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Town of North Reading
Massachusetts

TOWN CLERK
NORTH READING, MA

Community Planning

MINUTES

Tuesday, June 13, 2017

Mr. William Bellavance, Chairperson called the Tuesday, June 13, 2017 meeting of the Community Planning Commission to order at 7:06p.m. in Room 14 of the North Reading Town Hall, 235 North Street, North Reading, MA.

MEMBERS

PRESENT: William Bellavance, Chairperson
Warren Pearce, Vice Chairperson
Jonathan Cody, Clerk
Christopher B. Hayden
Joseph Veno

STAFF

PRESENT: Danielle McKnight, AICP
Town Planner/Community Planning Administrator

Mr. Bellavance informed all present that the meeting was being recorded.

Housing Production Plan – stakeholder discussion

Mrs. McKnight stated that the purpose of this meeting is to discuss stakeholders. A public forum is scheduled for June 27, 2017.

Karen Sunnarborg, Consultant stated that the first part of the Housing Production Plan has been drafted, which is the housing needs assessment. It is a comprehensive and detailed document, but she will go through the key findings and then the board can comment and ask questions. A Powerpoint presentation was then shown. (see attached)

Mr. Pearce stated that he does not understand why she thinks that a large families with three bedroom homes at 10% (he thinks the State probably did this) at least 10%, because most of the town's would rather not because of the impact on schools, etc. Of course there is a commiserate impact on the seniors because they require more services as well. So, before he would go too far in changing the 10%, he would want to look at the growth characteristics of the town were, as far as children and families that would likely produce children.

Karen Sunnarborg stated that one way to deal with it may be to combine the 14 units, under two and three bedrooms, and come in with 14 for seniors and 14 for families.

Mr. Pearce stated that over the years there have been some major fluctuations with the number of children going into the schools, which has radically changed their approach to the schools. The only saving grace is that this town does not have a lot of land left to build on, so there is going to be a limited amount of growth for new single family homes, and they seem to be heading in the direction of more multi-family buildings and he believes that this is going to affect how this plays out.

Mrs. McKnight asked where the original distribution percentages came from.

Karen Sunnarborg stated that they come from the indicators that were included in the housing needs assessment.

Mr. Pearce asked if she reviewed the 104 Lowell Road proposal.

Karen Sunnarborg stated that some of the information was included in the housing needs assessment because it will provide more opportunities for seniors, but will not provide affordable units.

Mr. Pearce stated that he believes that the agreement that they for 104 Lowell road does not include any affordable units, but maybe they could convince them.

Mr. Hayden stated that it does not include affordable units and they are not going to change the plans.

Mr. Bellavance stated that when housing is discussed for North Reading, the first concern is school enrollment. So, understanding school enrollment trends is going to be helpful in selling affordable three bedroom homes.

Karen Sunnarborg stated that another section that they are going to be doing is related to challenges. Producing affordable housing that is going to be one of the challenges that they are going to articulate.

Mr. Pearce stated that there are a couple of areas and opportunities to development affordable housing that exist right now. One area is located off of Carpenter Drive that was discussed in the past was developing the property for senior housing.

Karen Sunnarborg stated that if it is town-owned property what the board should do is determine the terms and conditions and what they would like to see constructed there, issue an RFP and select the developer that best meets the criteria in the RFP. What is great about town owned property is that the town has a lot of control over what gets developed there. This can be included under housing production goals and a key strategy.

Diane Downing, resident of the town stated that how are the State regulations not fitting in with HUD Federal Aid. She has just started following this and knows that great encouragement is partnerships with private money and wanted to know how this might fit in.

Mr. Pearce stated that if they can get a lot of the permitting done for a property, it is more appealing to a developer.

Karen Sunnarborg stated that a lot of developers want their own team because they want to choose the design and configuration. Affordable housing is a more complicated than regular market rate development because it involves layers of subsidies. She is uncertain what is going to happen to HUD. She can say that for a lot of rental housing developments, HUD has become less of a subsidizer than the Treasury Department that issues low income housing tax credits and other historic tax credits in order to provide equity into developments from private companies.

Jane Krieger of 22 Cherry Street stated that the new Trump administration is open to proposals.

Mr. Pearce stated that they are trying to move forward. They recently approved an overlay district at Town Meeting to allow residential in the Highway Business area.

Mrs. McKnight stated that the owner of the property located at 68 Winter Street has indicated that they are interested in constructing office/retail with two stories of residences above. She is unsure if the residences will be rentals or condominiums. She will send the information to Karen Sunnarborg.

Mr. Pearce stated that if this property is developed it may encourage some of the associated properties. The only problem is that some of the properties are small and the septic systems are an issue. They do have an initiative to look at the feasibility of a package treatment plant in some areas, in order to provide sewer service to some of the smaller properties. By limiting the number of properties, they limited the amount of area to do that, so he is unsure if they are going to be able to get the kind of development they want because of this limitation. There is a piece of property that the DPW is currently trying to get approved by DEP for a discharge site.

Karen Sunnarborg stated that in the process of getting information for the housing needs assessment, there was a great interest, including senior housing with walk-ability, close to goods, services and transportation.

Rich Wallner of 57 Lakeside Blvd. asked if she would be working off of the housing needs assessment for the public forum. There is a need for production based on the demographics.

Karen Sunnarborg stated that it is basically going to be the same Powerpoint presentation. The attending people will then be put into groups and given instructions to look at housing challenges, goals, best locations and housing actions. The group will then share their results of their discussion and then all of the participants can vote on what they liked and disliked most.

Adjournment at 9:25PM

Respectfully submitted,



Jonathan Cody, Clerk

North Reading Housing Needs Assessment

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North Reading Community Planning Commission

William C. Bellavance, Chair

Warren Pearce Jr., Vice Chair

Jonathan P. Cody, Clerk

Joseph Veno, Member

Christopher Hayden,
Member

Karen Sunnarborg, Consultant

Danielle McKnight, Town Planner
and Community Planning
Administrator

North Reading Housing Needs Assessment

Purpose

- ▶ Obtain updated information on demographic, economic and housing characteristics and trends;
- ▶ Better understand the current housing market dynamic;
- ▶ Document priority housing needs; and
- ▶ Identify strategies to address identified needs and goals and strategically invest local resources.

What is affordable housing?



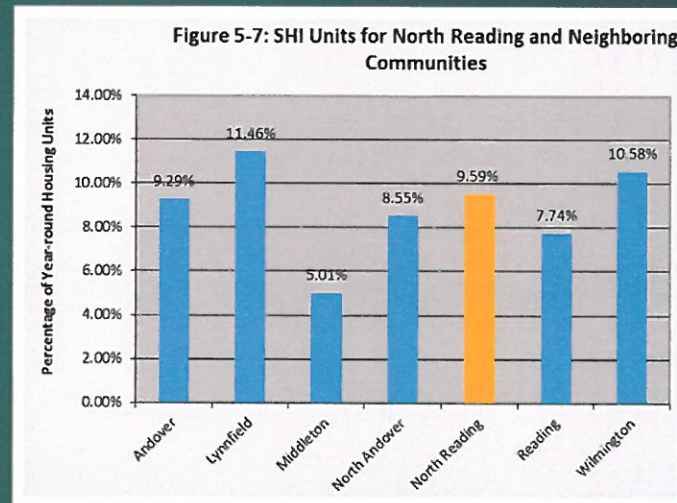
HUD definition: Spending no more than 30% of income on housing costs

Chapter 40B definition:

- ▶ Subsidized
- ▶ Deed restricted
- ▶ Affirmatively marketed
- ▶ Available to households earning at or below 80% of area median income

What's affordable in North Reading?

- ▶ Of the 5,597 year-round housing units, 537 or 9.59% are included in the Subsidized Housing Inventory (SHI).
- ▶ Current gap of 23 units to meet the 10% state target without considering future growth.
- ▶ 94% of SHI units are rentals.
- ▶ About 6% of units involved 40B, all ownership units.
- ▶ 406 Edgewood apartment units count as part of Chapter 40R Smart Growth Overlay District.



What are Housing Production Plans?

- ▶ State regulations under Chapter 40B offer communities greater local control over affordable housing development.
- ▶ First step is getting **Housing Plan approval** from the state. Plan must include affordable housing production goals (28 units/year for North Reading based on .5% of year-round housing units) and strategies to address identified local needs and meet these goals.
- ▶ For each one-year or two-year goal met, the Town can apply for and receive state **certification** with a 1- or 2-year period during which the ZBA can deny 40B projects without the developer's ability to appeal if they are determined to be inappropriate or not responsive to local needs.

Demographic Trends

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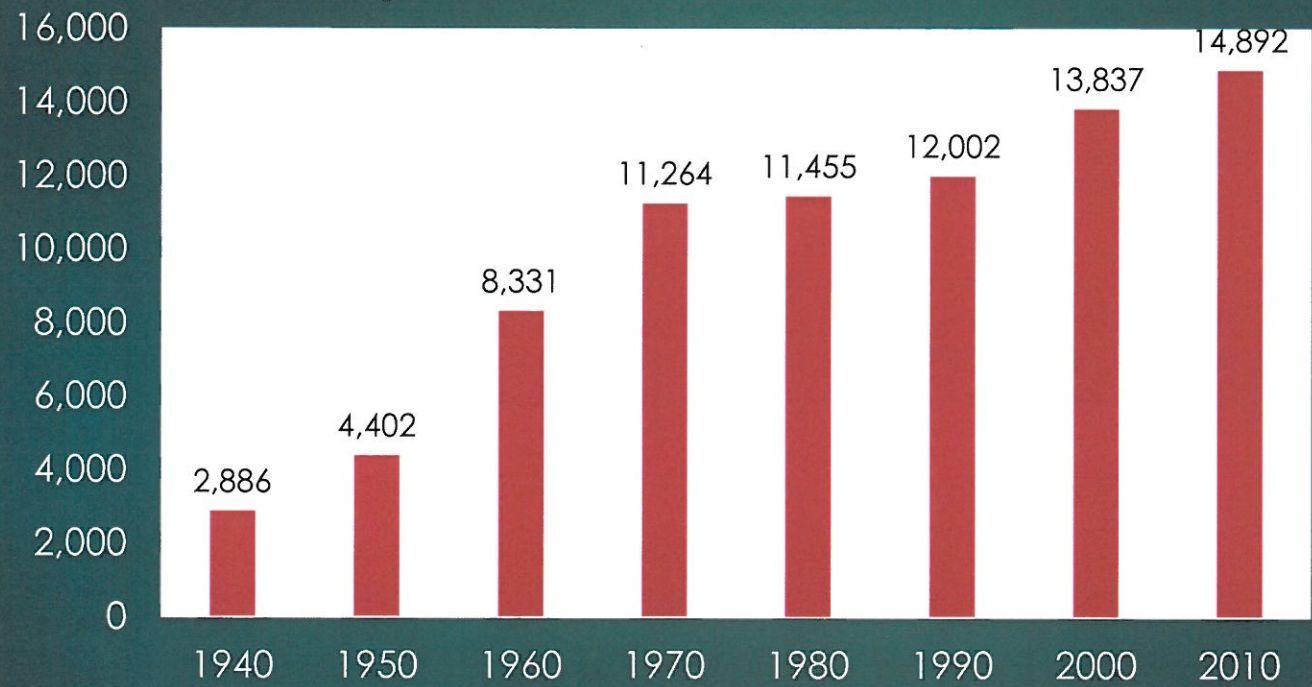
North Reading Housing Needs Assessment

- ▶ 28% population growth from 1990 to 2015 compared to 32% household growth and 36% total housing growth.
- ▶ Some declines in children and adults up to age 45.
- ▶ Dramatic increases in 45-64 age group and those 65+.
- ▶ Projections indicate a population of about 16,500 residents by 2030 and continuing losses of children with substantial gains in older residents with those 65+ doubling in number.
- ▶ 477 or 9% of all households had heads age 65+ who were living alone.

Population Growth

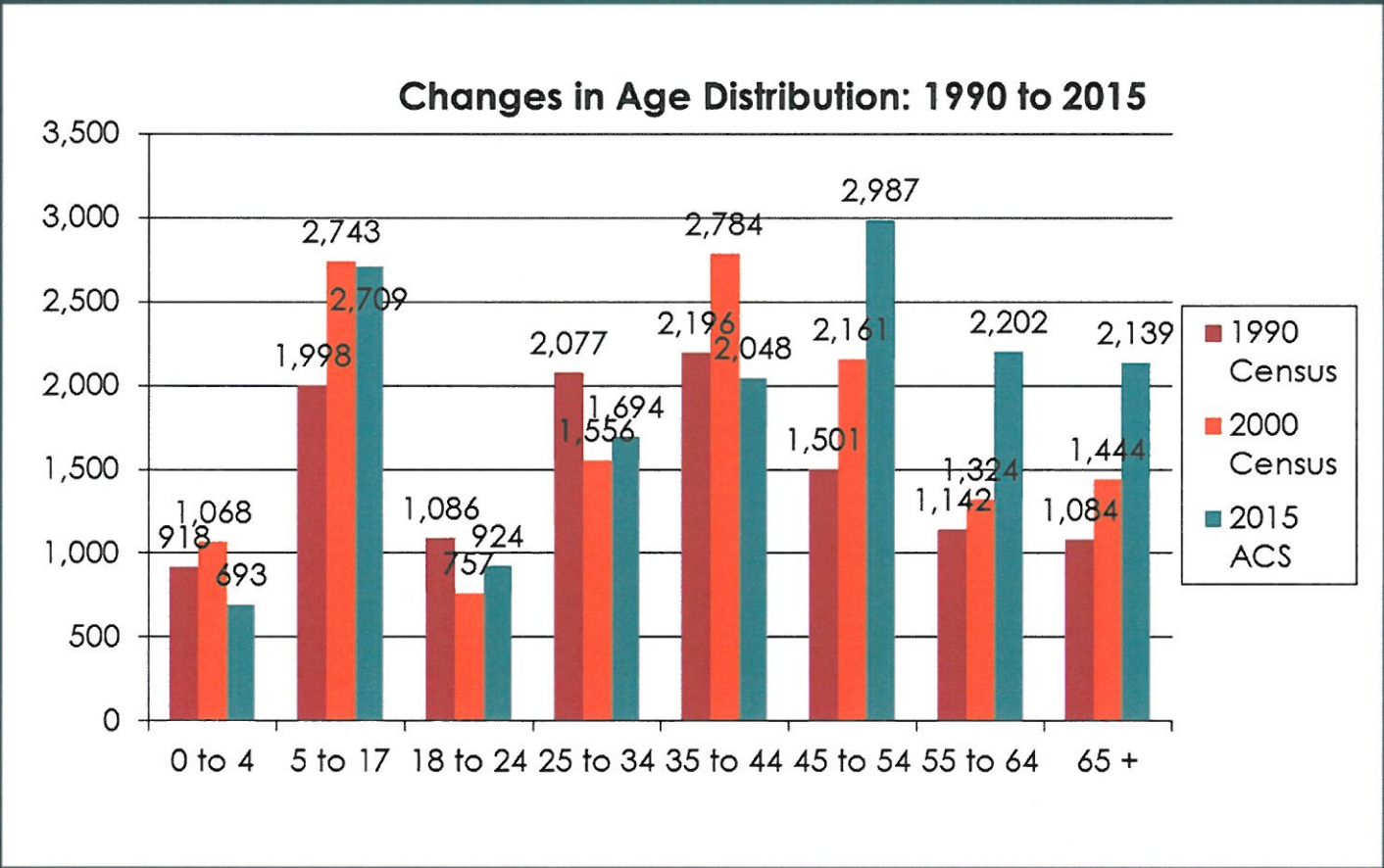
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Population Growth, 1940 to 2010



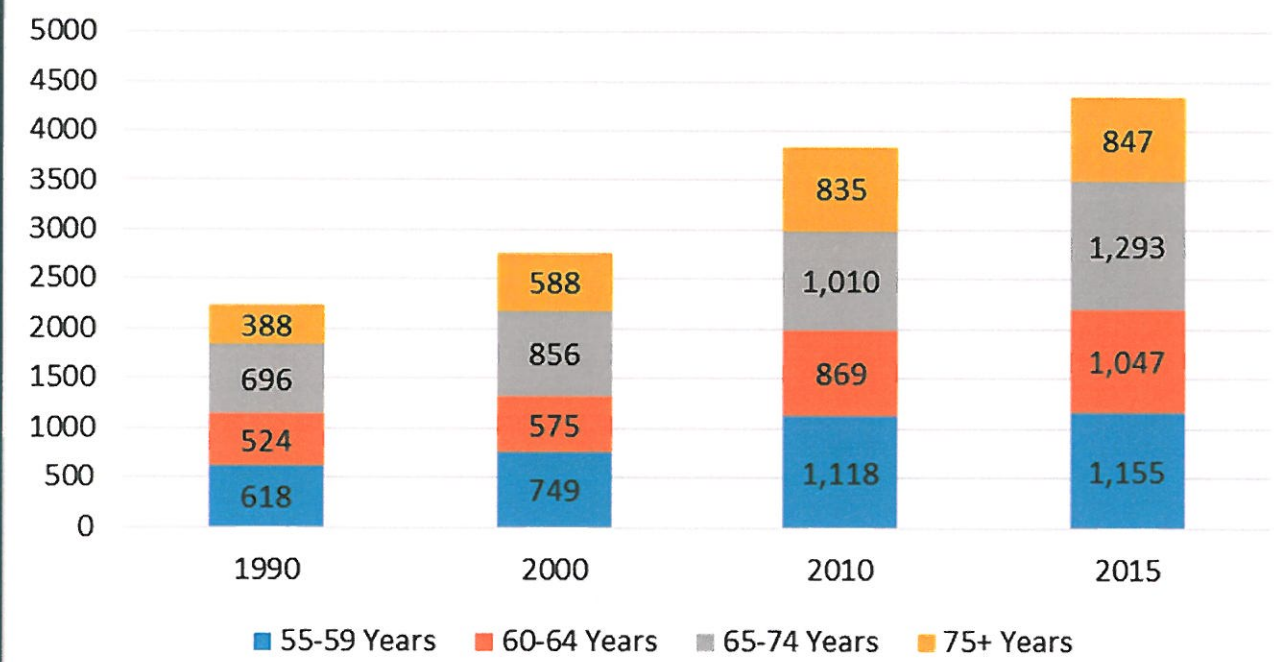
North Reading Housing Needs Assessment

Shifts in the Age Distribution



Growth in Older Residents

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



Economic Trends

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North Reading Housing Needs Assessment

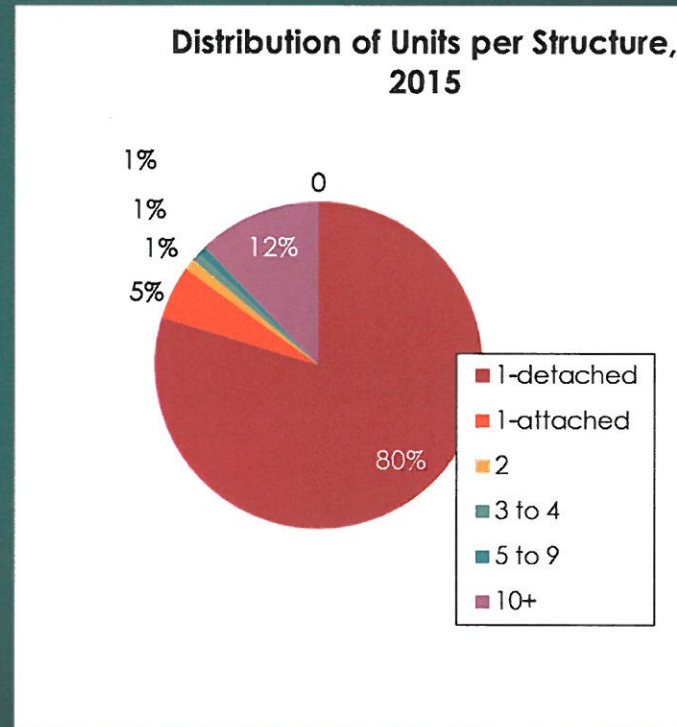
- ▶ Median household income of \$123,103 up 134% from \$52,707 in 1989, higher than 91% rate of inflation.
- ▶ Median family income higher at \$144,451.
- ▶ 59% of households earned more than \$100,000.
- ▶ 11% of households earned less than \$35,000.
- ▶ Poverty low but increasing somewhat.
- ▶ Average weekly wage of \$1,372 for those working in North Reading or about \$71,600 annually, 58% of the median household income of residents.
- ▶ 1,135 residents or 7.4% claimed a disability.

Housing Trends

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North Reading Housing Needs Assessment

- ▶ Single-family homes predominate housing supply.
- ▶ Only 7% of about 5,700 total housing units predate WWII.
- ▶ Very low vacancy rates.
- ▶ Substantial teardown activity.
- ▶ Large homes fueled 75% of new housing growth.
- ▶ Significant multi-family development in last decade of 524 units including 433 SHI units.



Targeted Housing Needs

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North Reading Housing Needs Assessment

Rental units are top need/continue to diversify housing stock.



- ▶ Hard to find rental for a 2-bedroom unit for less than \$1,500.
- ▶ Requires \$60,000 annually to afford lowest market rent.
- ▶ Median income of renters is \$52,917 who can afford a rent of about \$1,123.
- ▶ High up-front cash requirements.
- ▶ 24% of renters paid at least half their income on housing.

Targeted Housing Needs

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North Reading Housing Needs Assessment

- ▶ 31% of North Reading's rental units are subsidized.
- ▶ Most state subsidies directed to rentals.
- ▶ Hard to qualify long-term owners for housing subsidies.
- ▶ Deficit of at least 400 affordable rental units, 345 for those earning at or below 80% AMI.
 - ▶ 155 seniors
 - ▶ 130 families (largely related to scarce amount of affordable family housing in the community)
 - ▶ 60 nonelderly, nonfamily individuals

Targeted Housing Needs

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North Reading Housing Needs Assessment

Homeownership is next priority/need starter housing for families and options for empty nesters.

- ▶ \$125,400 income needed to afford the median priced home of \$508,950.
- ▶ 8.7% of units assessed for less than \$200,000, 7 single-family homes and 429 condos.
- ▶ Current challenges in obtaining financing including high down payments.
- ▶ Affordability gap of about \$273,000 for 3-person household earning at 80% AMI, gap of \$24,000 for condos.
- ▶ Deficit of at least 1,245 affordable units, 535 for those earning below 80% AMI, including 325 seniors, 125 families, and 85 nonelderly individuals.

Targeted Housing Needs

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People with disabilities and special needs are also a priority need.

- ▶ 7.4% or 1,135 residents claimed a disability including 23% of seniors and 25% of veterans.
- ▶ Affordability gap is typically widest for the disabled.
- ▶ Increasingly aging population will require more supportive services and handicapped accessibility.
- ▶ No barrier-free units in public housing.
- ▶ Long waits for Housing Authority units for younger disabled households.
- ▶ Only 61 special needs units.

Targeted Housing Needs

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North Reading Housing Needs Assessment

- ▶ Seniors/increasing population with significant cost burdens, more living alone.
 - ▶ Need opportunities to affordably downsize in less isolated settings
 - ▶ Intergenerational housing opportunities
 - ▶ Barrier-free units
 - ▶ Lower maintenance demands
 - ▶ Supportive services
 - ▶ Greater community connections
 - ▶ Walkability

Targeted Housing Needs

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North Reading Housing Needs Assessment

- ▶ Families/few subsidized housing opportunities and long waits and substantial cost burdens.
 - ▶ Need starter housing
 - ▶ Even affordable rents are beyond the means of many families
- ▶ Single individuals including those with disabilities.
 - ▶ Need smaller barrier-free units
 - ▶ Proximity to transportation and services
- ▶ Veterans (632 veterans in North Reading).
 - ▶ Median income of \$49,432 and affordability gap of \$300,000
 - ▶ Need affordable starter housing

Targeted Production Goals

Type of Housing	Seniors/ Singles 1 bedroom @50%	Small Families/ 2 bedrooms @40%	Large Families/ 3 bedrooms @10%	Total/ 10-year Goals
Rentals @80%	56	45	11	112
Ownership @20%	14	11	3	28
Total	70	56	14	140
Special Needs	(14+)	(6)	(2)	(22)

Next Steps

- ▶ Draft next sections of the Plan;
- ▶ Conduct another public forum;
- ▶ Present Plan to local officials and stakeholders;
- ▶ Finalize Plan;
- ▶ Obtain CPC and Selectmen approval; and
- ▶ Submit to the state for approval.

