median income although those units directed to households earning more than 80% AMI cannot be included in the Subsidized Housing Inventory (SHI) or part of annual housing production goals.

[52] Massachusetts General Laws Chapter 44B.
[53] The state has established a special trust fund by imposing a surcharge on documents recorded at the Registry of Deeds or Land Court.

As part of adopting CPA, communities can decide whether to accept up to four different exemptions to the CPA surcharge including:

- Property owned and occupied by a household defined as low-income (earning up to 80% AMI) or a low- or moderate-income senior (age 60 or over earning up to 100% AMI);
- Class three, commercial, and class four, industrial, properties with classified ("split") tax rates (few communities have adopted this exemption);
- The first $100,000 of the taxable value of residential property; and
- The first $100,000 of the taxable value of class three commercial properties or class four industrial properties.

Since its enactment in 2000, CPA has had a significant impact on affordable housing, historic preservation, open space preservation and recreational activities across the Commonwealth, now adopted in 172 communities, including the following contributions:

- Raised $1.75 billion for over 9,000 local preservation projects;
- Supported or created more than 10,600 units of affordable housing;
- Preserved more than 26,000 acres of open space;
- Supported over 1,700 outdoor recreation projects; and
- Supported more than 4,400 historic preservation projects.

Although the Community Housing Survey generated significant comments related to resident concerns about high local taxes, adopting CPA does not have to place significant burdens on residents and will be extremely helpful in supporting the feasibility of pressing community needs such as creating a vibrant Town Center and senior housing.

Table 8-1 provides some examples of the amount of the per unit annual surcharge based on a range of house values and exemptions. For example, if North Reading was to adopt the exemption of the first $100,000 of property value and the 3% surcharge on the median single-family property of about $555,500 (as of September 2017 according to The Warren Group's Banker & Tradesman), the annual cost would be $224.24, the equivalent of $18.69 per month. The 1% surcharge would mean an annual payment of $74.75 and a monthly one of only $6.23.

Table 8-1: Estimated CPA per Property Expenditures

Property Assessment	1% Annual Surcharge	2% Annual Surcharge	3% Annual Surcharge
$200,000	$32.82	$65.64	$98.46
$200,000 with $100,000 exemption	$16.41	$32.82	$49.23
$300,000	$49.23	$98.46	$147.69
$300,000 with $100,000 exemption	$32.82	$65.64	$98.46
$400,000	$65.64	$131.28	$196.92
$500,000	$82.05	$164.10	$246.15
$600,000	114.87	$196.92	$295.38
$700,000	$128.38	$229.74	$344.61

Based on the FY 17 residential tax rate per thousand of $16.41.

While more towns are passing CPA, 11 in the past year including Boston, recent Senate legislation passed to increase Registry fees by $25.00 that would provide a higher match to all participating communities. The average state commitment over the past eight years has been 31.2% of the local share. It should be noted that state matching funds vary from year to year, but those communities opting for the higher surcharge levels fare much better in the formula for matching funds.

- ***Secure Other State and Federal Subsidies***

  The affordability of most housing development projects relies on multiple sources of financing involving both private and public loans and grants. Even Chapter 40B comprehensive permit projects rely on what is referred to as "internal" subsidies where the market rate units support the costs of the affordable ones in tandem with increased density. It will be important for the Town to encourage the establishment of partnerships with other interested parties including non-profit organizations, lenders, public agencies, and developers to secure the necessary financial and technical resources to create affordable units.

  Beyond the potential resources listed above, the state and federal government fund numbers of housing subsidy programs directed to particular types of projects. Most of these subsidies are for rental housing development through the Low Income Housing Tax Credit, HOME Investment Program, Housing Stabilization Fund, Affordable Housing Trust Fund, among many others.

  Some relatively recent state funding initiatives have also been established. For example, last year the state created a special Workforce Housing Fund. Governor Baker announced, "Making more affordable housing options available to working Massachusetts families deterred by rising rent expenses is essential to economic growth and development in communities throughout the Commonwealth. These working middle-income families are the foundation of our economy and talented workforce, and the creation of this $100 million fund by MassHousing will advance opportunities for them to thrive and prosper."

  Last year the state also enacted legislation to implement a Starter Home Program as part of the Governor's Economic Development Bill. This was accomplished by modifying the existing Smart Growth Zoning and Housing Production law of Chapter 40R to include $25 million in new funding over five years for cities and towns that create new starter home zoning districts. The new districts will be a minimum of three acres, restrict primary dwelling size to 1,850 square feet of heated living area with a minimum of four units per acre by right, and provide 20% affordability up to 100% AMI. As is the case under Chapter 40R, communities would receive zoning incentive payments ranging from $10,000 to $600,000, depending upon the size of the "starter home" zoning district, as well as housing production payments of $3,000 for each unit of housing built. There is also an open space requirement. This might become a helpful resource for North Reading.

  More recently, the state announced its Housing Choice Initiative to provide technical assistance grants to local governments to help communities achieve their affordable housing goals under Chapter 40B through its new "Planning for Production" Program. The state hopes to pair this grant funding with new legislation that will help facilitate housing production and the adoption of zoning best practices without mandating that municipalities adopt any specific zoning practices. For example, the legislation would change state law to reduce the required vote from a 2/3 supermajority to a simple majority for certain zoning changes.

Next Steps: This Housing Plan recommends that the Board of Selectmen should determine that a substantial amount of the sale proceeds from the Berry property become available to fund local efforts to promote affordable housing and community development. This funding presents an excellent opportunity for the Town to leverage other public and private resources in support of those development strategies included in Section 8.3 of this Housing Plan.

In regard to CPA, the Board of Selectmen should contact the Community Preservation Coalition, an alliance of open space, historic preservation and affordable housing organizations that work with municipalities to help them understand, adopt and implement the Community Preservation Act. Representatives of the organization can be available to attend local meetings to explain CPA, its benefits, and its track record in comparable communities. The Coalition also has an excellent website at www.communitypreservation.org.

CPA approval can be obtained through the following two methods:

- *Legislative Body Action:* Under this option, a majority of Town Meeting members must approve a specific proposal to adopt CPA that is followed by a ballot question of local voters at the next regularly-scheduled municipal or state election.
- *Ballot Petition:* If Town Meeting does not accept the Act and approve the surcharge, the voters may file a ballot question petition to have the question seeking acceptance of CPA (including the surcharge amount and any exemptions) placed on the ballot at least 90 days before a regular municipal election or 120 days before a regular state election.

The Community Planning Commission should also obtain more information regarding existing and new state funding initiatives to determine opportunities for accessing such funding.

Required Resources: Donated time of local leaders and volunteers to seek support and approval for targeting some of the Berry proceeds for affordable housing and obtaining CPA approval. Once CPA is approved, the Town would need to appoint a Community Preservation Committee to oversee the management of the Community Preservation Fund. It would be advisable for this Committee to have some staff support, which can be covered by CPA administrative funding. Additional state funding will also be important in insuring that projects that incorporate affordable housing are financially feasible.

8.1.2 Establish an Affordable Housing Trust Fund

Timeframe: Years 1 to 2
Responsible Party: Board of Selectmen

Current Status: Discussions with other communities regarding the success of their affordable housing initiatives indicate that it is often critical to have accessible funds available to respond immediately and effectively to housing opportunities as they arise. Also, many of the state subsidy sources require local contributions either through local funds, donation of municipally-owned property, or private donations.

The state enacted the Municipal Affordable Housing Trust Fund Act on June 7, 2005, which simplified the process of establishing funds that are dedicated to subsidizing affordable housing.[54] The law provides

[54] Massachusetts General Law, Chapter 44, Section 55C.

guidelines on what trusts can do and allows communities to collect funds for housing, segregate them from the general budget into an affordable housing trust fund, and use these funds without going back to Town Meeting for approval. It also enables trusts to own and manage real estate, not just receive and disburse funds. The law further requires that local housing trusts be governed by at least a five-member board of trustees. Per statute, the chief elected official must be one of the members of the Trust. While the new trusts must be in compliance with Chapter 30B, the law which governs public procurement as well as public bidding and construction laws, most trusts opt to dispose of property through a sale or long-term lease to a developer so as to clearly differentiate any affordable housing development project from a public construction one.

Some communities have decided to commit Community Preservation Act (CPA) funding on an annual basis to Housing Trusts without targeting the funding to any specific initiative. For example, the Towns of Grafton and Sudbury have been directing 10% of their annual CPA allocation to their Trust Funds. The Trusts are also encouraged to apply for additional CPA funds for specific projects. Scituate's Town Meeting funded its Housing Trust with $700,000 of Community Preservation funding from its community housing reserves. The Town of Harwich has committed lease payments from its cell tower as well as sale proceeds of a Town-owned property (fetching more than a million dollars) to its Housing Trust Fund. Towns with inclusionary zoning bylaws that allow cash in-lieu of actual affordable units have also used these funds to capitalize their Housing Trusts, and other communities have obtained funding from developers through negotiations on proposed developments. The Housing Trust would also be an appropriate place for managing the sale proceeds from the Berry property directed in support of affordable housing.

Next Steps: Housing Trusts require Town Meeting approval. Here is an example of typical warrant language:

"To see if the Town will vote to authorize the Board of Selectmen to accept the provisions of Massachusetts General Laws Chapter 44, Section 55C, and to establish a trust, to be known as the North Reading Affordable Housing Trust Fund, whose purpose shall be to provide for the continued preservation and creation of affordable housing in the Town of North Reading for the benefit of low- and moderate-income households, substantially in a form which is on file with the Town Clerk and available for inspection."

In this case draft language of a Declaration of Trust would be available for review but not in itself formally approved by Town Meeting.

Some towns have adopted more detailed language regarding the Trust's powers and membership in the warrant article by preparing the warrant article and draft language for an accompanying chapter in the Town's General Bylaws. This bylaw effectively becomes the Declaration of Trust that is subsequently executed by the Board of Selectmen.

The warrant language highlighted above offers the Town greater flexibility for establishing and amending the Housing Trust as the Declaration of Trust can be more easily modified by the Trustees as needs arise instead of having to return to Town Meeting to enact changes. For example, the Town of Williamstown chose to pursue Town Meeting approval of their bylaw in 2012, and subsequently returned to Town Meeting in 2015 for revisions. On the other hand, Wenham's Annual Town Meeting approved the above warrant language on May 2, 2009, and the Board of Selectmen subsequently executed the Declaration of Trust on May 27, 2009. They will not have to return to Town Meeting for approval of any amendments.

The following steps should be followed when establishing an effective Affordable Housing Trust, the required steps as noted:

- *Certification of Bylaw and Submission to the Attorney General* – If the Town goes through the bylaw approval process at Town Meeting, the Town Clerk is required to certify the bylaw and submit it to the Attorney General within 30 days of the adjournment of the Town Meeting at which the bylaw was adopted.
- *Appoint Trustees* – The Chair of the Board of Selectmen is required to appoint members to the Housing Trust. At least five (5) members must be appointed, including a member of the Board of Selectmen. (Note: The Trust could also incorporate all members of the Board of Selectmen, potentially with another two or so at-large members who have an interest and/or experience in affordable housing issues as has been done in Chatham and Brewster for example.) The Board of Selectmen can also appoint the Town Manager as an additional member.
- *Prepare a Declaration of Trust* – While not required under the statute, a Declaration of Trust is recommended as it provides a recorded notice of the Trust's establishment and its powers, including the authority to hold and convey real estate if determined to be appropriate. Town Counsel should review the Declaration prior to it being recorded at the Registry of Deeds. If the Town took the route of approving a bylaw as part of the warrant article at Town Meeting, the bylaw would effectively become the Declaration of Trust.
- *Organize the Trust* – Once established, the Trust should determine its meeting schedule, designate officers, establish an account to hold the funding (separate bank account of municipal account), and review procedures.
- *Secure Staffing* – The Housing Trust would be staffed primarily by the Town Planner or the Metro North Regional Housing Services Office (MNRHSO).
- *Prepare Housing Guidelines* – It would be useful for the Housing Trust to prepare guidelines regarding the specific terms and conditions for allocating Housing Trust Funds including a summary of eligible activities, funding requirements, selection criteria, etc.
- *Prepare an Action Plan* – While not required, the Housing Trust could also prepare an Action Plan to clarify the expected actions of the Trust by the types of projects it has the capacity to undertake and the kinds of projects that will best serve local housing needs. The Plan can also prioritize short and long-term goals and current and projected annual budgets. This Housing Plan provides important guidance on priority actions.
- *Capitalize the Housing Trust Fund* – Once operational, the Housing Trust should explore specific opportunities for capitalizing its Fund including but not limited to Community Preservation funding, if adopted (some communities direct at least 10% of the annual CPA allocation to their Housing Trust), Berry property proceeds, potential inclusionary zoning fees, negotiated fees from developers, donated property or funding, etc.

It is advisable that the Town supplement its formal request to establish a Housing Trust with further information to educate residents and other local leaders on the benefits of the Trust. Detailed information on forming a Municipal Affordable Housing Trust Fund is included in a guidebook prepared by the Massachusetts Housing Partnership.[55]

Besides serving as the fiscal agent for the established Fund, the Housing Trust could also become the municipality's entity for overseeing affordable housing issues. In this capacity, the Housing Trust could

[55] Massachusetts Housing Partnership, "Municipal Affordable Housing Trust Guidebook: How to Envision, Shape, Get Support and Succeed with Our Community's Local Housing Trust", November 2009.

become the linchpin in pursuing collaborative efforts with other appropriate Town boards and committees on the issue of affordable housing.

Required Resources: If the Town passed CPA, it would be able to further capitalize the Housing Trust Fund, ideally in an amount at least equivalent to the minimal annual allocation for affordable housing or 10%. Sale proceeds from the Berry property would also provide an excellent opportunity for seeding this Fund. This funding allocation would also require Town Meeting approval. As noted earlier, other opportunities to capitalize the Housing Trust should also be explored including donations (funding and property), negotiations with developers, cash in-lieu of affordable units through proposed inclusionary zoning provisions (see strategy 8.2.40, special fundraisers, grants, etc.

8.1.3 Continue to Conduct Community Outreach and Education

Timeframe: Years 1 to 2 and ongoing
Responsible Parties: Sponsors of Affordable Housing Initiatives

Current Status: Because most of the housing strategies in this Housing Plan rely on local approvals, including those of Town Meeting, community support for new initiatives has and will continue to be essential. Continued and strategic efforts to inform residents and local leaders on the issue of affordable housing and specific new initiatives build support by generating a greater understanding of the benefits of affordable housing while reducing misinformation and dispelling negative stereotypes. These outreach efforts are mutually beneficial as they provide useful information to community residents and important feedback to local leaders on concerns and suggestions.

Next Steps: The preparation of the Master Plan and presentation of this Housing Plan offer important opportunities to bring attention to the issue of affordable housing, providing information on housing needs and proposed strategies that can help attract community support for affordable housing initiatives. Interviews have been conducted with key housing stakeholders, a Community Housing Survey has been conducted, and public meetings have been held with local leaders and residents to get input into this Housing Plan including a housing workshop on June 22, 2017 and another hearing on May 22, 2018.

Tapping into social media to attract attention to local and regional housing issues and initiatives is another way to disseminate important information to residents, younger residents in particular.

Other education opportunities should continue to be pursued including special forums on all new housing initiatives, housing summits, public information on existing programs and services, enhanced use of public access television, an expanded website, and educational opportunities for board and committee members as well as professional staff. The Town could maintain an expanding list of those who have attended housing-related public meetings and keep them in the loop regarding any progress related to the implementation of this Housing Plan, asking them to bring friends and family to upcoming meetings and events. Serving refreshments can also help draw participation.

Required Resources: Staff time of the Town Planner. There may also be some expenses related to written materials/brochures as well as refreshments and marketing for events and meetings.

8.1.4 Preserve Existing Affordable Housing

Timeframe: Over the longer-term?
Responsible Parties: Board of Selectmen

Current Status: Based on how housing was financed, how long the affordability requirements were established, and other stipulations in affordability agreements, the continued affordable status of housing units is in jeopardy in many communities. While this is not an immediate concern in North Reading, there are several projects where units, as currently financed and regulated, are due to expire in the future including:

- *Fairview Terrace Estates*
  This project includes three affordable ownership units where affordability restrictions are due to expire in 2039. These owners signed deed riders and it would be unlikely that they would agree to extend the term of these restrictions upon expiration.

- *McLaughlin House*
  This project includes eight units of special needs housing with affordability restrictions due to expire in 2041. It is likely that the project sponsor will be able to find opportunities to insure its continued operations and affordability when necessary in the future.

- *Central Place*
  Central Place, also an ownership project, includes seven units due to expire in 2041. As is the case with Fairview Terrace Estates, it is unlikely that existing owners will be persuaded to extend the term and restrictions in their deed riders.

- *Edgewood Apartments*
  Of particular concern is the 406 units at Edgewood Apartments with affordability restrictions due to expire in 2038. The loss of these units on the SHI would be dramatic as currently this project involves 76% of all SHI units, bringing the Town's current affordability level to 2.3% from 9.6%.

It is important to insure that all affordable housing units that are produced remain a part of the Town's Subsidized Housing Inventory for as long a period of time as possible. **To the greatest extent feasible, all affordable units that are created by this Housing Production Plan and become part of the Subsidized Housing Inventory (SHI) should have deed restrictions in perpetuity.** Additionally, if housing is created for those earning above 80% of area median income but still priced out of North Reading's housing market, such as for those earning up to 100% or 120% of area median income for example, deed restrictions in perpetuity should also be required, modifying the state's standard affordability restrictions as appropriate.

Next Steps: While this is not an immediate concern, the expiration of these affordability restrictions should remain on the Town's radar and it would not be inappropriate for the Board of Selectmen to have some initial discussions with property owners and the state regarding options for extending affordability in the future.

It should also be mentioned that the Metro North Regional Housing Services Office (MNRHSO) is working with the Town on the annual monitoring of existing affordable units, conducting the necessary review of

required documents to insure that the terms and conditions of affordability restrictions are being fulfilled. This is an important component of preserving the affordability of SHI units.

Resources Required: Staff time of the Town Planner and potential involvement of the Board of Selectmen to determine long-term viability of affordability restrictions. Continued funding support for the work performed by MNRHSO.

8.2 Zoning Strategies

Zoning is a powerful tool for guiding development to appropriate locations and mandating or incentivizing the inclusion of public benefits, including affordable housing. The following zoning-related actions are proposed for consideration:

8.2.1 Allow Accessory Dwelling Units

Priority: Years 1 to 2
Responsible Party: Community Planning Commission

Current Status: The Town's Zoning Bylaw does not currently allow accessory apartments, however such accessory units are helpful in meeting a number of public policy objectives as they:

- Enable homeowners to capture additional income, which is particularly important for elderly homeowners or single parents where such income may be critical to remaining in their homes. Also, some young families or moderate-income households might be able to afford homeownership if they could count on income from an accessory apartment.
- Provide appropriately sized units for growing numbers of smaller households.
- Offer inexpensive ways of increasing the rental housing stock at lower cost than new construction and without loss of open space, without significant impact on the surrounding neighborhood, and without additional Town services such as streets or utilities. There are, however, issues regarding the adequacy of the existing septic system when a new bedroom is added.
- Provide companionship, security and services for the homeowner, from shoveling the sidewalk for an elderly owner to babysitting for a single parent.
- Offer good opportunities for keeping extended families in closer contact.
- Generate tax revenue in a locality because accessory units add value to existing homes.

It should also be noted that the Town's Community Housing Survey demonstrated substantial support for amending zoning to allow accessory units with 60% of respondents in favor of allowing accessory units throughout the community and another 21.4% indicating that they were in favor of such units but in select areas (not in all single-family zones).

There are many variations of accessory apartment by-laws that have been adopted in other communities. For example, the Town of Needham conducted a survey of nine communities to obtain information on accessory dwelling unit zoning in what it considered to be relatively comparable communities.[56] This report provided compelling evidence that ADUs could contribute to the overall goal of increasing housing options for older adults, young adults, people with disabilities, and people with moderate incomes

[56] These communities included Acton, Bedford, Carlisle, Lexington, Milton, Newton, Scituate, Sudbury, and Westwood.

without negatively impacting the quality of life. Using the Massachusetts Model Bylaw and the experiences of these nine communities as guides, the report concluded that Needham could create a bylaw that ensured units could be integrated into existing single-family neighborhoods with little or no negative impact on the character of the neighborhood or on Town services, provide new options for current Needham homeowners, and minimize the regulatory burden on Town officials. The report recommended specific bylaw regulations—related to permitting, size, occupants, appearance and parking – to achieve the desired outcome Including:

- Specific permit types: As-of-right for units within the existing footprint of the main dwelling; special permit for units that are added onto the main dwelling or are detached from it.
- Size and occupant restrictions: Set a maximum square footage for the ADU and a maximum percentage of the main dwelling allowed for the ADU; allow whichever is smaller. Limit number of occupants in ADU.
- Occupants: One unit must be owner-occupied. No restrictions on relationship of tenants to owner.
- Appearance: Requirements that the ADU is in keeping with the character of the main dwelling.
- Parking: One space per unit.
- Grandfathering illegal units: Offer amnesty to owners of existing ADUs who apply for a permit and comply with all ADU regulations.

Next Steps: In order to promote accessory units, the Community Planning Commission should further explore the Massachusetts Model bylaw as well as the bylaws in other communities, including the recommendations from the Needham report mentioned above. It should be noted that Lexington, Newton, and Scituate have recently amended their zoning to better promote accessory units, eliminating what they considered ineffective restrictions. Both Lexington and Newton have a tiered permitting system that includes by-right approval when the unit meets standard requirements and is created within the existing footprint of the principal dwelling while extending a special permit process for those applications that fall out of these basic provisions. These bylaws, especially Lexington's, would be a good place to start in the review of model bylaws.

Resources Required: Donated time of the Community Planning Commission to coordinate this effort with other appropriate local officials, drafting the zoning amendment and coordinating the necessary approvals towards implementation. This strategy will also require professional support from the Town Planner/Community Planning Administrator with input potentially from a consultant that could be covered by proposed CPA funding, other local funds, or a state technical assistance program such as the Housing Choice Program.

8.2.2 Allow More Diverse Housing Types in More Areas

Priority: Years 3 to 5
Responsible Party: Community Planning Commission

Current Status: North Reading's Zoning Bylaw significantly limits multi-family housing development. Two-family, three-family and other multi-family housing are allowed in the RA, RR and RE districts through Open Space Residential Design provisions, though the increase in density over what would normally be allowed by zoning only relates to open space preservation. Townhouses and other multi-family structures are allowed only in the RM zoning district, and in certain overlay districts such as the new Main Street

Mixed Use Overlay District, Affordable Housing Overlay District and Berry Center Smart Growth Overlay District.

Because affordable housing typically depends on economies of scale, particularly in areas like North Reading with high property values, it is difficult to develop such housing at a scale sufficient enough to meet housing production goals or without deep subsidies. Without appropriate zoning or the Chapter 40B comprehensive permit process, various housing types that can address local needs are not permitted.

Participants of the June 2017 Housing Workshop and respondents of the Community Housing Survey voiced support for exploring ways to allow more diverse housing types. There was particular interest in integrating housing, including affordable housing, in the redevelopment of the Town Center as well as creating more housing opportunities for young families looking for starter homes and empty nesters who want to downsize.

North Reading has been taking steps to promote mixed-use development within a key section of Main Street that will hopefully lead to a more vibrant Town Center through a new Main Street Mixed Use Overlay District. Multi-family dwellings are now allowed by right in the mixed-use configuration as are assisted living facilities, senior housing, and 55+ age-restricted/active adult housing.

Additional housing types that have proven more affordable and suitable for rentals, starter homes or for downsizing include:

- *Bungalow or cottage housing in pocket neighborhoods*
  This type of housing has been popular in the West Coast of the country where there is an intense focus on smart growth development principles and accommodating increasing numbers of smaller households. The model involves the development of small cottages or bungalows that are clustered around a community green space. This housing type, which typically targets empty nesters, single professionals, and young couples, is a way of developing smaller units on smaller lots, received considerable support in the Community Housing Survey. Such development provides opportunities for the ownership or even rental of small, detached dwellings within or on the fringe of existing neighborhoods, often enhancing affordability while simultaneously encouraging the creation of more usable open space for the residents through flexibility in density. Amendments to the OSRD bylaw (see strategy 8.2.3) could include measures that would permit these types of small clustered pocket neighborhoods.

- *Townhouses*
  Townhouses involve residential structures that come up to or very nearly approach the edge of the property line in order to create more usable space. Such units include rowhouses, garden homes, patio homes and townhomes and are sometimes referred to as half homes. These units are typically developed as condominiums but can also be rentals. While allowed in North Reading in a limited area, some consideration should be given to expanding this type of development to other parts of the community under certain conditions.

- *Co-housing*
  The co-housing concept originated in Denmark with a focus on knowing one's neighbors and providing a safe and nurturing environment for children, harking back to the "intentional communities" concept that was introduced in the mid-19th Century. These developments are cooperative neighborhoods, typically with homes clustered around a common building with some

facilities shared by all residents (dining room, kitchen, playrooms, library). There are numbers of models that have been developed in other communities that have combined good design with density and affordability to expand housing choices and meet local needs.

- *Senior housing/Assisted Living*
  There are no assisted living options in North Reading and residents who require significant supportive services typically must relocate to other communities. While some assisted living facilities integrate an amount of affordability, most such units are extremely expensive.

- *Congregate housing*
  Congregate housing can take many forms and other names for such housing have included supported housing, life-care homes, boarding or rooming houses, sober houses, congregate retirement housing, congregate senior communities, residential care, sheltered housing, enriched housing, single room occupancy (SRO) housing, enhanced single room occupancy (ESRO), safe havens, etc. Co-housing and group homes share elements of congregate living as well. Besides the assisted living options mentioned above, these housing types can be effective in meeting the needs of an increasingly older population and those with special needs. Additionally, participants in the June 2017 Housing Workshop and respondents to the Community Housing Survey expressed considerable interest in providing more housing options for these populations.

- *Two-family homes*
  Two-family homes are among the most affordable types of housing as they can potentially offer both a first-time homebuyer opportunity with rental income from an apartment and a new rental unit, serving several needs simultaneously. Such units were the prototypical starter home years ago when such zoning allowed their development in most neighborhoods. While some of these properties have been converted to condominiums in areas with high housing values, they still create some diversity of housing choices within the community as starter homes and for downsizing.

Development can be designed to be harmonious with the existing built environment. There are potential sites that might accommodate a housing unit or small number of units or even conversions of existing properties to serve local affordable housing needs, particularly small starter units, affordable rentals, and special needs housing.

As reported by the Lincoln Institute of Land Policy, "Urban planners and public officials are focused on developing housing types that restore the 'missing middle' – row houses, duplexes, apartment courts, and other small to midsize housing designed at a scale and density compatible with single-family residential neighborhoods." The "missing middle" concept grew out of the New Urbanism movement "to inject more moderately-priced housing into residential neighborhoods, from shrinking or subdividing lots to adding accessory dwelling units (ADUs), to expanding legal occupancy in homes."[57] It suggests housing types that "typically have small to medium-size footprints with a body width, depth, and height no larger than a single-family home. They can blend into a neighborhood as compatible infill, encouraging a mix of socioeconomic households and making more effective use of transit and services."[58]

[57] Ibid.
[58] Ibid.

Next Steps: The Community Planning Commission should consider where more diverse housing types, might best be integrated into neighborhoods. Many of the housing types listed above can conform to this "missing middle" concept and respond to the community's need for smaller units, rental units in particular. These housing types are either not allowed in local zoning or substantially restricted. Zoning changes should be considered to allow more types of housing in the use restrictions and guide such units to appropriate locations with feasible densities to allow for some inclusion of affordable units. This new zoning can include design guidelines to insure that new housing is harmonious within the local architectural context.

Resources Required: The Community Planning Commission should coordinate this effort with other appropriate local officials, drafting zoning amendments and coordinating the necessary approvals towards implementation. This strategy is also likely to require professional support from the Town Planner with input potentially from the Metro North Regional Housing Services Office (MNRHSO) and/or a consultant that could be covered by proposed CPA funding. Technical assistance funding might also be available from the state's Housing Choice Program or Berry property proceeds for example.

8.2.3 Integrate Affordable Housing into the Open Space Residential Development Bylaw

Priority: Years 3 to 5
Responsible Party: Community Planning Commission

Current Status: The OSRD bylaw was adopted in 2008 to better protect open space in a more efficient and environmentally sensitive form than the conventional grid subdivision, also encouraging a variety of housing choices. Such zoning responds to "smart growth" principles by promoting more compact development and preserving open space. These developments are processed through a Special Permit of the Community Planning Commission (CPC), focused on developments of six or more units in the RA, RR, or RE Districts although the CPC also has the discretion to issue a Special Permit under this bylaw for projects that contain less than six dwelling units or residential lots. Both single-family dwellings as well as townhouses with no more than four units per building are allowed under the bylaw, and at least half of the total land area must be permanently protected as usable, common open space. The maximum number of units cannot exceed 1.20 times the number of single-family house lots allowed under a conventional plan in full conformance with all regulations. The bylaw does not include any mandates or incentives for including affordable housing nor has it been used much, creating only 25 single-family homes in 2001.

Next Steps: The Town should consider amending the existing bylaw to include density bonuses for the integration of some amount of affordable housing. More incentivized density bonuses and affordability requirements should encourage mixed-income development and support greater project feasibility. The CPC might also explore whether this bylaw could be reasonably extended to other zoning districts. Additionally, some consideration should be given to allowing more diverse housing types including the development of smaller homes in pocket neighborhoods around green space.

The CPC should review model by-laws and tweak the existing one. Model by-laws have been produced by the Metropolitan Area Planning Council, Massachusetts Audubon, and others in the Green Neighborhood Alliance, and adopted by a number of Massachusetts communities. Several examples are offered on the Citizen Planner Training Collaborative website (www.umass.edu/masscptc/examplebylaws.html) and the state's Smart Growth Toolkit (www.mass.gov/envir/smart_growth_toolkit/pages/SG-by-laws.html).

Resources Required: The CPC should coordinate this effort with other appropriate local officials, drafting the zoning amendment and coordinating the necessary approvals towards implementation. This strategy would require professional support from the Town Planner.

8.2.4 Adopt Inclusionary Zoning

Priority: Years 3 to 5
Responsible Parties: Community Planning Commission

Current Status: Inclusionary zoning is currently included in North Reading's Zoning By-law under specific affordability requirements in the Affordable Housing Overlay District and Chapter 40R Smart Growth Overlay District (Edgewood Apartments). However, it does not have town-wide requirements that have been adopted by 161 communities in the state, requiring a developer to include affordable housing as part of a development or potentially contribute to a fund for such housing.

Studies on inclusionary zoning indicate that mandatory provisions coupled with strong incentives are most effective in promoting affordable housing. It is important to provide sufficient incentives to developers to make sure that the incorporation of affordable units will be financially feasible. Incentives also reduce the risk of litigation from developers who claim that the mandatory inclusion of affordable units involves a "taking" of their property rights. In fact inclusionary zoning can be legally vulnerable if requirements make it impossible for the developer to earn a reasonable return on the project as a whole.

Many of the municipalities that have inclusionary zoning in place are reaping the rewards of these actions through the creation of actual affordable units and/or cash contributions to the locality for investment in affordable housing production. Most of the by-laws include mandated percentages of units that must be affordable, typically 10% to 20%, and density bonuses[59]. Some also allow the development of affordable units off-site and/or cash in-lieu of actual units. Table 8-2 provides a summary of some inclusionary zoning requirements from other communities.

Next Steps: There are a variety of by-laws that have been adopted in localities throughout the state but requirements vary considerably. The Executive Office of Environment and Energy's Smart Growth Toolkit includes a model inclusionary zoning by-law that highlights key local decisions and makes some commentary for consideration throughout (www.mass.gov/envir/smart_growth_toolkit/pages/SG-by-laws.html). The Citizen Planner Training Collaborative website has a model by-law with commentary and some policies as well (www.umass.edu/masscptc/exampleby-laws.html).

The CPC should explore models and prepare a zoning amendment that is best suited to supporting affordable housing in the community. The CPC should then prepare, adopt and present the by-law to Town Meeting for adoption. Ideally the adoption of this by-law would lead to the production of actual housing units, but may also deliver payments in-lieu of actual units to help capitalize the proposed Affordable Housing Trust Fund (see strategy 8.1.2).

[59] Density bonuses allow increased densities beyond what is allowed under the Zoning By-law.

Table 8-2: Summary of Inclusionary Zoning Requirements in Other Communities

Municipality	Required Percentage of Affordable Units	Minimum Project Size	Payment-in-lieu of Affordable Units
Amherst	Based on project size Ranges from 7% to 12%	10 Units	No
Arlington	15%	6 Units	Yes
Barnstable	10%	10 Units	Formed a committee to study
Belmont	10%, 12.5% or 15% depending on project size	2 single-family or two-family homes	Yes
Brookline	15%	6 Units	Yes
Cambridge	15%**	10 Units	Yes
Duxbury	10%	6 Units	Yes
Hopkinton	10%	10 Units	Yes
Medway	10%	6 Units	Yes
Newton	15%	4 Units*	Yes
Provincetown	16.67%	2-5 (payment in-lieu) 6 Units	Yes
Somerville	12.5% to 20% depending on location	6 Units*	Yes
Tewksbury	15%	4 Units*	Yes
Watertown	12.5 % and 15% depending on project size	6 Units	Yes
Wellesley	20%	5 Units	Yes
Yarmouth	20%	5 Units	Yes

*Zoning indicates that the calculation of a fractional unit of 0.5 or more shall be regarded as a whole unit. With a 12.5% to 15% affordability requirement, the 0.5 threshold occurs with four (4) total units.
** Considering increasing the percentage to 20%.

Additionally, the CPC should revisit the inclusionary restrictions in the Affordable Housing Overlay District bylaw that are confusing. The bylaw states, "A development that includes more than five affordable units must provide a range of affordability with units priced for households between 65% and 80% of area median income." This provision should be amended to be more specific regarding any breakdowns between 65% and 80% AMI units and insure conformance with state Local Initiative Program (LIP) requirements. One example comes from recent zoning changes to Watertown's inclusionary zoning bylaw that requires the requirement that are summarized in Table 8-3.

Table 8-3: Watertown Inclusionary Zoning Affordability Requirements

Total Project Size	Affordable Units	Rental Units	Ownership Units
0 to 5 Units	0	NA	NA
6 to 19 Units	12.5%	80% AMI	80% AMI
20+ Units	15.0%	No less than 5% of total units at 65% AMI	80% AMI
		10% of total units at 80% AMI	80% AMI

Source: Watertown Inclusionary Zoning Bylaw, Section 5.07

Resources Required: The Community Planning Commission should coordinate this effort with other appropriate local officials, drafting the zoning amendment and coordinating the necessary approvals towards implementation. This strategy is also likely to require professional support from the Town Planner with input potentially from the Metro North Regional Housing Services Office (MNRHSO) and/or a consultant that could be covered by proposed CPA funding, Berry property proceeds, or state technical assistance funds from the Housing Choice Program for example.

The monitoring of affordability will also be important for the Town to oversee in coordination with the Metro North Regional Housing Services Office (MNRHSO), both initially to insure inclusion in the SHI and on an ongoing basis.

8.3 Development Strategies

The following strategies rely on partnerships between the Town and private developers towards the development of both private and publicly-owned properties:

8.3.1 Create a Vibrant Community Center

Priority: Years 1 to 2
Responsible Parties: Board of Selectmen and Community Planning Commission

Current Status: Throughout the course of this planning process, a reoccurring theme has been the need for what residents have referred to as a downtown, Community Center, or Town Center that can provide a number of important benefits to the community, serving not only as a focus of local economic development, but also addressing a wide range of housing needs. Participants in the planning process described such a revitalized area as a way to draw the diverse segments of the community together in an effort to build community cohesion and create a wider range of local amenities including housing for seniors, families and those with special needs.

The need for creating important social connections for North Reading residents is being promoted locally by Advocates for Adults and Community Team (ACT) which represents a team of people who want to live in North Reading for the long term and help others do so as well. Largely supported by local volunteers, the organization strives to advocate for a community-friendly and intergenerational Community Center in a new “downtown” area that includes attractive and affordable “empty nester” housing with appropriate services and support.

It should be noted that housing can be considered an excellent economic development engine. Not only does new housing development translate into jobs and additional business through the sale of construction materials, but housing incorporated into commercial areas or special districts brings new business and vitality to a local economy. Moreover, the improvement of substandard or underutilized properties in any neighborhood raises perceptions of community stability, value and actual jobs.

The Town has been making progress on fostering a more vibrant Community Center. In 2016 the Town engaged the Metropolitan Area Planning Council (MAPC) to prepare a Short-term (2016-2021) Economic Development Strategy for the redevelopment potential of Route 28 that would help the community attract jobs, services, revenues and housing. Based on the report's recommendations, the 2017 spring Town Meeting approved zoning to encourage mixed-use development to "provide opportunities for the development of new multi-family housing within the Town, in the interest of providing a variety of needed housing types; to encourage the revitalization of an important commercial district within a key section of Main Street by introducing residential development to support new and existing retail, restaurants and other businesses and services; and to foster a town-center-type development pattern, in accordance with the planning studies and recommendations completed by the local Regional Planning Agency with and for the Town."[60]

The District includes properties on the eastern side of Main Street (Route 28) at the junction of Winter Street (Route 62). Multi-family dwellings are permitted by Special Permit under the bylaw as a component of mixed-use development where the residential component is no greater than 80% of the total square footage of the building with the remaining 20% occupied by another use allowed by right or by Special Permit. Assisted living facilities, senior housing, and 55+ age-restricted/active adult housing are permitted by right in the above mixed-use configuration.

This Study identified a number of conditions around a cluster of underutilized structures at or near the intersection of Routes 62 and 28 that need to be addressed and hold potential for redevelopment. The development potential of this area is currently constrained by environmental constraints and a lack of sewer infrastructure however.

In pursuit of the Study's recommendations, the Town issued a Request for Proposals (RFP) for a conceptual plan and implementation study for the redevelopment of these underutilized properties. The primary focus of this project will be an analysis of how a privately funded and operated wastewater treatment "package plant" could become the catalyst for the full development of these properties. The study is on hold until later this spring while the Town makes its final decisions on the future water source. Each potential water source comes with potential for sewer connections in different parts of town. If a choice is made that makes sewer on Route 28 a possibility for the near future, the waste water study will be abandoned as unnecessary. If a choice is made that makes this less likely, the study will proceed in the late spring.

Next Steps: The Town, through its Community Planning Commission, should explore how other comparable communities are revitalizing downtowns or Community Centers.

[60] North Reading Zoning Bylaw, Article XXVI, Section 200-157.

Representatives of ACT and others in the planning process have pointed to the *L.I.F.E. Inc.* (Lynnfield Initiatives for Elders) project in Lynnfield as an effective model for moderately-priced housing development. Created as a non-profit corporation, L.I.F.E. has operated as the owner, developer, operator, and property manager of Center Village, Essex Village and Colonial Village projects. L.I.F.E. is also planning 48 additional units as part of the MarketStreet Lynnfield development.

The properties are not deeded condominiums nor rentals, but operate similarly to a housing cooperative where occupants buy into the developments based on periodically set purchase prices and obtain the right to occupy the units for life. At least one of the occupants must be 58 years of age and a current or former Lynnfield resident with at least two years of residency or the mother, father, brother, or sister of a current or former Lynnfield resident with two years of residency. A deposit is required with an application and waits tend to be at least several years. Occupants must also pay monthly fees. The developments involve independent living units that do not integrate supportive services for residents. While the development was not subsidized by the Town of Lynnfield, the Board of Selectmen appoints the Board of Directors and the Town accepts some payments in-lieu of taxes.

It should be noted that units created under this model, while meeting some more affordable and diverse housing needs of local seniors, would not meet state requirements for inclusion in the Subsidized Housing Inventory (SHI) due to residency requirements, a lack of income and affordability requirements, and higher prices for example.

Other participants in the planning process referred to the *MarketStreet Apartments* project as a potential model to help revitalize the area. A total of 180 one- and two-bedroom rental units have been developed through the Chapter 40B comprehensive permit process adjacent to the MarketStreet Lynnfield retail complex.

The Town will continue to pursue efforts to provide a sewer treatment facility to enable denser new development to become feasible as well as other recommendations that were included in MAPC's report on the redevelopment of Main Street. The treatment facility with the new zoning and potential subsidies from the resources identified in strategy 8.1 would likely spur interest in new development opportunities and make progress towards creating a vibrant Community Center.

Resources Required: Donated time from the Board of Selectmen and Community Planning Commission with staff support from the Town Administrator and Town Planner to maintain momentum in the implementation of recommendations in the MAPC report. Resources will also likely be needed to help make any sewer treatment facility financially feasible and to subsidize new housing development.

Number of Affordable Units Produced: 76 units

8.3.2 Make Suitable Public Property Available for Affordable Housing

Priority: Years 1 to 2
Responsible Party : Board of Selectmen with CPC support

Current Status: Throughout the course of this planning process, a number of Town-owned properties have been mentioned as potentially appropriate for the development of housing. For example, the Town has received $21 M from the sale proceeds of the Berry site that was sold to Pulte Homes for the development of age-restricted housing. While these units will provide new opportunities for those 55 years of age or older, all units will be

market priced. Other Town-owned properties have also been discussed as well for affordable housing including a parcel off of Carpenter Drive, Swan Pond Road and Smith Road, however these sites are relatively isolated.

Additionally, the Town adopted the Affordable Housing Overlay District bylaw[61] in 2008 to promote affordable housing development on specific parcels on West Street, Homestead Terrace, Oakdale Road and several other streets scattered throughout town. The parcels were selected through an analysis of Town-owned properties that were slightly undersized and had some wetland areas or other minor defects but were still developable under modified zoning. They also had adequate frontage along an existing way or were positioned to obtain adequate access. The bylaw requires that all designated units meet state requirements for inclusion in the Subsidized Housing Inventory. While all types of residential structures are allowed under specific dimensional and density regulations, maximum density for single-family attached or multi-family dwellings can be no more than one (1) unit per 5,000 square feet of lot area. Minimum affordable housing requirements also include:

- Single-family detached dwellings: For a single-family dwelling, the unit must be affordable. In a development with two units, one of the units must be affordable, and in a development of three or more units, at least one out of every three dwellings must be affordable.
- Two-family dwellings: At least one of the units must be affordable.
- Multi-family dwellings: At least one out of every three units must be affordable.
- At least 10% of multi-family units must be affordable. This requirement is inconsistent with the one above and should be deleted in future zoning changes.
- A development that includes more than five affordable units must provide a range of affordability with units priced for households between 65% and 80% of area median income. This provision should also be revisited in future rezoning efforts to be more specific regarding any breakdowns between 65% and 80% AMI units and insure conformance with state Local Initiative Program (LIP) requirements (see strategy 8.2.4).

No units have been created to date through these provisions as the Town has not yet issued a Request for Proposals (RFP) for the development of the parcels it owns.

Next Steps: The CPC will continue to work with other Town boards and committees to pursue surplus municipal property for the development of affordable housing. A priority would be to prepare and issue an RFP for properties included in the Town's Affordable Housing Overlay District bylaw.

For such properties, when identified, the Town should focus on providing the following types of development support:

- *Request for Proposals (RFP)* – Following the necessary approvals for the conveyance of Town-owned properties, the Chief Procurement Officer with support from the Town Planner and potentially a consultant will prepare a Request for Proposals (RFP) to solicit interest from developers based on the Town's specific project requirements and select a developer also based on identified criteria included in the RFP.

- *Permitting* – Projects may require densities or other regulatory relief beyond what is allowed under the existing Zoning By-laws, and this will likely be obtained through the "friendly"

[61] North Reading Zoning Bylaw, Article XXI, Section 200-117.

comprehensive permit process under DHCD's Local Initiative Program (LIP), the Affordable Housing Overlay District or other special zoning.

- *Advocacy* – The Town will need to be involved in helping the selected developer secure necessary financial, technical and political support. Evidence of municipal support is critical when seeking financial or technical assistance from regional, state or federal agencies.

- *Gap Financing* – Comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units cross-subsidize the affordable ones. Because development on Town-owned properties will likely include more affordable units than are required under Chapter 40B to boost the public benefits associated with the conveyance of Town-owned property for affordable housing, it is likely that local funding will be necessary to leverage additional sources of financing from regional, state and/or federal governments and make development financially feasible (see strategy 8.1.1 for potential resources). To further promote project feasibility, most communities convey properties for only nominal amounts.

- *Monitoring* – It will be important for the Town to insure that the affordable units that are produced meet all state requirements if they are intended to be eligible for inclusion in the SHI. The Town is already contracting with the Metro North Regional Housing Services Office on these important services.

The Town may also decide to acquire privately-owned sites at some time in the future for the purposes of developing some amount of affordable housing, potentially including other uses such as protecting open space, preserving historic properties, and/or recreational opportunities. For example, the Towns of Carlisle and Falmouth acquired land for affordable housing development including open space preservation and other public benefits by bonding CPA funding. The resources described in strategy 8.1.1 might make some property acquisition possible in the future.

Resources Required: Local resources will be required to help subsidize the development and leverage other sources of financing, the amounts dependent on the size and type of the development, the numbers of affordable units, and the targeted income level(s). Potential resources are described in strategy 8.1.1.

The donated time of members of the Board of Selectmen and other Town boards and committees (such as Assessing, CPC, and ZBA) will be important as well as coordination from the Town's Chief Procurement Office, Town Planner and a consultant.

Projected # Affordable Units Produced: 52 units

8.3.3 Partner with Developers on Privately Owned Sites

Priority: Years 1 to 2
Responsible Parties: Community Planning Commission and/or Zoning Board of Appeals

Current Status: Continuing to work cooperatively with private developers, non-profit and for profit, is a major component of this Housing Plan. With incentives created in the zoning bylaw to promote affordable housing (see Section 8.2) and with the availability of the "friendly 40B" option, the Town is in a good position to work cooperatively with developers to guide new development that incorporates affordable units and smart growth principles including the following types of development:

- Mixed-use development in appropriate locations, particularly Main Street
- Smaller infill housing in existing neighborhoods
- Accessory apartments
- Redevelopment of underutilized, nonresidential properties into housing
- Cluster development
- Group homes or other congregate living options for older residents or special needs populations
- Multi-generational, multi-family housing

Recommendations from the June 2017 Community Housing Forum and the Community Housing Survey included the following locations for potential housing development:

- Main Street/Route 28
- Locations within walking distance of shopping and services
- Concord Street
- Route 62
- Berry property
- Chestnut Street area
- Around postal facility and Walmart
- Redevelop Peabody Court into a denser development

Next Steps: The Town will focus on the following approaches for creating new affordable units on privately-owned parcels in line with "smart growth" principles:

- *Zoning Changes* – The zoning strategies included in Section 8.2 in addition to current zoning should provide a reasonable framework for new development that will include some amount of affordable housing.

- *Chapter 40B* – Comprehensive permits, particularly the "friendly" 40B process through the state's Local Initiative Program (LIP), have proven to be a useful tool in many communities for projects that require significant waivers of local zoning but meet local needs and priorities. The comprehensive permit process has been used for all of North Reading's ownership projects on the SHI for example.

  Locations where the "friendly" 40B process make the most sense include those listed above as recommended by participants of the June 2017 Housing Forum. Any future development of municipal sewer services would provide opportunities for somewhat denser development that would make affordable housing financially more feasible, particularly in the Town Center.

Resources Required: Donated time from members of the Community Planning Commission and/or Zoning Board of Appeals will also be required with respect to permitting. Additional professional support from the Town Planner, Metro North Regional Housing Services Office or consultants will also be needed in the development process. In most cases, subsidies will also be required to fill funding gaps to make projects economically feasible and to leverage other sources of public and private financing.

Projected # Affordable Units Produced: 24 units

APPENDIX 1
Local and Regional Housing Organizations/Resources

North Reading is fortunate to have a number of important resources including local government entities, local non-profit organizations, and regional agencies that have made substantial contributions to the promotion of community housing in North Reading or have the resources to potentially contribute in the future. These organizations are briefly summarized below.

Local Entities

North Reading Community Planning Commission

The Community Planning Commission (CPC) is the Town's official planning entity established under Chapter 41 of Massachusetts General Laws (Subdivision Control Law). The CPC is the sponsor of this Housing Production Plan.

Contact: Danielle McKnight, Town Planner and Community Planning Administrator, 978-357-5206

http://www.northreadingma.gov/community-planning-commission

North Reading Housing Authority

The North Reading Housing Authority was established under Chapter 121B of Massachusetts General Laws as a public housing authority to provide safe, decent and affordable housing to low- and moderate-income households. The Housing Authority owns and manages 44 subsidized housing units in two developments, one for the elderly and younger disabled at Peabody Court (35 for elderly and 5 for non-elderly people with disabilities) and four units for families at Swan Pond Road. Both of these projects were financed by the state through the Chapter 677 and Chapter 705 Programs, respectively. They also own two condominiums that they rent to qualifying tenants and manage 22 Section 8 Housing Choice Vouchers.

Contact: 978-664-3599

http://www.northreadingha.org/

North Reading Elder Services

The Town's Elder Services, also referred to as the Council on Aging, provides advocacy and supportive services and programs for older residents with information and referrals concerning issues of elderly health, housing, health insurance, in-home assistance, and legal matters related to property and taxes. The organization creates opportunities for socialization through programmed activities as well as transportation. It is also available to meet with seniors and their families concerning social and health care needs. Most of its services and activities are available at the Edith A. O'Leary Senior Center.

Contact: 781-786-6280

http://www.northreadingma.gov/elder-services

Friends of the North Reading Council on Aging

The Friends of North Reading Council on Aging, Inc. is a non-profit organization that was established to provide support to the Edith A. O'Leary Senior Center and the population of older adults it serves. It continues to seek members and donations to supplement existing funding for elder services and programs.

Contact: 978-664-5600

http://www.northreadingma.gov/elder-services

North Reading Veterans Services
North Reading Veterans Services is the Town department that provides advocacy, outreach and education to veterans and their families to insure that they receive the benefits and services that they are owed given their service to the country.
Contact: 978-357-5212
http://www.northreadingma.gov/veterans-services

Advocates for Adults and Community Team (ACT)
ACT represents a team of people who want to live in North Reading for the long term and help others do so as well by creating important social connections. Largely supported by local volunteers, the organization strives to fulfill the following goals:

- Advocate for a new community-friendly "downtown" area.
- Advocate for a new intergenerational community center.
- Advocate for attractive and affordable "empty nester" housing.
- Provide services and support for the adults who need it so they can stay in their homes and community as long as possible including transportation and daily contact.
- Create a social calendar that will allow members to have fun and interact on an adult level for our ACT membership including formals, recreation, exercise, trips, and lifelong learning.

Contact: 978-807-3961

Regional Entities

Metro North Regional Housing Services Office (MNRHSO)
The Metro North Regional Housing Services Office was established as a collaborative effort among the four communities of Reading, Wilmington, Saugus and North Reading to provide assistance in planning, permitting, monitoring, maintaining, and increasing their inventory of affordable housing. Reading serves as the Host Community. This collaboration was developed on the following premises:

- Develop a regional approach for finding common solutions for common challenges, looking at housing through a municipal lens.
- Make efficient use of resources, both leveraging knowledgeable staff and providing shared access to affordable housing opportunities for residents.
- Proactively monitor the community's Subsidized Housing Inventory to ensure the preservation of the units.

Each participating community pays an annual membership fee to the Town of Reading to cover the Office's expenses and pays an additional amount in support of the services provided.
Contact: 781-942-9667
Website: www.readingma.gov/metro-north-regional-housing-services-office

Metropolitan Boston Housing Partnership (MBHP)
The Metropolitan Boston Housing Partnership is a non-profit organization that addresses a wide range of housing needs in the Greater Boston area, including North Reading. The organization assists about 20,000 residents annually through its numerous programs and services that include but are not limited to the following:

- Offers information through workshops and reference materials on eviction and foreclosure prevention, tenancy preservation, housing search, relocation assistance, etc. through its Housing Consumer Education Service Center, one of nine such centers in Massachusetts which are funded by DHCD.
- Administers the Housing Choice Voucher Program (Section 8) and other rental voucher programs.
- Provides programs to serve those who are homeless or at risk of homelessness.
- Provides technical assistance and resources to landlords, particularly those with Section 8 tenants.
- Offers training, other technical assistance and referrals to both tenants and landlords on fair housing issues.
- Operates a hoarding and sanitation intervention program to support tenants in obtaining necessary treatment to deal with hoarding issues and to bring their apartments into compliance with health and safety regulations.
- Administers the Money Follows the Person Program that helps individuals transition from long-term care facilities to community-based residences of their choice.

Contact: 617-859-0400
http://mbhp.org/

Metropolitan Area Planning Council (MAPC)
The Metropolitan Area Planning Council (MAPC) is North Reading's regional planning agency serving 101 communities in the Greater Boston area. Guided by its regional plan, "*MetroFuture: Making a Greater Boston Region*", the agency works with participating communities towards "sound municipal management, sustainable land use planning, protection of natural resources, efficient and affordable transportation, a diverse housing stock, public safety, economic development, an informed public, and equity and opportunity among people of all backgrounds". In 2016 MAPC prepared a Short-term (2016-2021) Economic Development Strategy of the redevelopment potential of Route 28 that would help the community attract jobs, services, revenues and housing.
Contact: 617-451-2770
www.mapc.org

Habitat for Humanity of Greater Boston
Habitat for Humanity is an ecumenical, non-profit Christian ministry dedicated to building simple, decent homes in partnership with families in need. The organization has grown over the past two decades into one of the largest private homebuilders in the world with almost 1,600 U.S. affiliates and over 2,000 affiliates worldwide, including one in the Greater Boston area that builds new homes for first-time homebuyers through donated land, materials, labor and funding as well as other special financing strategies.
Contact: 617-423-2223
http://www.habitatboston.org/

Mystic Valley Elder Services
Mystic Valley Elder Services is a non-profit agency which partners with elders, adults living with disabilities and caregivers in a number of communities including North Reading. As the Area Agency on Aging (AAA) the organization connects these groups to services that support the health, wellbeing, and independence of older adults. The agency also provides care management, service coordination, and information and referrals to appropriate health care and home care providers. It also provides seniors and those with disabilities with important opportunities to engage with their community, including options for volunteering. Contact; 781-324-7705 http://www.mves.org/

South Middlesex Opportunity Council (SMOC)
South Middlesex Opportunity Council, Inc. (SMOC) is a private, non-profit organization that also provides services to the greater Metro West and Blackstone Valley areas. The corporation's goal has been to improve the quality of life for low-income people by working with the communities they serve to affect social, individual and family change. Programs include day care and preschool education, employment training and placement, housing, addiction, mental health, women's protective services, nutrition, energy and weatherization, legal services, services for the elderly, emergency shelter, as well as community organizing around health care, housing, rising energy costs and banking services.
SMOC also provides housing services to low- and moderate-income individuals and families including rental assistance programs, loan programs to support home modifications to improve access for the disabled, deleading, and weatherization improvements. Financial assistance is also provided to subsidize the costs of fuel, water and sewer costs to qualifying households. There are also counseling programs available to help renters prepare for homeownership and to assist existing residents in preventing foreclosure.

In 1986, SMOC created a subsidiary non-profit development organization, South Middlesex Non-Profit Housing Corporation, to preserve, improve and develop new housing choices for low- and moderate-income residents, integrating supportive services when appropriate. The Housing Corporation not only develops but owns and manages the agency's real estate as well, both residential and commercial properties, including 600 units ranging from emergency shelters, special needs housing, sober housing, transitional housing for individuals and families, affordable single and family rentals, and first-time homeownership opportunities.
Contact: 508-872-4853
508-620-1230 or 800-286-6776 (for Fuel Assistance)
http://smoc.org/

APPENDIX 2
Glossary of Housing Terms

Chapter 40R/40S
State legislation that provides cash incentives to municipalities that adopt smart growth overlay districts that also increase housing production, including affordable housing (see Appendix 3 for details).

Affordable Housing
A subjective term, but as used in this Plan, refers to housing available to a household earning no more than 80% of area median income at a cost that is no more than 30% of total household income. Also referred to as Community Housing.

Area Median Income (AMI)
The estimated median income, adjusted for family size, by metropolitan area (or county in nonmetropolitan areas) that is adjusted by HUD annually and used as the basis of eligibility for most housing assistance programs. Sometimes referred to as "MFI" or median family income.

Chapter 40B
The state's comprehensive permit law, enacted in 1969, established an affordable housing goal of 10% for every community. In communities below the 10% goal, developers of low- and moderate-income housing can seek an expedited local review under the comprehensive permit process and can request a limited waiver of local zoning and other restrictions, which hamper construction of affordable housing. Developers can appeal to the state if their application is denied or approved with conditions that render it uneconomic, and the state can overturn the local decision if it finds it unreasonable in light of the need for affordable housing.

Chapter 44B
The Community Preservation Act Enabling Legislation that allows communities, at local option, to establish a Community Preservation Fund to preserve open space, historic resources and community housing, by imposing a surcharge of up to 3% on local property taxes. The state provides matching funds from its own Community Preservation Trust Fund, generated from an increase in certain Registry of Deeds' fees.

Cluster Development
A site planning technique that concentrates buildings in specific areas on the site to allow the remaining land to be used for other uses, most typically open space preservation. Some provisions allow density bonuses for certain conditions of development, including affordable housing.

Comprehensive Permit
Expedited permitting process for developers building affordable housing under Chapter 40B "anti-snob zoning" law. A comprehensive permit, rather than multiple individual permits from various local boards, is issued by the local zoning boards of appeals to qualifying developers (see Appendix 3 for details).

Conservation Development
A project that conserves open space, protects site features and provides flexibility in the siting of structures, services and infrastructure.

Department of Housing and Community Development (DHCD)
DHCD is the state's lead agency for housing and community development programs and policy. It oversees state-funded public housing, administers rental assistance programs, provides funds for municipal assistance, and funds a variety of programs to stimulate the development of affordable housing.

Design Guidelines
A set of discretionary standards, including design and performance criteria, developed as a public policy to guide the planning and land development.

Easements
The right to use property for specific purposes or to gain access to another property.

Energy Star
A voluntary labeling program of the US Environmental Protection Agency (EPA) and the US Department of Energy that identifies energy efficient products.

Enhanced Single Room Occupancy (ESRO)
A single person room with a private bath and/or kitchen rather than shared facilities.

Expedited Permitting
The state's Chapter 43D Program allows a community to gain state incentives for projects meeting certain criteria and permitted within a 180-day regulatory process.

Fair Housing Act
Federal legislation, first enacted in 1968, that provides the Secretary of HUD with investigation and enforcement responsibilities for fair housing practices. It prohibits discrimination in housing and lending based on race, color, religion, sex, national origin, handicap, or familial status. There is also a Massachusetts Fair Housing Act, which extends the prohibition against discrimination to sexual orientation, marital status, ancestry, veteran status, children, and age. The state law also prohibits discrimination against families receiving public assistance or rental subsidies, or because of any requirement of these programs.

Form-based Zoning
Zoning regulations that define desired building and site characteristics but do not strictly regulate the uses.

Green Building
A term used to describe buildings that have been designed or retrofitted to reduce energy consumption.

Inclusionary Zoning
Inclusionary zoning is a zoning ordinance or bylaw that requires a developer to include affordable housing as part of a development or contribute to a fund for such housing.

Infill Development
Infill development is the practice of building on vacant or undeveloped parcels in dense areas, especially urban and inner suburban neighborhoods. Such development promotes compact development, which in turn allows undeveloped land to remain open and green.

Jobs/Housing Balance
A measure of the harmony between available jobs and housing in a specific area.

LEED
Leadership in Energy and Environmental Design (LEED) is a voluntary standard for developing high performance, sustainable buildings that significantly reduce energy consumption. There are various standards, including silver, gold and platinum, which are awarded to particular properties through a certification process.

Local Initiative Program (LIP)
LIP is a state program under which communities may use local resources and DHCD technical assistance to develop affordable housing that is eligible for inclusion on the state Subsidized Housing Inventory (SHI). LIP is not a financing program, but the DHCD technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. At least 25% of the units must be set-aside as affordable to households earning less than 80% of area median income (see Appendix 3 for more details).

MassHousing (formerly the Massachusetts Housing Finance Agency, MHFA)
MassHousing is a quasi-public agency created in 1966 to help finance affordable housing programs. MassHousing sells both tax-exempt and taxable bonds to finance its many single-family and multi-family programs.

Metropolitan Statistical Area (MSA)
The term, MSA, is also used for CMSAs (consolidated metropolitan statistical areas) and PMSAs (primary metropolitan statistical areas) that are geographic units used for defining urban areas that are based largely on commuting patterns. The federal Office of Management and Budget defines these areas for statistical purposes only, but many federal agencies use them for programmatic purposes, including allocating federal funds and determining program eligibility. HUD uses MSAs as its basis for setting income guidelines and fair market rents.

Mixed-Income Housing Development
Mixed-income development includes housing for various income levels.

Mixed-Use Development
Mixed-use projects combine different types of development such as residential, commercial, office, industrial and institutional into one project.

Overlay Zoning
A zoning district, applied over one or more other districts that contains additional provisions for special features or conditions, such as historic buildings, affordable housing, or wetlands.

Planned Development
A district or project designed to provide an alternative to the conventional suburban development standards that promote a number of important public policy benefits, often including a variety of housing, including affordable housing, and creative site design alternatives.

Public Housing Agency (PHA)
A public entity that operates housing programs: includes state housing agencies (including DHCD), housing finance agencies and local housing authorities. This is a HUD definition that is used to describe the entities that are permitted to receive funds or administer a wide range of HUD programs including public housing and Section 8 rental assistance. The North Reading Housing Authority is the town's public housing authority.

Regional Non-profit Housing Organizations
Regional non-profit housing organizations include nine private, non-profit housing agencies, which administer the Section 8 Program on a statewide basis, under contract with DHCD. Each agency serves a wide geographic region. Collectively, they cover the entire state and administer over 15,000 Section 8 vouchers. In addition to administering Section 8 subsidies, they administer state-funded rental assistance (MRVP) in communities without participating local housing authorities. They also develop affordable housing and run housing rehabilitation and weatherization programs, operate homeless shelters, run homeless prevention and first-time homebuyer programs, and offer technical assistance and training programs for communities. Metropolitan Boston Housing Partnership (MBHP), based in Boston, serves as North Reading's regional non-profit housing organization.

Regional Planning Agencies (RPAs)
These are public agencies that coordinate planning in each of thirteen regions of the state. They are empowered to undertake studies of resources, problems, and needs of their districts. They provide professional expertise to communities in areas such as master planning, affordable housing and open space planning, and traffic impact studies. With the exception of the Cape Cod and Nantucket Commissions, however, which are land use regulatory agencies as well as planning agencies, the RPAs serve in an advisory capacity only. The Metropolitan Area Planning Council (MAPC) serves as North Reading's Regional Planning Agency.

Request for Proposals (RFP)
A process for soliciting applications for funding when funds are awarded competitively or soliciting proposals from developers as an alternative to lowest-bidder competitive bidding.

Section 8
Refers to the major federal (HUD) program – actually a collection of programs – providing rental assistance to low-income households to help them pay for housing. Participating tenants pay 30% of their income (some pay more) for housing (rent and basic utilities) and the federal subsidy pays the balance of the rent. The Program is now officially called the Housing Choice Voucher Program.

Single Room Occupancy (SRO)
A single room occupancy (more commonly SRO, sometimes called single resident occupancy) is a multiple tenant building that houses one or two people in individual rooms (sometimes two rooms, or two rooms with a bathroom or half bathroom), or to the single room dwelling itself. SRO tenants typically share bathrooms and /or kitchens, while some SRO rooms may include kitchenettes, bathrooms, or half-baths. Although many are former hotels, SROs are primarily rented as permanent residences.

Smart Growth
The term used to refer to a rapidly growing and widespread movement that calls for a more coordinated, environmentally sensitive approach to planning and development. A response to the problems associated with unplanned, unlimited suburban development – or sprawl – smart growth principles call for more

efficient land use, compact development patterns, less dependence on the automobile, a range of housing opportunities and choices, and improved jobs/housing balance.

Subsidy
Typically refers to financial assistance that fills the gap between the costs of any affordable housing development and what the occupants can afford based on program eligibility requirements. Many times multiple subsidies from various funding sources are required, often referred to as the "layering" of subsidies, in order to make a project feasible. In the state's Local Initiative Program (LIP), DHCD's technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. Also, "internal subsidies" refers to those developments that do not have an external source(s) of funding for affordable housing, but use the value of the market units to "cross subsidize" the affordable ones.

Subsidized Housing Inventory (SHI)
This is the official list of units, by municipality, that count toward a community's 10% goal as prescribed by Chapter 40B comprehensive permit law.

Sustainability
Development that includes a balanced set of integrated principles such as social equity, environmental respect, and economic viability, which preserves a high quality of life for current occupants and future generations.

Transfer of Development Rights (TDR)
A program that coordinates the relocation of development from environmentally sensitive areas that should be preserved as open space to areas that can accommodate higher densities.

Transit Oriented Development (TOD)
Development that occurs within walking distance of public transportation, usually bus or trains, to reduce the reliance on the automobile and typically accommodate mixed uses and higher densities.

U.S. Department of Housing and Urban Development (HUD)
The primary federal agency for regulating housing, including fair housing and housing finance. It is also the major federal funding source for affordable housing programs.

APPENDIX 3
Summary of Community Housing Forum

The North Reading Community Planning Commission sponsored a Community Housing Forum on June 22, 2017 at North Reading Town Offices to present key findings from a Housing Needs Assessment and obtain community input into the next phase of its work in preparing a Housing Production Plan. Following a brief introduction from Danielle McKnight, North Reading's Town Planner and Community Planning Administrator; the Consultant, Karen Sunnarborg, provided a PowerPoint presentation on the highlights of the Housing Needs Assessment and facilitated a brief question and comment period.

Participants were then provided with instructions on proceeding with Breakout Group Brainstorming, and asked to identify a Facilitator to keep the group on track in fulfilling the assigned tasks within allotted timeframes and to further identify a Recorder to document key comments from each group member. The purpose of the breakout groups was to obtain input from participants on their vision for community housing as well as priority actions for fulfilling this vision and addressing local housing needs.

Visioning
Each group member was asked in turn to complete the following three questions, resulting in these comments:

*The Town's greatest <u>challenge</u> related to preserving and producing housing affordability and diversity is*_____

- Limited developable property
- Limited Town control over housing stock
- Limited available funding
- Zoning constraints
- Large lot zoning requirements which drive up costs
- Lack of sewer services
- High property tax rate relative to neighboring communities
- Lack of leadership
- Lack of political will
- Lack of community awareness, education and interest in the issue
- Limited public transportation
- High cost of land and housing
- Small community with limited resources, "can we accomplish much?"
- Public housing/Peabody Court needs to be redeveloped
- High financial burdens
- Affordable housing development is complicated with so many moving parts
- Historic district limitations in Town Center
- Town had growth spurt and now residents are older with nowhere to downsize and thus moving out of town; new parents are paying a lot for housing
- People do not like to live above shops unless close to transit

An appropriate <u>housing goal</u> (something aspirational to strive for in the years ahead) for the Town to achieve is to _____?

- Promote greater Town involvement in the issue of affordable housing
- Provide municipal sewer services
- Address the needs of the elderly first (we have neglected them and they have funded the town) but not to the exclusion of others
- Promote more opportunities for mixed uses
- Provide sufficient housing for veterans and people with disabilities
- Provide starter housing for families
- Focus primarily on providing housing for North Reading residents
- Provide intergenerational housing opportunities
- Meet housing needs of all residents, current and future
- Modify zoning to allow smaller lot development

The best <u>locations</u> for new housing development include _____?

- Parcel off Carpenter Drive
- Locations within walking distance of shopping and services
- Main Street/Route 28
- Community Center
- Town-owned properties (Swan Pond and Smith Road are isolated – not much Town-owned land that is centrally located)
- Chestnut Street area
- Eisenhower Pond area
- Around postal facility and Walmart
- Redevelop Peabody Court into a denser development

Prioritizing Actions and Voting

Each member of the breakout groups was then asked in turn to identify the two most important actions or strategies for the Town to implement to address priority housing needs. They were then asked, also in turn, to identify their top three preferences based on the full list of proposed actions created by the group. The full group was then asked to select the top three actions that received the most support as well as the next three in order of priority importance and agreement.

Representatives from each group then presented the priority actions to all participants. Following these presentations, all participants voted on their preferred actions with five stickers which they could place on one item or spread among strategies. They also had one negative sticker that they could use to record opposition to a particular action.

This prioritizing and voting process produced the following actions and number of votes:

Regulatory Strategies

- Modify zoning to increase the availability of smaller affordable units (4 votes)
- Insure that there is no sunset clause on affordability (3 votes)
- Take Stop & Shop by eminent domain and redevelop for senior housing (1 vote)
- Take derelict properties by eminent domain or receivership (1 vote)

Town Programs and Services

- Allocate a percentage of the Berry property proceeds for affordable housing (9 votes)
- Collaborate with all Town boards and committees on the issue of affordable housing (8 votes)
- Preserve existing affordable housing (8 votes and 1 negative vote)
- Install sewer services on Main and Concord Streets (6 votes)
- Create a Master Plan Committee that involves all boards and committees (5 votes)
- Provide community education through a variety of venues (NORCAM, articles in the paper, website) (2 votes)

Development Opportunities

- Promote mixed-use development and a new downtown (13 votes)
- Pursue partnerships with non-profits (4 votes and 1 negative vote)
- Provide Town-owned property for potential swap or sale for affordable housing

Participants were informed that the Town will be working with the Consultant on the next sections of the Housing Production Plan that will include priority actions that were discussed during the public forum as well as annual production goals. After the draft is prepared, the North Reading Community Planning Commission will conduct another public meeting to present the highlights of the Plan for further input from local leaders, housing stakeholders and residents.

APPENDIX 4
Summary of Community Housing Survey

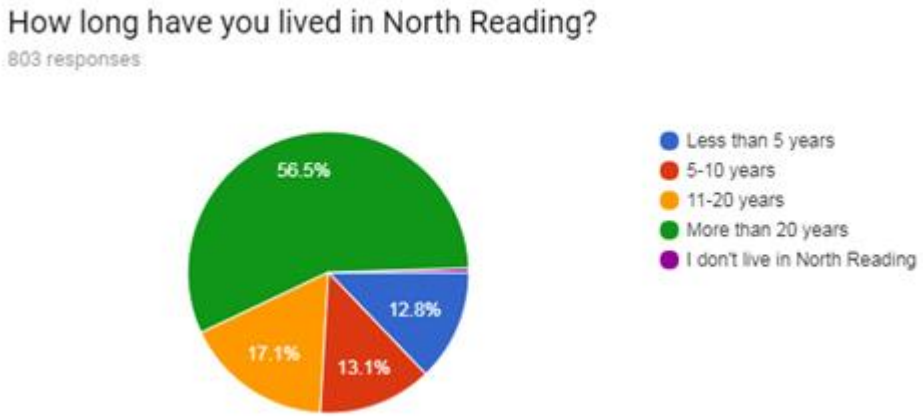
The Town of North Reading's Housing Production Plan documents current and growing priority housing needs, assesses existing housing regulations, and identifies new or modified strategies to address unmet housing needs, also recommending how the Town can strategically invest its local resources as part of a newly defined housing agenda. An important component of this planning work was to obtain substantial input from local residents on the Town's future housing priorities. In addition to community meetings and interviews with local and regional housing stakeholders, the Town issued a Community Housing Survey as another means for residents to participate in the planning process. While this Survey was not issued in a scientifically random manner, which is very expensive, the results nevertheless reflect a range of perspectives within the North Reading community on housing issues and put the Town in a more informed position to finalize the Housing Plan and take action to implement it.

The hard copy version of the Survey was mailed to 5,427 households and made available at the Planning Office at 235 North Street. An electronic version was included on the Town's website and promoted on social media sites. There was a very high rate of response with 806 residents returning the Survey, the equivalent of about 17% of all North Reading households. It can be inferred that this high level of response reflects not only substantial resident investment in the interests of the community but also some significant attention or concern regarding housing issues.
In general, respondents expressed significant concern regarding housing affordability with strong orientations towards developing a vibrant mixed-use Town Center and creating more affordable housing options for young families looking for starter homes and empty nesters hoping to downsize in the community. There was repeated opposition from a minority of respondents towards any additional affordable housing development, indicating a preference for Town investment in infrastructure and schools instead.

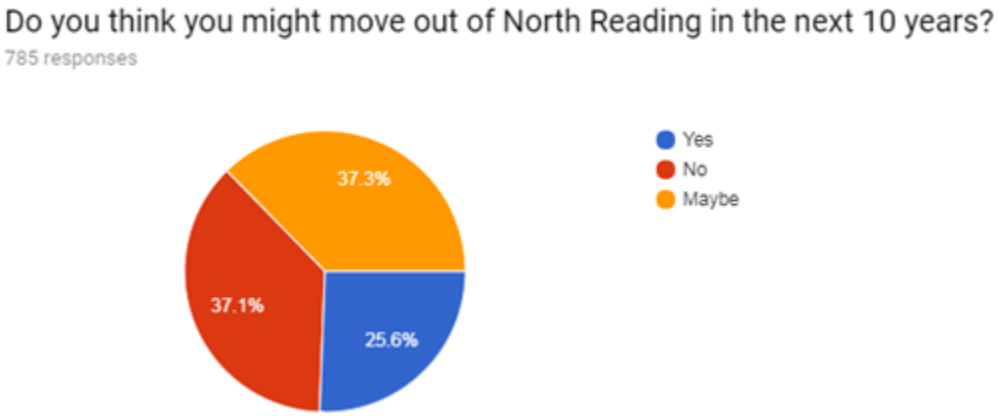
Specific results from each question are summarized below.



Almost all or 98.5% of the respondents were homeowners, higher than the 87% owner-occupancy level in North Reading. It does suggest however, that input from existing renters was very limited with only 12 such respondents.



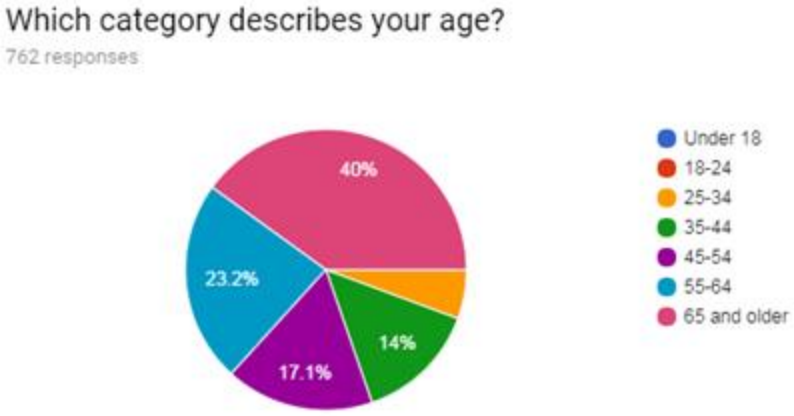
Those who have lived in the community for less than 10 years represented about one-quarter of the survey respondents. The majority of respondents, 56.5%, have lived in town for more than 20 years demonstrating a long-term interest and commitment to community issues. Long-term residents may also be facing retirement and have fewer available resources to afford the high costs of living in North Reading and thus may have a more concerns about being able to remain in the community.



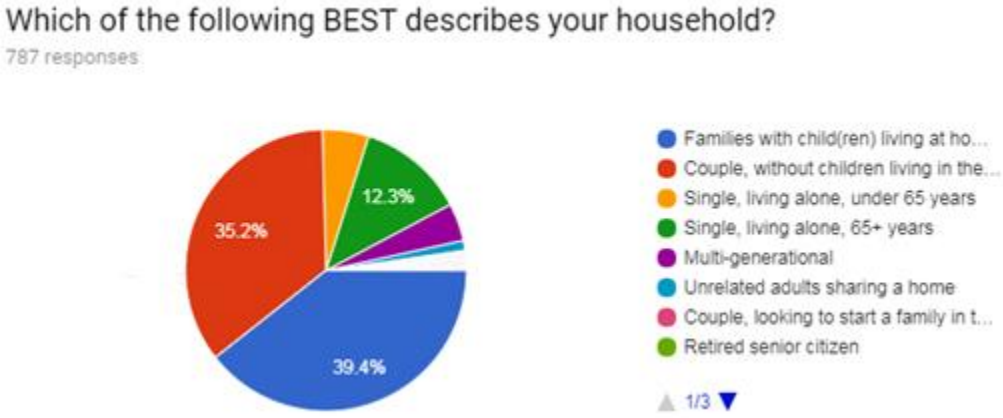
About one-quarter of respondents indicated that they might move out of the community in the next 10 years with 37% responding that they were likely not to move and another 37% not sure.

Why might you move out of North Reading if you answered yes to the question above?
515 responses

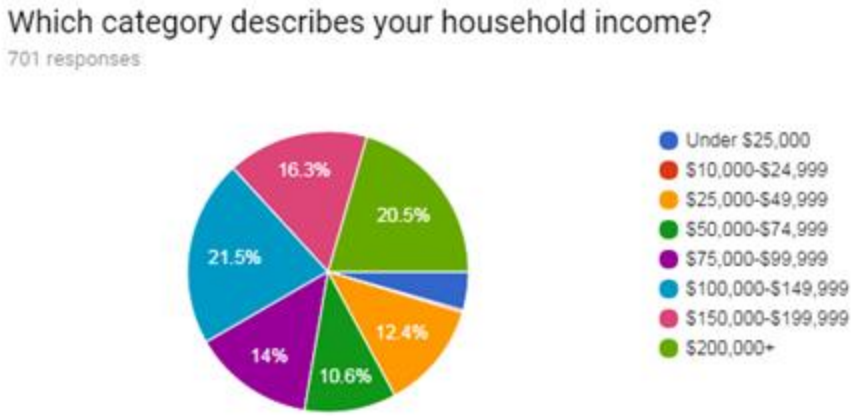
While there were 201 who responded that they were likely to move out of town in the next 10 years under the question above, 515 responded to this question about why they might move out of the community. Most of these respondents, 62.1%, suggested it was the high cost of housing/living that might cause them to move and another 23.9% indicated they wanted to downsize. Still another 17.1% stated that they preferred a handicapped accessible unit which suggests a relatively high need for housing that has appropriate modifications for increasing numbers of older residents and those with special needs.



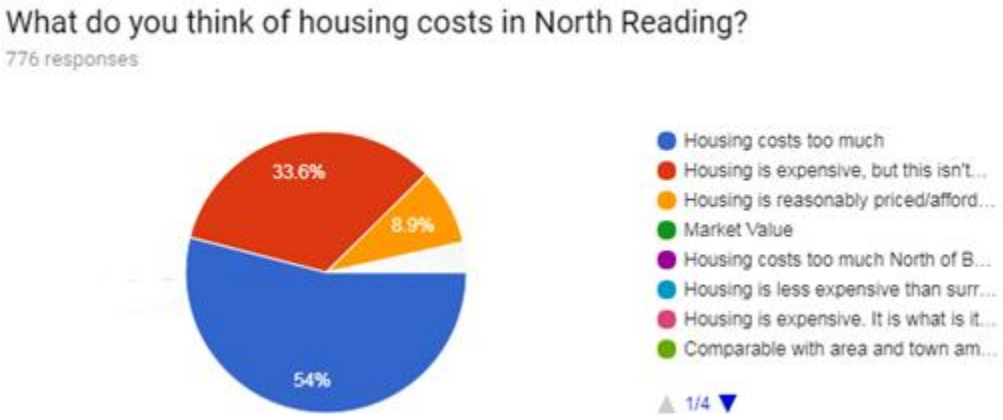
Highly correlated with the high number of respondents who were long-term homeowners is that 54% of the respondents were age 55 or older. Less than one-quarter of respondents were under age 35, however this response still shows some significant interest in the issue of affordable housing from this younger age group as well.



Three-quarters of respondents indicated that they were in a family with children or were a couple who were empty nesters, the exact percentage of family households that were reported by census data. Another 12.3% responded that they were retired senior citizens living alone.



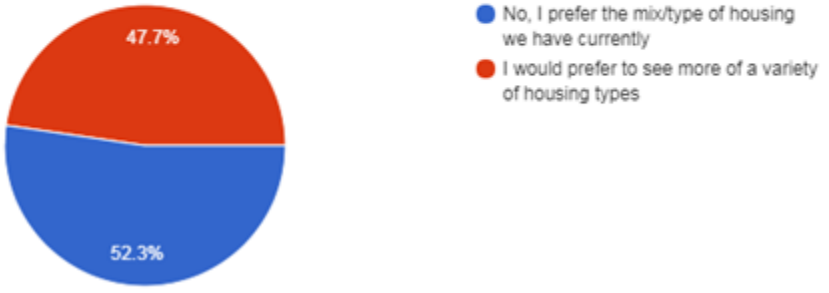
72% of respondents had incomes of at least $75,000 and of these 58% were earning more than $100,000. This is relatively comparable to census household income figures in these ranges of 69% and 59%, respectively. Only about 5% of respondents had incomes of less than $25,000 compared to 7.7% per the census.



Almost all respondents, 88%, suggested that housing costs are too high but of these, representing 54% of all respondents, there was an acknowledgement that the high prices were not a problem for them or the people they knew. Only 8.9% responded that housing is reasonably priced and affordable to most families living in town.

Do you think there should be more choice in the types of housing in North Reading (small and large homes, sing... houses and apartments/condos etc.?)

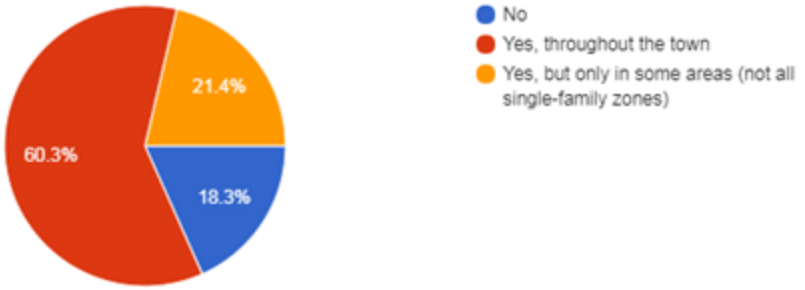
761 responses



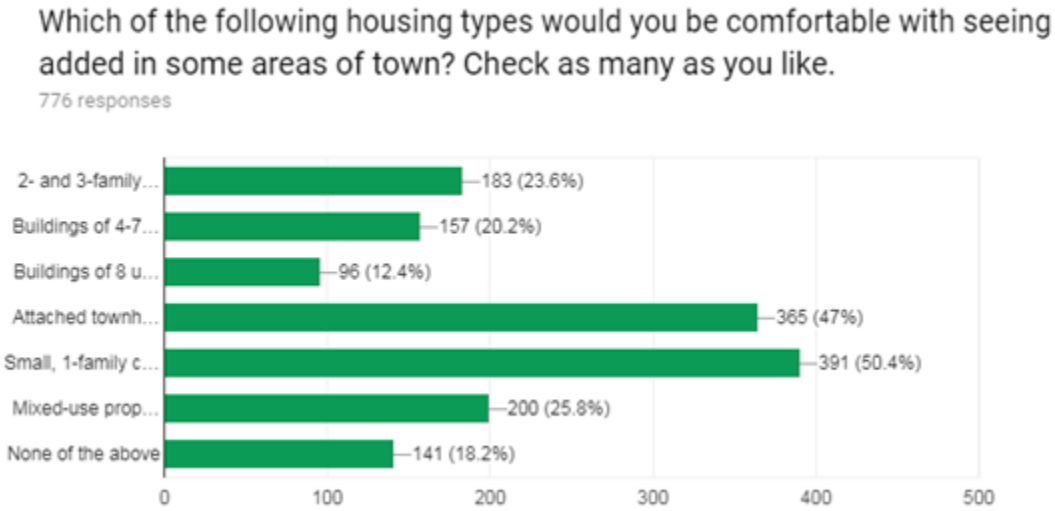
A majority of respondents, 52.3%, indicated that they preferred the current mix of housing types while the remaining 47.7% would like to see more diversity in housing options available.

Do you think the town should allow accessory apartments (or "in-law" apartments) in parts of town that are now restricted to single-family houses?

786 responses



A large majority of respondents, 60.3%, agreed that accessory apartments should become available throughout town while 21.4% indicated that such units should be allowed but in select locations, not in all single-family zones. Only 18.3% opposed the permitting of accessory units.



There was considerable support for attached townhouses and small single-family cottage-style dwellings at responses rates of 47% and 50.4%, respectively. Such units would be conducive to both starter homes for young families and downsizing for empty nesters. There were also reasonable endorsements of two- and three-family homes and mixed residential and commercial development at 23.6% and 25.8% levels, respectively. There was less support for larger multi-family structures although one-fifth of responses indicated some comfort with the development of structures with 4 to 7 units. Another 18.2% of the responses expressed a lack of comfort with any of the listed housing types.

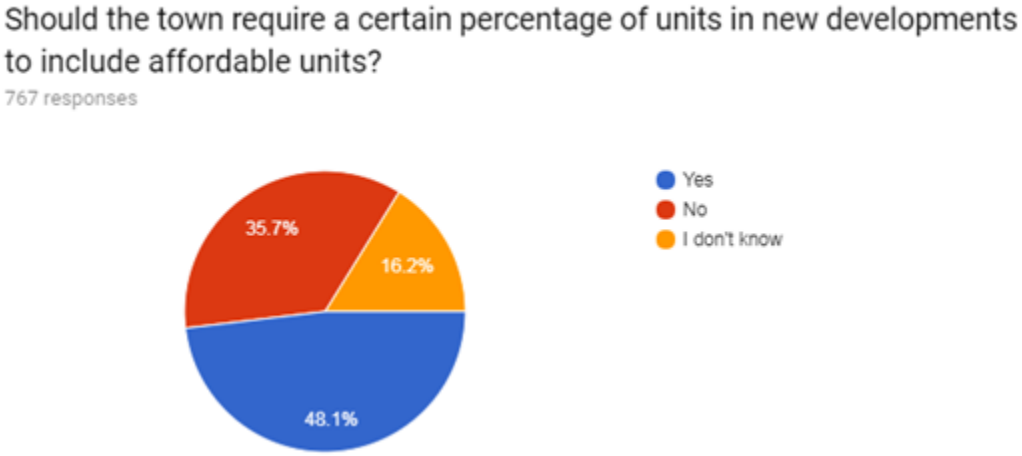
If there are areas of town you think are best suited for new housing development, please list them here:

155 responses

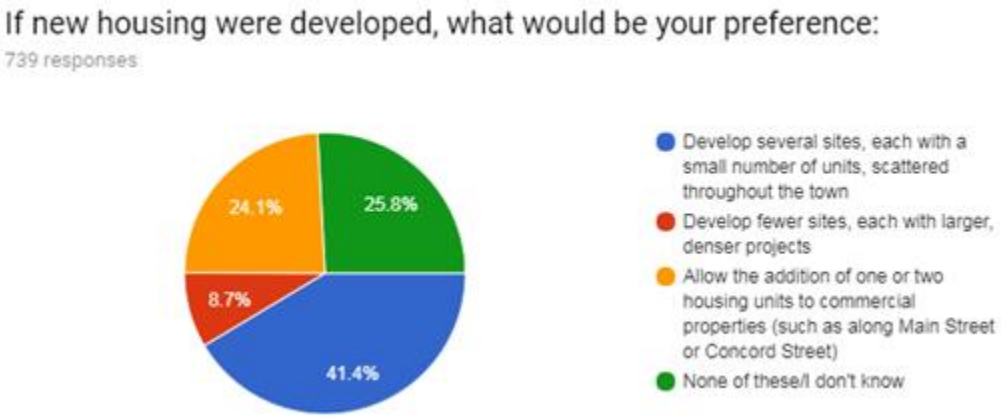
Locations that involved more than one response are presented in the following table, demonstrating considerable support for the redevelopment of the Main Street area and the creation of a revitalized mixed-use Town Center. Also, there were a few references to the Ocean State Job Lots property, the numbers of which are included in the Main Street figures.

Location	Number of Responses
Main Street/Route 28	44
None or not sure	34
Concord Street	12
Scattered throughout town	4
Route 62	4
JT Berry site	4

Areas also identified by a single response included Lowell Road, Martins Pond, Leland Road, Swan Pond area, near “sandpits” [Lowell Road], Furbish Pond, Haverhill Street, Smith Farm, center of Town behind Fire and Police Stations, replace trailer park, current Town Hall location, Town-owned land, Chestnut Street land, and outskirts of town. The survey results also aggregated a number of “other” responses and a handful of responses were provided that did not relate to the question of location.



There was some support for inclusionary zoning that would require a certain percentage of units be affordable in new housing development with 48.1% in favor and another 16.2% not sure, likely needing more information on how it would work and how effective it has been in other communities. More than one-third, 36.7%, indicated that they were not in favor of such an approach however.



About one-quarter, 24.1%, of respondents expressed an interest in mixed residential and commercial development along Main Street or Concord Street, which is comparable to the 25.8% of responses in favor of mixed-use development under the question regarding preferred housing types above. There were more responses in favor of smaller developments scattered throughout town, at 41.4%, compared to only 8.7% in favor of fewer but denser development projects. About one-quarter of respondents either rejected the itemized development approaches or answered that they did not know, most likely needing more information on housing strategies to render an opinion.

Please express further thoughts or comments you have:

This open-ended question evoked a wide range of responses that are compressed and categorized as follows:

Issues that received multiple comparable or related responses, with a sample of representative comments, included --

Importance of having a vital downtown or Town Center with more density, retail options and other amenities that are within walking distance to new housing. Particular attention should be on remedying the lack of sewer services.

Sewers, sewers, sewers. Not necessarily in neighborhoods, but in main areas of town to help with the development of businesses but also more affordable housing options.

Enabling cost effective and attractive housing depends also on local amenities. We really need a plan to create housing where local shops etc. may be reached on foot and which would attract small local business development rather than fast food chains and more nail salons.

Route 28 looks awful.

Need for senior housing or over 55 communities. Also need more services for seniors, recognizing that they are the ones that built this community.

Need more affordable housing for those approaching elderly status who will have to sell their homes because they can't afford to keep them any longer.

Let's start taking better care of our seniors.

I have lived in town for over 40 years but thinking about moving to another community that has more services for their elderly community.

Issues related to taxes being so high.

My tax bill has gone from $8,000 when I first moved here to almost $15,000 today, which is insane.

The real estate taxes and water costs are driving the elderly and empty nesters out.

The commercial and industrial property tax should be increased 5% to 10% to lower the residential tax rate.

Taxes are high compared to other towns. Homes of the same value or higher in other towns don't pay such high taxes.

Other comments included --

Housing Issues

Need for more rental housing besides large multi-family developments.

Need for more housing choices at more affordable prices.

It is unfair to concentrate large affordable housing developments in a single neighborhood.

Concerns about the large houses that are being built and need for smaller, more affordable homes as starter housing and downsizing options for empty nesters. "Kids in their thirties can't afford to buy a house in their own home town which is sinful."

Allow market forces to determine what gets built, not zoning.

Allow accessory dwelling units.

Maintain the current pattern of development.

New housing development with more housing options scattered throughout the community should alter the perception that the north side of North Reading is the "rich" side of town.

Small infill sites may offer better community integration and social mobility.

Remove some height restrictions and allow denser housing options.

Create more housing diversity.

Provide more accessible housing.

Careful planning will be required as we approach buildout.

No more housing construction or low-income housing. Focus on commercial development.

The Whittridge Place and Railroad Avenue Condos are nicely designed and sited with what appears to be minimal negative impacts. These and the Lynnfield Marketplace development are good models. Explore smaller minimum lots sizes.

Other Community Issues
Preserve North Reading's small town character.
Lack of public transportation is a bigger problem than housing in the community.
Preserve green spaces, woodland areas and wildlife habitats. "I am most interested in preserving and promoting the benefits of green space."
Concerns about new development affecting school budgets and infrastructure.
Also need to finalize plans for a sufficient water supply.
Be careful about traffic congestion.
The Town needs to be a safer community with more bike paths and plowed sidewalks.
Lack of sidewalks is a problem in parts of town.
The Town should curtail expenses and focus on education as opposed to "frills".