



Housing Production Plan Town of Reading

Prepared for the Town of Reading

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Introduction

A Housing Production Plan (HPP), defined in regulations at 760 CMR 56.03 and administered by the Department of Housing and Community Development (DHCD), is a proactive strategy for planning and developing affordable housing. The HPP identifies the housing needs of a community and the goals and strategies it will use to identify and achieve or maintain the 10% threshold mandated by M.G.L. Chapter 40B. The Town's status relating to this 10% threshold is documented on the Subsidized Housing Inventory (SHI), also administered by DHCD.

This HPP Program enables municipalities to develop a strategy to meet its affordable housing needs in a manner consistent with the MGL Chapter 40B statute, produce housing units in accordance with that plan, and demonstrate progress towards their affordable housing production. By taking a proactive approach in the adoption of a HPP, cities and towns are much more likely to achieve both their affordable housing and community planning goals. HPPs give communities that are under the 10% threshold of Chapter 40B but are making steady progress in producing affordable housing on an annual basis, more control over comprehensive permit applications for a specified period of time. HPPs give communities over the 10% threshold a framework to maintain the statutory minima in accordance with local needs and community goals.

The Town of Reading places great importance on planning for affordable housing through the HPP process. The Town of Reading's Housing Plan was approved on May 15, 2013 and will expire after a 5-year term on May 15, 2018, and as such, the Town of Reading has updated the Housing Production Plan ("HPP") in accordance with 760 CMR 56.03(4).

Housing Production Plans can create a safe harbor for a community. When a municipality has a certified plan, decisions on comprehensive permit applications by the Zoning Board of Appeals (ZBA) to deny or approve with conditions will be deemed "consistent with local needs" under MGL Chapter 40B.

Reading has secured a two-year safe harbor certification from the Commonwealth of Massachusetts, Department of Housing and Community Development (DHCD) for the period beginning on February 23, 2017 to February 22, 2019 as a result of meeting its planned production efforts. As summarized below, a municipality may request that the DHCD certify its compliance with an approved HPP if it has created the required number of SHI Eligible Housing units in a calendar year.

Housing Production Plans are certified by the following process, as identified in the regulations:

- Prepare the HPP: In accordance with the regulations, write the plan, including a public process, and have the plan adopted by the Board of Selectmen and Community Planning and Development Commission,

- Approve the HPP: DHCD approves the plan,
- Certify the HPP: Communities may seek DHCD certification of the HPP (safe harbor), if in a calendar year, affordable units (AFU's) are created as follows:
 - One-year safe harbor – Create at least 0.5% of the total number of housing units in Reading (48 for Reading)
 - Two-year safe harbor – Create at least 1.0% of the total number of housing units in Reading (96 for Reading)
- Renew the HPP: The term of the HPP is five years from approval.

The Town of Reading Public Services Department updated the Housing Plan with future planned housing, completed projects, Census data and other demographic information as required by DHCD. DHCD regulates Housing Production Plans under 760 CMR 56.00, promulgated on February 22, 2008. HPPs are designed to create strategies to meet affordable housing needs that are consistent with Chapter 40B requirements. In order for the HPP to qualify for approval from DHCD, the plan must be comprised of three components: (1) Comprehensive Needs Assessment; (2) Affordable Housing Goals; and (3) Implementation Strategies.

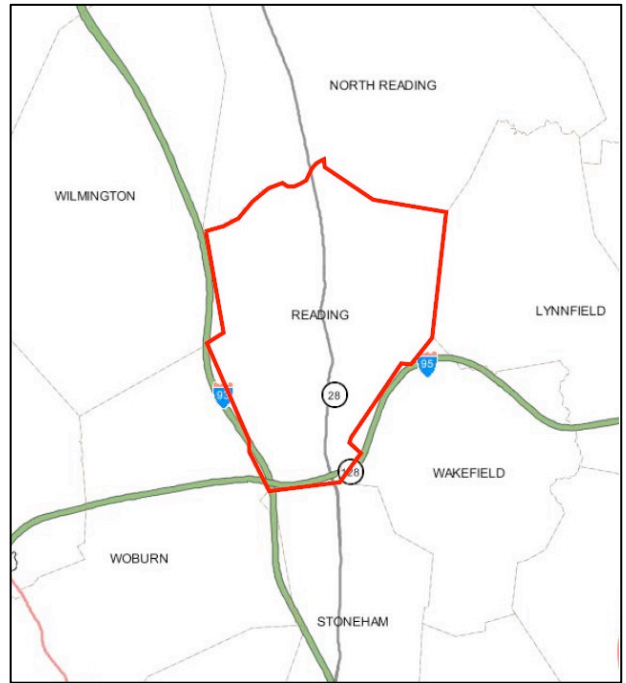
- (1) Comprehensive Needs Assessment – an evaluation of a community's demographics, housing stock, population trends, and housing needs. The assessment will include a review of the development capacity, as well as constraints, to ensure that current and future needs can be met.
- (2) Affordable Housing Goals – defined housing goals consistent with both community character and the local housing market. This section will identify strategies that can be used to produce the required number of annual housing units needed to obtain the 10% statutory minima and safe harbor certification from DHCD.
- (3) Implementation Strategies – targeted areas for future development that will enable a community to reach the affordable housing goals. This may include identifying sites for development or redevelopment, investigating re-zoning options to encourage the production of affordable housing units, and establishing other tools such as regional collaborations that can foster the development of affordable housing.

Once a community has achieved safe harbor certification, within 15 days of the opening of the local hearing for a Comprehensive Permit application, the Zoning Board of Appeals (ZBA) shall provide written notice to the Applicant, with a copy to DHCD, 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 supporting documentation. If the Applicant wishes to challenge the ZBA's assertion, it must do so by providing written notice to the Department, with a copy to the Board, within 15 days of its receipt of the ZBA's notice, including any documentation to support its position. DHCD shall thereupon 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 with 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 pause the requirement to terminate the hearing within 180 days.

Affordable Housing Highlights Since 2013 HPP

- Gateway Smart Growth District (GSGD) under Chapter 40R: Continued support for the completion of the Reading Woods project with 43 affordable units located in the Gateway Smart Growth District (GSGD)
- Implemented the Metro North Regional Housing Services Office as the lead community to administer affordable requirements, including preserving existing affordable units, along with North Reading, Saugus and Wilmington.
- Downtown Smart Growth District (DSGD) under Chapter 40R Expanded: In April 2017, Town Meeting voted to expand the DSGD to include the remainder of the downtown in the Business B underlying zoning district.
- 40B Project Approval: In February 2017, the Zoning Board of Appeals (ZBA) approved a 68-unit rental housing project known as Reading Village, proposed next to the Reading Commuter Rail Station downtown. In July 2017, the ZBA approved a 20-unit rental housing project known as Schoolhouse Commons, as an adaptive re-use of the former school building associated with St. Agnes church.
- 40R Project Approval: In September 2017, Postmark Square, an adaptive re-use of the historic Reading Post Office, received 40R Plan Review approval from the Reading Community Planning and Development Commission (CPDC). Postmark Square will be a mixed-use project with 50 residential units, 10 of which will be affordable. In November 2017, the CPDC approved another mixed-use 40R project at 20-24 Gould Street. This project includes 55 rental units, at least 14 of which will be affordable.
- Through all of its planning efforts, Reading has added 157 units (and 1.64%) to its Subsidized Housing Inventory (SHI).



Executive Summary

The Town of Reading continues to be a desirable place to live and work. It is characterized by a traditional New England center, surrounded by

family-oriented neighborhoods. It has evolved over time from largely an outlying community with a strong agricultural presence to a modern residential suburb just north of Boston.

Reading's proximity to Boston has added to its attractiveness. The Town has worked to shape housing development and growth that complements the character of the community. The HPP identifies tools for Reading to use that will encourage the development of affordable housing while maintaining the distinct town character.

Summary of Demographic and Housing Characteristics

The following summarizes the notable findings from the needs assessment section of the Housing Production Plan.

The Bottom Line: Reading has grown since 2000, with increases in population, the number of households, and housing units. In particular, the growth of the 65+ population is noted and it is projected to continue. Reading's median income has risen significantly, but 25% of the population is low-income, and 30% of households are housing cost-burdened. Much of Reading's housing stock is out of reach for lower income households. There is a need for more affordable housing, particularly rental housing and housing targeted at the 65+ demographic.

Population

- As of the 2010 US Census, the population of Reading is 24,747, an increase of 4.4% since 2000. In 2010, the largest age group of Reading's population was 35-54 year olds (35% of total population). There was an almost 30% increase in the 60+ year-old grouping.
- As of the 2010 Census, 36% of Reading's households have children under 18 years old, and 26% have persons age 65+.
- The median age increased from 39.1 years old in 2000 to 41.6 years old in 2010.
- Racial make-up is predominantly white, with 93.5% of the population; 4.2% of the population is Asian; 1.5% of the population is Hispanic or Latino.

Income

- In 2015, Reading's median household income was \$107,654; a 40% increase from 1999, and significantly more than the Boston-Cambridge-Quincy Metro Area (\$98,500) or the state as a whole (\$68,563). (ACS)
- An estimated 26% of Reading households have incomes at or below 80% of AMI (Low/Moderate Income).
- 3% of Reading's population is below the poverty line (annual income below \$24,600 for a household of 4), much lower than Middlesex County (8.4%) and Massachusetts (11.6%).
- The 2016 median price of single family homes in Reading was \$525,000. The 2016 median price of all homes, including condos, was \$479,600. After a dip in prices during the national recession in the mid-2000's, housing prices have been rising

steadily since 2012 and are now the highest they have ever been.

- Of the 7,405 of Reading households who own their homes, 29.4% are cost-burdened (spending over 30% of their income on housing), while 33.1% of Reading's renters are cost-burdened. 71% of Reading's low-income households are cost-burdened.

Housing Stock, Sales and Prices

- Nearly 80% of Reading's housing units are owner occupied, with 20% renter occupied.
- The Town's housing stock remains primarily single-family at 75% of total housing units. The remaining 25% is: 7.5% of units are in two to four family buildings, 7% of units in 5-19 unit buildings, and 10.5% of units in multi-family buildings with 20 or more units.
- 9.35% (896 units) of Reading's total housing stock is counted as affordable on the State's Subsidized Housing Inventory (SHI), which falls short of the State's minimum affordability goal of 10% by 62 units.
- Reading's 2016 median sale price of \$525,000 requires an annual income of approximately \$140,918, over \$33,000 higher than Reading's median household income of \$107,654.
- Based on the median sale price, Reading's ownership affordability gap is \$125,000 for median income households, and \$263,000 for low income households.
- Based on current median rents, Reading rentals are out of reach for low income households. In addition, there are not very many rentals available.

Goals for Affordable Housing Production

Reading has identified housing goals that are the most appropriate and most realistic for the community. These goals were developed by reviewing previous studies and documents including the Reading Housing Plan of 2013, analyzing the current housing situation in Reading, and through public input from town citizens and officials.

The goals are as follows:

1. Create SHI-eligible housing units

Support the creation of affordable housing units, both rental and ownership units, that will count on the state's Subsidized Housing Inventory to reach the state's 10% affordable housing goal while also focusing on the specific housing needs of Reading residents.

2. Support Reading's low income residents

Support the housing needs of Reading's most vulnerable residents including families, seniors, and individuals with disabilities, especially households with extremely-low and very-low incomes.

3. Preserve existing affordable housing

Preserve existing affordable housing to ensure they remain affordable and qualify for listing on the subsidized housing inventory.

4. Proactively manage growth

Manage growth and proactively plan to mitigate impacts of new housing and mixed-use development to preserve and enhance the quality and character of existing residential neighborhoods and commercial areas and to provide a greater diversity of housing options to support housing needs.

5. Support affordable rental properties and tenants

Support owners of affordable rental units to ensure appropriate maintenance and upkeep and seek opportunities to increase affordable housing units within these properties.

6. Strengthen education and local relationships

Educate the public on affordable housing issues and strengthen relationships with other local entities and regional partners on the topic.

Section 1: Comprehensive Housing Needs Assessment

The Housing Needs Assessment examines demographic and population data and trends from available sources such as the Census, regional planning agencies, media, etc., that illustrates the current demographic and housing characteristics for the Town of Reading. Assessing needs will provide the framework for the development of housing production strategies to meet affordable housing goals.

A. Demographic Analysis

The purpose of analyzing demographics is to look at quantitative and qualitative trends and use the data for future planning. This section provides an overview of Reading's demographics and how they have changed over time. As the demographics change in the future, the housing needs of the community can also change. The size and type of families as well as householder age and economic status all influence the needs of the community. The analysis of the Housing Needs Assessment will provide a guide to identify goals and strategies for this plan.

1. Total and Projected Populations:

In the last ten years, the Town of Reading has only had a 4.4% increase in population. Over the next 10 years, the population is expected to experience a slight decline before having a minor increase by 2030. The total number of households in Reading has increased from 2000 and is expected to only have minor increases through 2030. Similar to the national trend, Reading's average household size has decreased in the past ten years. In 1999 the average household size was 2.84 and decreased to 2.71 in 2010. Smaller household size is consistent with communities experiencing slow but steady growth.

Table 1: Total and Projected Populations: 1990-2030

Year	Population	% Change	Households	% Change
1990	22,539	--	7,932	
2000	23,708	5%	8,688	10%
2010	24,747	4.4%	9,305	7.0%
2020	24,342	-1.6%	9,707	6.0%
2030	25,189	3.4%	10,346	6.5%

Source: 2010 US Census and MAPC MetroFuture 2035 Update, March 2011

2. Household Types:

There were a total of 9,305 households in Reading in 2010, with 72% family households, and 28% non-family households in Reading. The non-family, which includes single person households or

persons living in the same household who are not related. The presence of a mix of family and non-family households indicates that there is likely a need for a variety of housing types that may not fit the traditional single-family home model. The data reflects 2,620 non-family households. This may suggest a need for affordability options for non-family households who may have special housing needs.

Table 2: Households Types: 2010

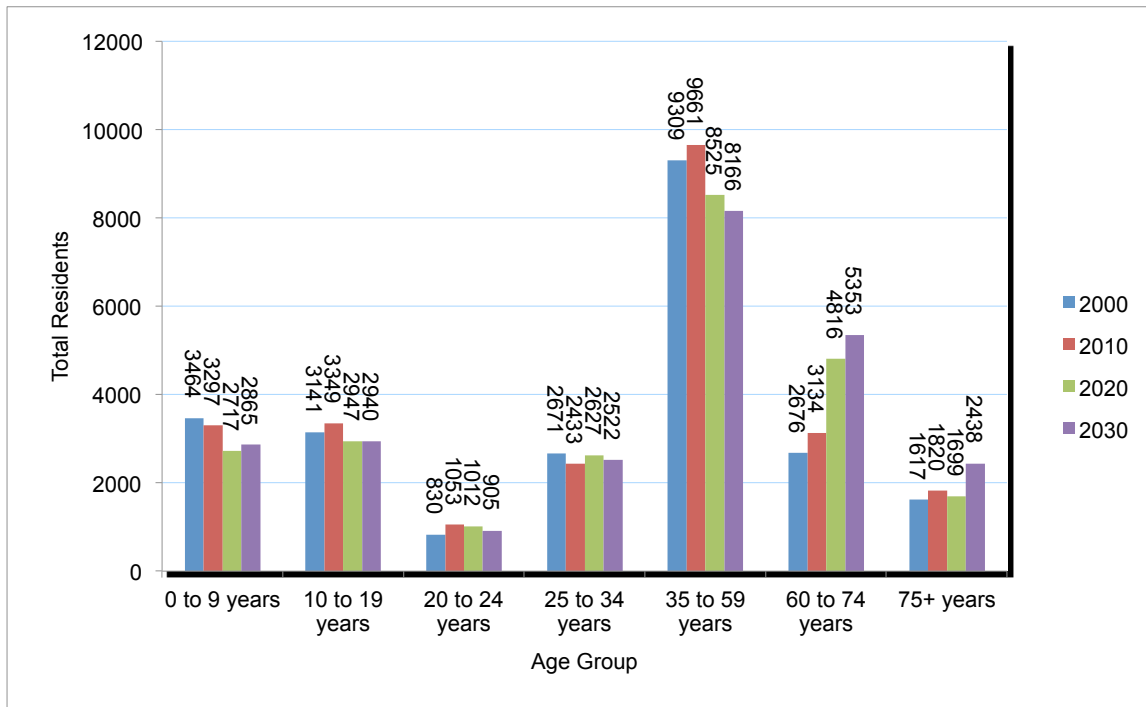
Household Type	2010	Percentage
Family Households:	6,685	71.8%
With own Children under 18 years	3,205	34.4
Married, Husband-wife family:	5,695	61.2
With own children under 18	2,791	30.0
Male householder, no wife present	2,43	2.6
With own children under 18 years	89	1.0
Female householder, no husband present	747	8.0
With own children under 18 years	325	3.5
Nonfamily households:	2,620	28.2
Householder living alone	2,189	23.5
Householder 65 and over living alone	962	10.3
Average household size	2.64	
Average family size	3.18	
Total Households	9,305	

Source: 2010 US Census

Other important factors to consider when assessing housing needs are household size and the age composition of residents. Household size is an important factor as it can help determine the demand for certain types of housing. Similarly, analyzing the age composition of a community over time can help develop trends for housing needs. For example, established families with children living at home have different housing needs than an empty nester and or someone who is over 65.

MetroFuture is a regional plan developed by the Metropolitan Area Planning Council (MAPC) that addresses future growth in the Boston metropolitan region until 2030. Figure 1 summarizes Reading's age composition from 2000 and includes MetroFuture projections until 2030. Table 3 illustrates this in more detail.

Figure 1: Age Composition of Residents, 2000 – 2030



Source: 2010 US Census and MAPC MetroFuture 2035 Update, March 2011

Table 3: Current and Projected Age Distribution of Residents: 2000-2030

Age Cohorts	2000		2010			2020			2030			% Change from 2010-2030
	Number	%	Number	%	% Change	Number	%	% Change	Number	%	% Change	
0 to 9 years	3,464	14.6	3,297	13.3	-4.8	2,717	11.2	-17.5	2,865	11.4	5.4%	-13.1
10 to 19 years	3,141	13.2	3,349	13.5	6.2	2,947	12.1	-12.0	2,940	11.7	-0.23	-12.2
20 to 24 years	830	3.5	1,053	4.3	26.9	1,012	4.2	-3.9	905	3.6	-10.6	-14.1
25 to 34 years	2,671	11.3	2,433	9.8	-9.0	2,627	10.8	8.0	2,522	10.0	-4.0	3.7
35 to 59 years	9,309	39.3	9,661	39.0	3.8	8,525	35.0	-11.8	6,613	32.4	-22.5	-31.6
60 to 74 years	2,676	11.3	3,134	12.7	17.1	4,816	19.8	53.7	5,353	21.3	11.2	71
75+ years	1,617	6.8	1,820	7.4	12.6	1,699	6.9	-6.6	2,438	9.7	43.5	34
Total Population	23,708	100	24,747	100		24,343	100		25,189	100		

Source: 2010 US Census and MAPC MetroFuture 2035 Update, March 2011

MAPC's MetroFuture plan suggests that Reading's population will have a minor increase in overall population for the next 20 years. However it is anticipated that a significant change in the composition of the age groups will occur. Based on the MetroFuture projections, the younger age groups are expected to decline by 2030; ages 0-9 (-13.1%), ages 10-19 (-12.2%), ages 20-24 (-14.1%) and ages 35-59 (-31.6%). However, the 35-59 age group is expected to remain the largest age group in Reading and is projected to comprise 32.4% of the population in 2030, with the 60-75+ age group following close behind at approximately 31% of Reading's population in 2030.

In 2010 the largest age cohort in Reading was those aged 35-59 (39%). People in this age group are likely to be in an established family household with a larger home than the younger age groups. The next concentration of residents was a much younger age group; those aged 10-19 years (13.5%) and aged 0-9 years (13.3%). These age groups, with the exception of 0-9 years, experienced an increase in population between 2000 and 2010. The elderly population also increased from 2000 to 2010. Persons aged 60-74 experienced a population increase of 12.7% and those aged 75+ increased by 7.4%.

The data shows that the second largest age group in 2030 will be those aged 60-74 with an increase of 71% in 2030 from 2010. Even though the childhood age groups of 0-9 and 10-19 are expected to decrease by 2030, collectively they will make up almost one-fourth of the population (23.1%). Adults who will be aged 25-34 are expected to grow slowly by 2030, only increasing by 3.6%. The young adult population (aged 20-24) is expected to decrease by 2030 and become the smallest age group in Reading.

By contrast, the elderly population (ages 75+) which comprises 9.7% of Reading residents is expected to increase by 34% in the next 20 years. When combined with the 60-74 age group (21.3%), the 60-75+ age group will consist of approximately 31% of Reading's population. This is not surprising as the "baby-boomer" population is contained within this age group. It is important to be aware of this trend as this population tends to prefer smaller housing units with less upkeep. Elderly residents could have special housing needs such as nursing homes and assisted living facilities.

Adults aged 20 to 24 years and aged 25 to 34 years are expected to make up approximately 13.6% of the population in 2030. These age groups are more likely to make up younger families who will purchase a starter home that is smaller and more affordable. In the next twenty years, as the 35-59 age group moves into the next age group, the stock of larger traditional family homes (detached, single-family units) may become more available. This may allow the younger population to trade up or take advantage of the larger homes.

The analysis of population projections is vital for planning and determining future housing needs. With the expected increase in the older population, planning efforts should consider the need for smaller housing units with less maintenance, senior housing or assisted living facilities. As the middle-age population shifts into the older age groups the demand for

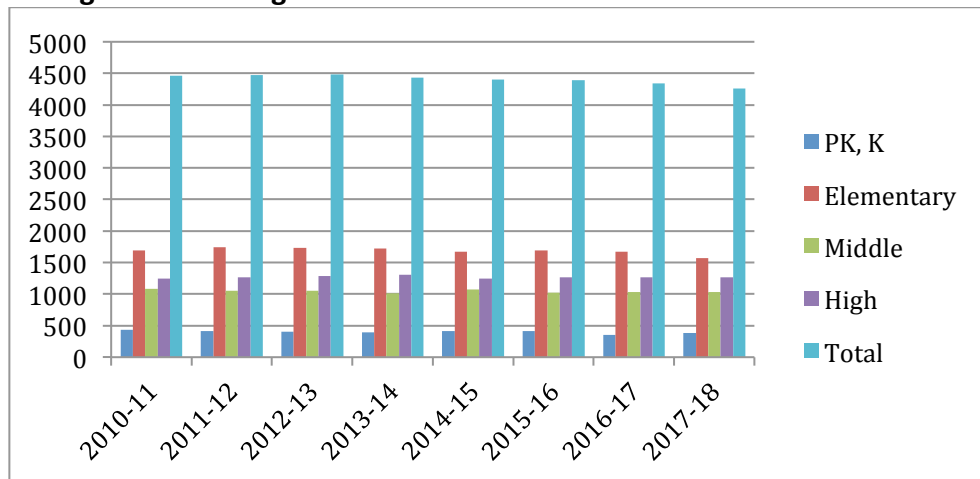
larger, traditional family housing units will be reduced and will increase the opportunity for younger families looking to trade-up to more of those homes now available.

3. School Enrollment and Projections

Figure 2 below illustrates the public school enrollments from 2010 to 2018. Overall, Reading school enrollment has remained fairly stable over this timeframe. From 2010 to 2018 total enrollment decreased by 5.51%. Enrollment decreased across the board as depicted in the table below.

The Town has not updated its school enrollment projections. The 2013 HPP included projections on enrollment which were available at that time. Figure 2 provides eight years of enrollment data which is the only data that is available for inclusion in the updated 2018 HPP.

Figure 2: Reading Student Enrollment



	PK, K	Elementary	Middle	High	Total
2010-11	438	1692	1083	1246	4459
2011-12	419	1746	1050	1262	4477
2012-13	407	1736	1055	1285	4483
2013-14	390	1722	1013	1307	4432
2014-15	417	1670	1069	1251	4407
2015-16	413	1691	1020	1270	4394
2016-17	358	1675	1038	1270	4341
2017-18*	387	1552	1039	1235	4213
+/- since 2010	-11.64%	-8.27%	-4.06%	-.88%	-5.51%

Source: Reading School Committee FY 2018 School Budget

*Reading School Department as of 10/1/17

Figure 2 illustrates public school enrollments from 2010-2011 through 2017-2018 (the current school year). Overall, Reading school enrollment has remained fairly stable in recent years with an overall decrease of 5.51%. Although total population projections predict a continuing decrease in school aged children by the year 2030, this age group will still comprise 23.1% of the total population.

4. Race and Ethnicity:

According to the 2010 U.S. Census, the majority of Reading residents are white (93.5%) and the largest racial minority group in Reading is the Asian population (4.2%) followed by the Hispanic or Latino population at 1.5%. There were no respondents in the 2010 Census that identified themselves as Native Hawaiian or Pacific Islanders.

5. Residents with Disabilities

According to the 2011-2015 American Community Survey, 2,266 people in Reading reported living with a long duration condition or disability. Of those people, approximately 57% were aged 65 and older. As this population continues to increase, it is assumed that the number of disabled individuals within this age group will also rise. Many disabled residents require special housing needs, including certain accommodations for housing design (physical accessibility) and reasonable access to goods and services. Consideration for these types of housing options is necessary, as the demand will continue to increase.

Table 5: Residents with Disabilities

Source: 2011-2015 American Community Survey

Age	Number	Percent of All Disabled Residents
5-17	221	9.7
18-64	754	33.3
65 +	1,291	57
Total Population of Disabled Residents	2,266	100

6 Income Analysis:

1. Median Household Income:

In 2015 Reading's median household income of \$107,654 represented an increase of 39.7% from 1999. Median household income in Reading was one of the highest among adjacent neighboring communities and exceeded the median for the Boston-Cambridge-Quincy Metro area, as well as the median for the Commonwealth of Massachusetts and the US. All the adjacent neighboring communities also experienced increases in household income from 1999.

Table 6: Median Household Income: 1999 and 2015

Town	1999	2015	% Increase 1999-2010
Reading	77,059	107,654	39.7
North Reading	76,962	123,103	60.2
Wilmington	70,652	100,862	42.8
Woburn	54,897	78,750	43.5
Stoneham	56,650	78,099	37.9
Wakefield	66,117	85,573	29.4
Lynnfield	80,626	118,828	47.4
Boston-Cambridge-Quincy, MA Metro Area ¹	62,700	98,500	57.1
Massachusetts	50,502	68,563	35.8
US	41,994	53,889	28.3

Source: 2000 US Census & 2011-2015 American Community Survey

2. Median Income of Senior Households:

Although Reading's overall population has experienced a large increase in income in the past 15 years and is earning quite a bit more than some of the surrounding communities (as displayed in Table 6 above), Reading's 65+ households are not doing nearly as well. Unfortunately, data is not available for 1999, but the recent data for 2015 is informative on its own. Reading's senior households have significantly lower incomes than households overall. Senior households also earn less than most of the surrounding communities and just slightly more than Massachusetts and the country overall. In fact, households earning the median senior income of \$46,617 would qualify for affordable housing based on the income limit guidelines described in Section 4 below, "Area Median Income." This data makes clear that affordable housing for the senior population will be a significant need in the coming years due to the projected increase in the senior

¹ This income data comes from HUD's 1999 income limits for the Boston-Cambridge-Quincy, MA Metro Area

population in Reading as demonstrated in Figure 1 and Table 3 above, and due to the limited income of this group.

Table 7: Median Income of 65+ Households: 2015

Town	2015
Reading	46,617
North Reading	59,739
Wilmington	57,325
Woburn	49,504
Wakefield	54,567
Lynnfield	54,242
Massachusetts	45,893
US	42,113

Source: 2011-2015 American Community Survey

3. Income Distribution:

Table 8 identifies and compares the distribution of Reading household incomes from 1990 and 2010. In 1999, nearly half of all households (48.2%) earned less than the household median of \$77,059. Of the households earning over the median income in 1999, 34% of households earned more than \$100,000. Reading households earned much more in 2010. Approximately 49.5% earned more than \$100,000 which was just over the median income of \$99,130. Of those earning more than \$100,000 approximately 13% earned more than \$200,000, a 135% increase from 2000. By 2015, the number of households in the highest income brackets increased even further. However, there were also increases in three of the lower income brackets (\$15,000-\$24,999, \$25,000-\$34,999, and \$35,000-\$49,999) between 2010 and 2015. Approximately 2,064 households (22.5% of all households) earned less than \$50,000 in 2015.

Table 8: Income Distribution: 1999, 2010, 2015

Income Category	1999		2010		2015		% Change 1999-2015
	# Of Households	Percent	# of Households	Percent	# of Households	Percent	
Less than \$10,000	286	3.3	231	2.4	218	2.4	-23.8%
\$10,000 to \$14,999	351	4.0	251	2.8	224	2.4	-36.2%
\$15,000 to \$24,999	564	6.5	386	4.3	446	4.9	-20.9%
\$25,000 to \$34,999	590	6.8	470	5.3	553	6.0	-6.3%
\$35,000 to \$49,999	786	9.1	620	7.0	623	6.8	-20.7%
\$50,000 to \$74,999	1,608	18.5	1,214	13.7	974	10.6	-39.4%
\$75,000 to \$99,999	1474	17.0	1,327	15.0	1,158	12.6	-21.4%
\$100,00 to \$149,999	1,892	22.0	2,158	24.3	2,250	24.5	18.9%
\$150,000 to \$199,999	626	7.2	1,086	12.2	1,345	14.7	114.9%
\$200,000 or more	492	5.7	1,157	13.0	1,377	15.0	179.9%
Total Households	8,669	100.0	8,882	100.0	9,168	100.0	

Source: 2000 US Census, 2006 -2010 & 2011-2015 American Community Survey

4. Area Median Income

One way to determine the need for affordable housing is to evaluate the number of households that qualify as low/moderate income by the U.S. Department of Housing and Urban Development (HUD). The Area Median Income (AMI) is a number that is determined by the median family income of a Metropolitan Statistical Area (MSA) and thresholds established by HUD are a percentage of AMIs. Reading is included in the Boston-Cambridge-Quincy Metropolitan Fair Market Rent (FMR) area. FMRs are gross rent estimates that include the rent plus the cost of tenant-paid utilities². Section 8 of the United States Housing Act of 1937 authorizes housing assistance to lower income families and the cost of rental homes are restricted by the FMR thresholds established by HUD.

² U.S. Department of Housing & Urban Development Office of Policy Development & Research
July 2007 (rev.)

Typically, thresholds are 80%, 50% and 30% of AMI and vary depending on the household size. HUD defines low/moderate income as follows:

- “low income” - households earning below 80% of AMI;
- “very low income” – households earning below 50% of AMI;
- “extremely low income” - households earning lower than 30% of AMI.

Table 9: Income Limits by Household Size, Boston-Cambridge-Quincy, Reading: 2017

Income Limit Area	Median Income	Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
Boston-Cambridge-Quincy Metropolitan MSA	\$103,400	Low (80%) Income Limit	\$54,750	\$62,550	\$70,350	\$78,150	\$84,450	\$90,700
		Very Low (50%) Income Limit	\$36,200	\$41,400	\$46,550	\$51,700	\$55,850	\$60,000
		Extremely Low (30%) Income Limit	\$21,700	\$24,800	\$27,900	\$31,000	\$33,500	\$36,000

Source: U.S. Department of Housing and Urban Development <http://www.huduser.org/portal/>

As shown in Table 9, the AMI for the Boston-Cambridge-Quincy FMR area, effective April 19, 2017, is \$103,400³. Using this number, the income thresholds for various household sizes were determined. For a 3-person household, household incomes lower than \$27,900 are considered extremely low income, household incomes lower than \$46,550 are considered very low income, and household incomes lower than \$70,350 are considered low income. The Reading income category data presented in Table 8 is not available by household size, but assuming a 3-person household, as of the 2015 ACS, there were probably about 3,000, or almost one-third of households, that were likely eligible for subsidized housing according to HUD.

³ AMI data for 2017 was used in this plan to compare to 2011-2015 ACS income data. AMI data for 2017 can be found at: www.huduser.org/portaldatasets

B. Housing Stock Analysis

1. Housing Units and Types

The predominant housing type in Reading continues to be single-family homes. In 2000, there were approximately 8,823 total housing units, 74.3% of which were 1-unit, detached homes (single-family homes). Only 6.8% of housing structures contained 20 or more units; however this type of housing was the second largest in Reading in 2000. Similarly, in 2015 single unit detached homes remained the predominant housing type, though the percentage of total homes dropped a bit. Meanwhile, the number of housing units in structures with 20 or more units jumped from 601 units (6.8% of total units) in 2000 to 1,027 units (10.6% of total units) in 2015.

Table 10: Total Number of Housing Units by Structure: 2000 and 2015

Housing Units Per Structure	2000		2015	
	Number	Percent	Number	Percent
1-unit, detached	6,553	74.3	6,827	70.7
1-unit, attached	257	2.9	395	4.1
2 units	565	6.4	535	5.5
3 or 4 units	246	2.8	192	2.0
5 to 9 units	214	2.4	280	2.9
10 to 19 units	381	4.3	397	4.1
20 or more units	601	6.8	1,027	10.6
Mobile Home	6	0.1	0	0
Total	8,823	100	9,653	100.0

Source: 2000 US Census and 2011-2015 American Community Survey

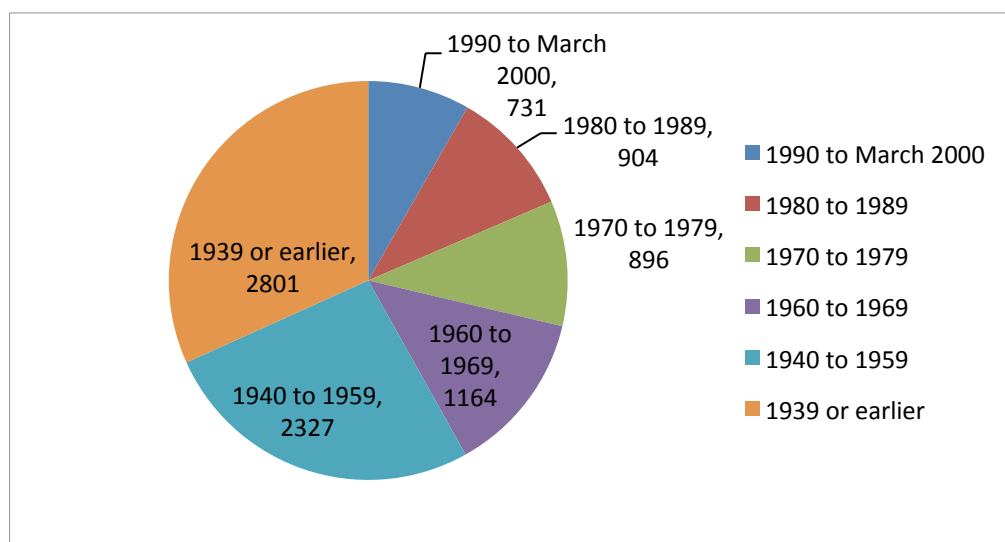
2. Housing Tenure

According to the 2000 US Census, there were a total of 8,688 occupied housing units, 82.5% of which were owner-occupied, and 17.5% of which were renter-occupied. By 2015, the percentage of owner-occupied housing units decreased to 78.2% and the percentage of renter-occupied housing units increased to 21.8%. Section B of this HPP discussed household types and the prevalence of non-family households in Reading. In particular, ACS data shows that non-family households, specifically elderly, non-family households are growing in number. The data also show that non-family households are more likely to be renters, so these demographic changes could provide some of the reason for the recent increase in renter-occupied units. The demand for rental housing is likely to continue increasing as the population continues aging and this aging population is likely to include many who are looking to down-size or spend less on housing related costs.

3. Year Housing Units Constructed

Reading has a large stock of older and historic homes. Over half of the housing units were constructed prior to 1960 and of that 33% were constructed prior to 1940. There is roughly an even distribution of units constructed from 1969 to 2000. As these homes contribute to the town's character, many of them are also in need of repairs and renovations. Many residents in Reading indicated they have difficulty affording repairs to their homes, which only adds to the cost burden experienced by some residents⁴. Multi-generational living is now an easier option due to recently adopted zoning changes that facilitate creating accessory dwelling units in single-family homes.

Figure 3: Year Housing Constructed



Source: 2010 US Census

4. Housing Market Conditions:

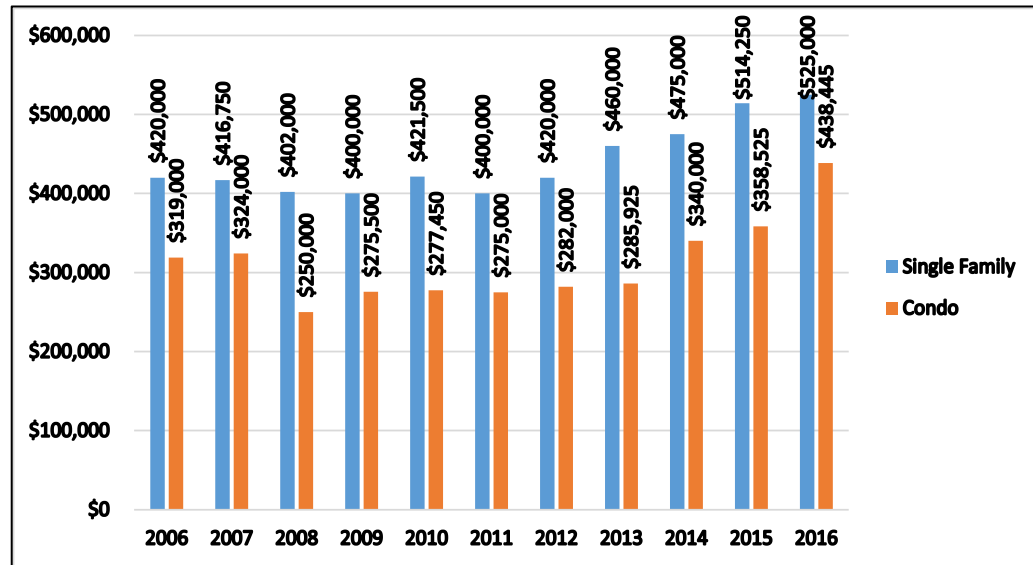
a. Median Selling Prices

Home sales in Reading were impacted by the economic recession of 2007/2008, but have recovered. Figure 3 indicates the median single-family home price in 2006 was \$420,000. Prices then decreased for a few years culminating in a low point of \$400,000 in 2009. Prices rebounded the following year in 2010, and then dipped again in 2011. However, single-family home prices have been rising steadily since 2012 with the median price hitting \$525,000 in 2016. Warren Group data shows that single-family home prices have continued to increase in 2017, with a median price of \$595,000 in sales from January through July 2017.

⁴ Town of Reading Housing Survey 2012

Condominium sales followed a similar pattern with a few years of lower prices followed by a steady increase in prices beginning in 2012.

Figure 4: Median Sales Price of Single-family Homes and Condos 2006-2016

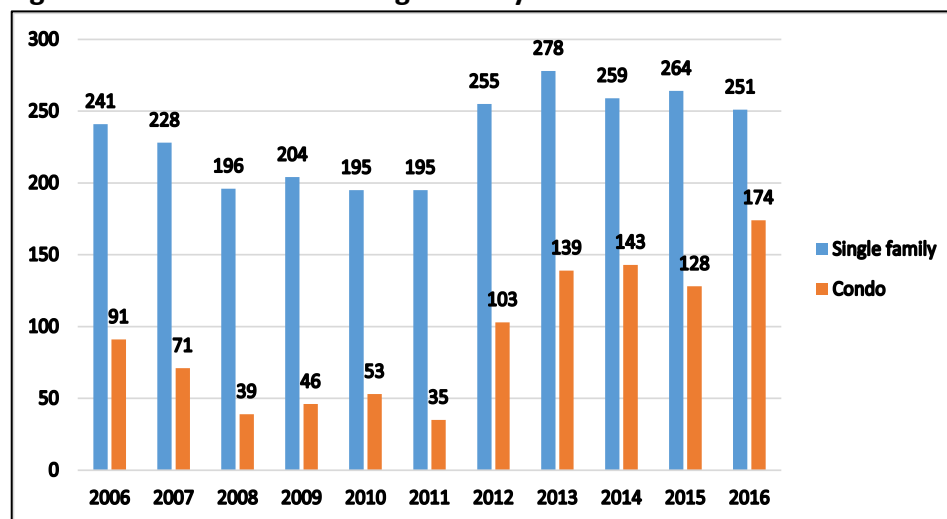


Source: The Warren Group

b. Home Sales

As shown in Figure 4 below, Reading experienced a decrease in the total number of sales of both single-family homes and condominiums before 2012. Then, in 2012, the number of sales began to increase at the same time that prices began to increase. The number of condo sales in particular rose significantly with a jump from 35 condo sales in 2011 to 103 condo sales in 2012. That number continued to grow and condo sales reached a high of 174 in 2016. This could be indicative of a demand for more diverse housing types.

Figure 5: Total Number of Single-family Home and Condo Sales 2006-2016



Source: The Warren Group

c. Rental Prices:

The cost of rental units is an important factor to consider when evaluating the housing market. Back in 2000 the median rent in Reading was \$739, the second lowest of all the neighboring communities that about Reading. By 2015, median rent increased by 73.5% to \$1,282, one of the higher increases amongst neighboring communities. One possible reason for the substantial rent increase may be due to the increase in the population group more likely to rent, creating more demand for rental units. High home prices may also force more households to rent. This trend is seen in the neighboring communities as well which all experienced substantial increases in median rent between 2000 and 2015.

Table 11: Median Rent 2000, 2010, 2015 for Reading and Neighboring Communities

Median Rent	2000	2010	2015	% Change, 2000 to 2015
Reading	739	1,032	1,282	73.5%
North Reading	756	1,289	1,482	96.0%
Wilmington	948	1,567	1,624	71.3%
Woburn	881	1,187	1,331	51.1%
Stoneham	827	1,161	1,289	55.9%
Wakefield	795	1,042	1,203	51.3%
Lynnfield	572	623	1,443	152.3%

Source: 2000 US Census, 2006-2010, 2011-2015 American Community Survey

5. Housing Affordability Analysis:

1. Cost Burden

One way to evaluate housing affordability is to examine the ability of households to pay mortgage or rent as a percentage of annual income. Households who pay 30% or more of their annual income on housing costs⁵ are considered to be housing cost-burdened. Households who pay 50% or more of their income on housing costs are considered severely burdened. This analysis may help determine how “affordable” it is to live in a particular community.

The US Census Bureau prepares custom tabulations of American Community Survey (ACS) data that demonstrate the extent of housing problems and housing needs. These data are known as the Comprehensive Housing Affordability Strategy or CHAS data. Table 13 below uses CHAS data to show housing cost burden for renters and homeowners. Approximately 29.4% of owner-occupied households, and 33.1% of

⁵ Costs for homes with a mortgage include all forms of debt including deeds of trust, land contracts, home equity loans, insurance, utilities, real estate taxes, etc. Source: US. Census

renter households are paying more than 30% or more of their annual household income on housing related costs. Therefore, a total of 2,800 of 9,295 households (30.1%) in Reading may have difficulty paying their housing-related costs and are considered moderately to severely housing cost-burdened.

Table 12: Monthly Housing Cost as a Percentage of Annual Household Income

	Households in Reading	<= 30% of income spent on housing		>30% to <=50% of income spent on housing		>50% of income spent on housing	
		Number	Percent	Number	Percent	Number	Percent
Owners	7,405	5,220	70.5%	1,205	16.3%	970	13.1%
Renters	1,890	1,265	66.9%	330	17.5%	295	15.6%

Source: 2010-2014 CHAS data

CHAS data also shows how rent burden impacts households at different income levels. Table 13 below shows a greater percentage of low-income households are housing cost-burdened than higher income households. 1,730 of 2,440 (71%) households who earn less than 80% AMI are housing cost-burdened. However, only 760 of 6,070 (13%) households who earn more than 100% AMI are housing cost-burdened. This indicates a need for more housing in Reading that is affordable to low-income households so they do not experience such a substantial level of cost burden.

Table 13: Housing Cost Burden According to Income Level

Household Income Level	Spending >30% of income on housing costs	Spending >50% of income on housing costs	Total Households
<=30% AMI	550	495	725
>30% - <=50% AMI	705	400	990
>50% - <=80% AMI	475	245	725
>80% - <=100% AMI	315	95	780
>100% AMI	760	35	6,070
Total	2,805	1,270	9,295

Source: 2010-2014 CHAS data

2. Home Ownership Affordability – Gap Analysis

Another way to measure the affordability of a community is to assess the affordability of home ownership. To do so, the income of the buyer must be evaluated against the sales price of the home. The gap between the sales price and the purchasing ability of a potential home buyer is called the “gap analysis”.

The median sales price of a single-family home in Reading in 2016 was \$525,000. A household would have to earn approximately \$140,918⁶ to afford such a home. This income is above Reading's median household income of \$107,654 in 2015, and higher than the area median income of \$103,400 by over \$37,000. A household only looking to purchase a condo would still need to earn approximately \$125,685 to afford \$438,445 – the 2016 median sales price of a condo in Reading.

A household earning the 2015 median income of Reading of \$107,654 can afford a single-family home priced at about \$400,000 resulting in an “affordability gap” of \$125,000. The gap widens for low income households. A 3-person household earning 80% of AMI or \$70,350 could afford a home costing no more than \$262,000. A 3-person household earning 50% of AMI at \$46,550 could afford a home costing no more than \$173,430. Table 15 shows the affordability gap in Reading for households at different income levels.

Table 14: Gap Analysis – Single-Family Home

Income Level	Income	Affordable Purchase Price	Gap +/- from Median Sales Price
Median Income	\$107,654	\$400,000	\$125,000
Low Income (80%) (3-person HH)	\$70,350	\$262,000	\$263,00
Very Low Income (50%) (3-person HH)	\$46,550	\$173,430	\$351,570

Source for income limits: U.S. Department of Housing and Urban Development
<http://www.huduser.org/portal/>

3. Rent

Another measure of housing affordability is whether local rent exceeds HUD-determined Fair Market Rents (FMR) which were established as guidelines for Section 8 voucher holders. HUD does not permit voucher holders to rent apartments above the FMR because HUD has determined the FMR to be a fair and reasonable price for the geographic area. Table 16 below identifies the FY18 FMRs for the Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area. As Table 12 above shows, the median rent paid by Reading households in 2015 as reported by the 2011-2015 ACA was \$1,282, indicating that households are paying less than the FMR for the Boston-Cambridge-Quincy area (assuming a 1-bedroom). However, the 2011-2015 ACS also indicates that 35% of renters in Reading were paying \$1,500 or more in monthly rent, and 11% of renters were paying more than \$2,000 in monthly rent.

⁶ Figures derived using the DHCD Sales Price Calculator, including a 5% down payment, 30-year fixed mortgage at 4.1% interest rate, and Reading's 2017 tax rate.

Table 16: Fair Market Rents, Boston-Cambridge Quincy, MA-NH HUD Metro Area

	Efficiency	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
Fair Market Rent 2018	\$1,253	\$1,421	\$1,740	\$2,182	\$2,370

Source: U.S. Department of Housing and Urban Development, <http://www.huduser.org/portal/>

Since ACS data looks at all current renters, including some who may have been renting for a long time without a rent increase, they do not necessarily paint an accurate picture of the current rental market. An examination of rental listings on Trulia on September 14, 2017 gives a more accurate assessment. Based on these listings in Table 17 below, we can see that there is not much available rental housing – there were only 11 listings on Trulia on September 14th. In addition, the median rents of homes currently listed are quite a bit higher than the median rent reported in the ACS, and also significantly higher than the FMRs for 1, 2, and 3-bedroom units.

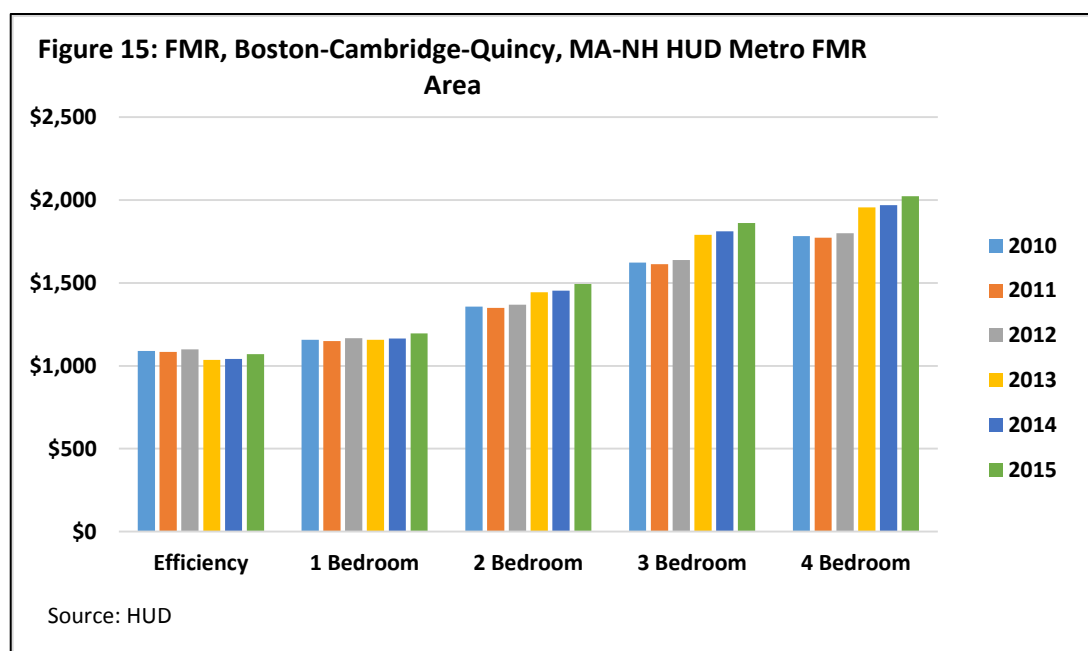
Table 17 Reading Units listed for rent on Trulia.com, 9/14/17

Bedroom size	Median Rent
1-bedroom units (5 listings)	\$1,994
2-bedroom units (4 listings)	\$2,462
3-bedroom units (2 listings)	\$3,713

Source: Trulia.com, September 14, 2017

Reading households would have to earn over \$51,000 to afford the 2015 median rent in Reading according to the ACS. However, using the current rental listings from Trulia.com, a household would have to earn \$79,680 to afford a one-bedroom at the median price. Therefore, a 3-person low-income household earning \$70,350 would not even be able to afford a one-bedroom rental at the median price based on recent listings.

Another measure of housing affordability is whether local rent exceeds HUD-determined Fair Market Rents (FMR) that were established as guidelines for Section 8 voucher holders. HUD does not permit voucher holders to rent apartment units above the FMR because HUD has determined the FMR to be a fair and reasonable price for the geographic area. In Figure 17 below, the upward trend reflects the annual adjustment factor intended to account for rental housing market demands. Given the constraints on the Greater Boston rental housing market, rising FMR's are unsurprising and point to the need for more rental housing at multiple price points. Although HUD determines a certain level of rent in an area to be fair, FMR's do not take into account household income, so even an apartment at the FMR is not necessarily affordable to people at all levels of income.



6. M.G.L. Chapter 40B Subsidized Housing Inventory

Under M.G.L. Chapter 40B, affordable housing units are defined as housing that is developed or operated by a public or private entity and reserved by deed restriction for income-eligible households earning at or below 80% of the AMI. In addition, all marketing and placement efforts follow Affirmative Fair Housing Marketing guidelines per the Massachusetts Department of Housing and Community Development (DHCD). Housing that meets these requirements, if approved by DHCD, is added to the subsidized housing inventory (SHI). Chapter 40B allows developers of low- and moderate-income housing to obtain a comprehensive permit to override local zoning and other restrictions if less than 10% of a community's housing is included on the SHI.

A municipality's SHI fluctuates with new development of both affordable and market-rate housing. The percentage is determined by dividing the number of affordable units by the total number of year-round housing units according to the most recent decennial Census. As the denominator increases, or if affordable units are lost, more affordable units must be produced to reach, maintain, or exceed the 10% threshold.

Within the past 6 years, Reading has made great progress with increasing the number of affordable units within the Town. According to the state's Subsidized Housing Inventory (SHI), approximately 9.35% of year-round housing units in Reading are considered affordable as of December 2017.

Table 18 below illustrates the status of subsidized housing in Reading from March 2004 to December 2017.

Table 18: Reading SHI Units

Time Period	Total SHI Units	Difference in Units from Previous Period	Percent Affordable
March 2004	682	NA	7.74%
June 2011	684	2	7.14%
December 2017	896	212	9.35%

The 212 increase in units is comprised of:

- 20-24 Gould Street 55 units
- Postmark Square 10 units
- Schoolhouse Commons 20 units
- Reading Village 68 units
- Oaktree 11 units
- Johnson Woods II 12 units
- Reading Woods 43 units
- Department of Developmental Services (DDS) Units 6 units
- Reading Housing Authority Units -13 units (affordability period expired)

Table 19 compares the number of SHI units with neighboring communities that abut Reading.

As identified in the table, Reading has a percentage of affordable housing units that is higher than four of the neighboring communities and lower than three – right in the middle of the neighboring communities.

Table 19: Total Subsidized Housing Units for Reading and Neighboring Communities

Community	Year Around Housing Units 2010	Total Subsidized Housing Units			Percent SHI Units	
		March 2004	Dec 2017	Percent Change	March 2004	Dec 2017
Reading	9,584	682	896	31%	7.74%	9.35%
North Reading	5,597	83	540	551%	1.72%	9.65%
Saugus	10,754	654	732	12%	6.47%	6.81%
Wilmington	7,788	615	799	30%	8.61%	10.26%
Woburn	16,237	1489	1419	-5%	9.72%	8.74%
Stoneham	9,399	494	495	0%	5.35%	5.27%
Wakefield	10,459	729	758	4%	7.35%	7.25%
Lynnfield	4,319	78	495	535%	1.84%	11.46%

Source: Department of Housing and Community Development, Chapter 40B Subsidized Housing Inventory (SHI)

5. Existing Subsidized Housing Stock

Table 20 below identifies the existing subsidized housing units currently included on the SHI list (through September 2017). This information is regularly gathered and reported by the Department of Housing and Community Development (DHCD). The properties are listed by property type (not chronological).

Table 20: Reading Subsidized Housing Inventory Properties

Development Name	SHI Units	Property Type	Subsidizing Agency	Zoning Permit	Affrd End
RHA: Senior housing	80	Age Restricted Rental	DHCD/PHA	Local	Perp
RHA: Family Scattered Site	12	Family Rental	DHCD/PHA	Local	Perp
RHA: Scattered Site	6	Family Rental	DHCD/PHA	40B	Perp
RHA: Pleasant Street	2	Family Rental	FHLBB	Local	2020
RHA: Wilson Street	2	Family Rental	FHLBB	Local	2021
EMARC Reading	12	Supportive Housing	HUD	Local	2036
Reading Community Residence	3	Supportive Housing	HUD	Local	2037
Hopkins Street Residence	4	Supportive Housing	HUD	Local	2042
DDS / DMH Group Homes	52	Supportive Housing	DDS	Local	NA
Cedar Glen	114	Age Restricted Rental	MassHousing	40B	Perp
Peter Sanborn Place	74	Age Restricted Rental	MassHousing	40B	Perp
Residences at Pearl	86	Assisted Living	MassHousing	Local	2046
Reading Commons	204	Family Rental	FHLBB	40B	Perp
Oaktree	11	Family Rental	DHCD/40R	40R	Perp
Reading Village	68	Family Rental	MassHousing	40B	Perp
Schoolhouse Commons	20	Family Rental	MHP	40B	Perp
20-24 Gould Street	55	Family Rental	DHCD/40R	40R	Perp
Sumner/Cheney	1	Ownership	FHLBB	40B	Perp
George Street	3	Ownership	MassHousing	40B	Perp
Maplewood Village	9	Ownership	DHCD/LIP	40B	2054
Governor's Drive	2	Ownership	DHCD/LIP	40B	2103
Johnson Woods	11	Ownership	DHCD/LIP	Local	Perp
Johnson Woods II	12	Ownership	DHCD/LIP	Local	Perp
Reading Woods	43	Ownership	DHCD/40R	40R	Perp
Postmark Square	10	Ownership	DHCD/40R	40R	Perp
TOTALS	896				
Census 2010 Units	9.35%				

Key to Subsidizing Agency:

MHP – Massachusetts Housing Partnership

DHCD/PHA: Department of Housing and Community Development, Public Housing Authority

DHCD/LIP: Department of Housing and Community Development, Local Initiative Program

DHCD/40R: Department of Housing and Community Development, 40R
DDS: Department of Developmental Services
FHLBB: Federal Home Loan Bank of Boston
HUD: Federal Housing and Urban Development Public Housing Authority

Reading also has a few projects in the pipeline, which will generate additional affordable units to the Subsidized Housing Inventory (SHI).

The Community Planning and Development Commission (CPDC) recently (2/12/18) approved a mixed-use 40R project at the former Sunoco station property at 467 Main Street. The project consists of 31 rental units, 8 of which will be affordable. As a rental project for which at least 25% of the units are affordable, the total number of units in the project will qualify for inclusion on the SHI. These will be added to the SHI in the coming months, which will bring Reading's SHI percentage to 9.67%.

Johnson Woods phase II has an additional 7 ownership units to construct and sell. The units will be included on the Town's SHI once Certificates of Occupancy are issued.

The Zoning Board of Appeals (ZBA) recently received of a 120-unit rental Comprehensive Permit application known as Eaton Lakeview Apartments. The project received a Project Eligibility Letter from MassHousing in October 2017. As a rental project for which at least 25% of the units are affordable, the total number of units in the project will qualify for inclusion on the SHI. The ZBA hearing is scheduled to open in March, 2018.

C. Affordable Housing Efforts

Reading has pursued a proactive planning based strategy in an effort to increase the supply of affordable housing and meet the 10% minimum statutory requirement. The Town has made strides towards meeting that goal through adopting zoning changes and utilizing current planning best practices. The Town's 2013 HPP created a roadmap to follow as the Town worked towards meeting its affordable housing goals.

Safe Harbor — As reported earlier, in CY 2017 Reading added 98 affordable housing units to the Subsidized Housing Inventory (SHI), the inventory used by the Commonwealth of Massachusetts to monitor the affordable housing statutory requirements. As a result, the Town secured a two-year safe harbor certification through February 22, 2019.

1. Adoption of Smart Growth Districts (40R)

Gateway Smart Growth District (GSGD)

In December 2007, Reading adopted the Gateway Smart Growth District under MGL Chapter 40R and 760 CMR 59.05(4). The overlay district is located at the southern town line, near Interstate 95/Route 128 and Route 28 (Reading's Main Street). The 424 unit Reading Woods project is currently completed and nearly fully occupied. The GSGD includes 200 of the 424 units. Of those 200 units, 43 are affordable and are included on the SHI. This site was formerly a commercial use owned by the Addison Wesley Corporation.



Downtown Smart Growth District (DSGD)

In November 2009, Reading adopted the Downtown Smart Growth District (DSGD) under MGL Chapter 40R and 760 CMR 59.05(4). This zoning change was also a response to the 2007 Housing Plan which identified downtown as an area for future housing opportunities. At that time, the DSGD overlay district did not encompass the downtown in its entirety. The DSGD will allow for 203 additional housing units by right. The first project that was permitted and constructed within the DSGD was the Oaktree Development located at the former Atlantic Market site on Haven Street. This project is a mixed-use development with retail uses on the ground floor and 53 residential units above. At 53 units, this project exceeded the maximum density allowed, but was granted a waiver from the CPDC for a density of 73 units per acre. A total of 11 units are affordable and are listed on the SHI.



In September 2017, Postmark Square, an adaptive re-use of the historic Reading Post Office, received 40R Plan Review approval from the Reading Community Planning and Development Commission (CPDC). Postmark Square will be a mixed-use project with 50 ownership residential units, 10 of which will be affordable.



Expanded Downtown Smart Growth District (DSGD)

In April of 2017, Town Meeting adopted and the AG's office approved, an expansion of the DSGD to include approximately 21 additional acres, with a potential for 113 new residential units.

Increased Affordable Housing Percentage Requirement (rental) in the DSGD

In April 2017, Town Meeting also adopted, and the AG's office approved, increasing the affordable housing requirement from 20% to 25% for rental projects within the DSGD. Pursuant to MGL Chapter 40B, the increase to 25% will allow the Town to count all of the units in a rental project versus only the actual number of affordable units.

In November 2017, 20-24 Gould Street, a redevelopment of the former EMARC site (which is within the expanded DSGD area), received 40R Plan Review approval from the Reading Community Planning and Development Commission (CPDC). The mixed-use project will include 55 residential units, at least 14 of which will be affordable. As a rental project for which at least 25% of the units are affordable, all 55 units qualified for listing on the SHI.



The proposed mixed-use 40R redevelopment of the Sunoco station property, mentioned above, is also within the expanded DSGD area. The 31-unit rental project is currently under review by the Community Planning and Development Commission. As a rental project for which at least 25% of the units are affordable, the total number of units in the project will qualify for listing on the SHI.

Planning Efforts

- **2015 Economic Development Action Plan (EDAP)** - The EDAP recommendations include expanding housing and mixed use. A key recommendation was to expand the DSGD. The EDAP link is: <http://www.readingma.gov/planning-division/files/economic-development-action-plan-with-appendices>
- **Metro North Regional Housing Office (MNRHSO)** – In 2015, Reading established the MNRHSO comprised of the towns of Reading, North Reading, Wilmington, and Saugus. The MNRHSO shares the expenses of a full-time housing coordinator who monitors

existing affordable housing and provides expertise related to affordable housing. An Advisory Committee oversees the MNRHSO. Massachusetts has only a handful of RHSO's and Reading is proud to have developed this for the Metro North region.

- **Comprehensive Update of the Reading Zoning Bylaw (ZBL)** – In 2014, the ZBL was updated to clarify, simplify, and modernize zoning for ease of use by developers. Accessory Apartments are now allowed “by-right” if performance standards are met and if the unit is located in an existing single-family structure. A special permit is required for accessory apartments in detached structures, or involving increases in gross floor area to an existing single-family structure or new construction. Permitting checklists have been developed to simplify zoning further.

2. Challenges and Constraints to the Development of Affordable Housing

a. Existing Housing Allowances

The Reading Zoning Map illustrates residential uses taken from the Reading Zoning Bylaw effective as of April 2017. The tables below identify which types of residential and business uses are allowed in each zoning district. “YES” indicates uses allowed by right. “SPP” means the use requires a Special Permit from the Community Planning and Development Commission and “SPA” means the use requires a Special permit from the Zoning Board of Appeals. “No” denotes a use that is not allowed.

Table 21: Uses for Residential Districts

Principal Uses	RES S-15 S-20 S-40	RES A-40	RES A-80	PRD-G PRD-M	PUD-R
Residential Uses					
Single Family Dwelling	YES (1)	YES	NO	SPP	SPP
Two Family Dwelling	NO	YES	NO	SPP	SPP
Multi-Family Dwelling	NO	YES	YES	SPP	SPP
Age Restricted Multi-Family Dwelling	NO	SPP	SPP	SPP	SPP
Boarding House	NO	YES	NO	NO	NO

Table 22: Uses for Business and Industrial Districts

Principal Uses	Bus A	Bus B	Bus C	IND	PUD-B Overlay	PUD-I Overlay
Residential Uses						
Single Family Dwelling	Yes (1)	No	No	No	No	No
Two Family Dwelling	Yes	No	No	No	No	No
Multi-Family Dwelling	Yes	No	Yes (2)	No	No	No
Age Restricted Multi-Family Dwelling	No	No	Yes	No	No	No
Boarding House	No	No	No	No	No	No

Source: Town of Reading Zoning By-Law, Tables 5.3.1 and 5.3.2, Table of Uses, September, 2017

Although Reading is primarily zoned for single family homes, other zoning districts including A-40, A-80 and Business A allow for other forms of residential development such as apartments or multi-unit homes. Table 23 below identifies the base zoning districts in Reading.

Table 23: Reading Base Zoning Districts

Zoning District	Short Name	Area (sq miles)	Acreage	Percent
Single Family 15 District	S-15	3.3	2,120.1	33.2%
Single Family 20 District	S-20	4.1	2,643.2	41.3%
Single Family 40 District	S-40	1.9	1,235.1	19.3%
Apartment 40 District	A-40	0.0	30.8	0.5%
Apartment 80 District	A-80	0.0	12.8	0.2%
Business A	BUS A	0.1	48.4	0.8%
Business B	BUS B	0.1	55.2	0.9%
Business C	BUS C	0.1	38.8	0.6%
Industrial	Ind	0.3	209.1	3.3%
	Totals	10.0	6393.4	100.0%

Source: Town of Reading Zoning By-Law, April 2017

In addition to the base zoning districts, Reading has several overlay districts. Table 24 below is a comprehensive list of all the zoning districts, including overlays within the Town of Reading.

Table 24: Town of Reading Zoning and Overlay Districts

Type	Full Name	Short Name
Residence	Single Family 15 District	S-15
Residence	Single Family 20 District	S-20
Residence	Single Family 40 District	S-40
Residence	Apartment 40 District	A-40
Residence	Apartment 80 District	A-80
Business	Business A District	Bus A
Business	Business B District	Bus B
Business	Business C District	Bus C
Industrial	Industrial	Ind
Overlay	Flood Plain District	F
Overlay	Municipal Building Reuse District	MR
Overlay	National Flood Insurance Flood Management District	NF
Overlay	Aquifer Protection District	AQ
Overlay	Planned Unit Development	PUD
Overlay	Planned Residential Development	PRD
Overlay	Gateway Smart Growth District	GSGD
Overlay	Downtown Smart Growth District	DSGD

Source: Town of Reading Zoning By-Law, April 2017

b. Development Capacity and Constraints:

Residential development is constrained by many factors including availability of land, land use regulations, natural resources such as wetlands and threatened and endangered species, and limitations on infrastructure capacity. In order to evaluate the potential development capacity, the availability of land must be evaluated against potential development constraints.

Available Land: The Town of Reading is approximately 10 square miles in size and contains 6,394 acres of land. Using a GIS analysis it was estimated that 1,756 acres (27.5%) of land in Reading is undeveloped or Chapter 61 Land. Of that, 372 acres are potentially developable, and only 139 acres of developable land remain after regulatory constraints⁷ are applied. This results in approximately 262 buildable lots based on the minimum lot size of 15,000 square feet required in the S-15 residential zoning district. However, this build-out is for undeveloped land and does not take into account previously developed land that could be subdivided to yield more homes. Using the same GIS analysis and regulatory constraints, it is estimated that a potential of 513 new homes could be built on currently developed land.

⁷ Only residentially-zoned parcels were included in the analysis. Constraints include FEMA 100 year flood zones, 100' buffers around wetlands, streams, and vernal pools, and 200' buffers around perennial streams. Aquifer protection district and slope were not included as constraints. Infrastructure needs were not considered in calculating potential lots.

However, the actual number is likely to be significantly less when taking into account infrastructure costs, lot shape, or other geological conditions, as well as particular zoning district (specifically S-20 or S-40).

As identified above, Reading has several overlay districts. Overlay districts are zoning districts which may be placed over the underlying districts. The provisions for the overlay district may be more stringent or flexible based on the purpose of the particular overlay. The following are overlay districts that relate to housing development and the provision of affordable housing in Reading. Some of the overlays allow for other forms of development, increased density in development, and may have requirements for affordable housing.

Planned Unit Development – Residential

Denoted as PUD-R this overlay district allows, by a Special Permit from the CPDC, single family, two family, apartments, elderly housing, among other uses. At least ten percent of all residential units in the PUD-R must be affordable. The affordable percentage requirement increases to 15% for property within 300-feet of a municipal boundary. It should also be noted that the Planned Unit Development – Industrial (PUD-I) overlay district also allows residential development when the proposed development is within 200-feet of another residential district.

Planned Residential Development (PRD)

A PRD district is an overlay zoning district which may be applied to parcels within the S-15, S-20, S-40 and A-80 residential zoning districts and must be approved through Town Meeting. Upon approval of the overlay, the CPDC may issue a Special Permit for residential development. In Reading, there are two types of PRD districts; General (PRD-G) and Municipal (PRD-M). The PRD-G requires a minimum lot size of 60,000 square feet and encourages affordable unit development. PRD-M development is allowed on current or former municipally-owned land of at least eight acres and requires a certain percentage of affordable units.

Municipal Building Reuse District

The Municipal Building Reuse District is an overlay district that allows for the redevelopment or reuse of surplus municipal buildings. At least ten percent of the residential units must be affordable.

Smart Growth Districts (40R)

Reading has adopted two Smart Growth 40R Districts. The Downtown Smart Growth (DSGD) District is an overlay district that allows for mixed-use or multi-family residential within the downtown area via plan approval by the Community Planning and Development Commission. This overlay district requires a minimum of 20% affordable units (homeownership projects) and a minimum of 25% affordable units if the development is rental or limited to occupancy by elderly residents. The Gateway Smart Growth District (GSGD) is also an overlay district located at the intersection of Route 28 (Main Street) and

Interstate 128/95. This district is fully developed with one 424-unit project (200 of the units are technically within the GSGD) and includes 43 affordable units (10%).

Natural Resource Limitations: Wetlands and other natural resources such as endangered species habitats can place constraints on development. As mentioned above, many lots are considered unbuildable due to the presence of some of these resources. Almost one-fourth of the land in Reading is considered wetland or within the jurisdictional buffer zones of resource areas. Another 6% of land is within the 100-year flood zone. Reading is located within the Aberjona, Ipswich and Saugus river watersheds and many of Reading's wetland areas are located in associated floodplains.

Rare and Endangered Species: There are three areas in Reading which contain rare or endangered species. These areas are protected under the Massachusetts Endangered Species Act and the Massachusetts Wetlands Protection Act. Any development within these areas is subject to review by the Massachusetts Natural Heritage and Endangered Species Program (NHESP). The three areas of designation include a large tract of land within the western side of the Town Forest and two separate tracts of land within the Cedar Swamp near the Burbank Ice Arena located on the eastern side of the town.

c. Infrastructure

Public Water: The Town of Reading's water distribution system is comprised of 115 miles of distribution main, 2 water booster stations and 2 storage facilities; one 0.75 M gallon elevated tank located at Auburn Street and one 1.0 M gallon standpipe located at Bear Hill. Presently, Reading purchases all of its drinking water from the MWRA which is supplied into the Town's distribution system via a 20" water main located on Border Road. Construction of a second 36" redundant supply pipe line was recently completed by the MWRA which will provide a second supply source to the Town's distribution system at Leech Park on Hopkins Street. The Town also has 5 emergency water connections with 3 of the bordering communities.

Prior to purchasing water from the MWRA, Reading operated a water treatment plant adjacent to the Town Forest which drew water from nine wells within the Town Forest and Revay Swamp, all contained within the Ipswich River Watershed. Following the temporary closure of wells as a precautionary measure to avoid contamination from an overturned petroleum vehicle on Rte. 93 and to aid in relieving stress to the Ipswich River aquifer, the Town decommissioned the treatment plant in 2006 and began purchasing 100% of the Town's drinking water from the MWRA. Reading continues to maintain the wells as a backup water supply until the redundant MWRA water supply source is on-line.

Reading has established a strong water conservation program offering residents rebates for the installation of low flow fixtures and appliances, irrigation sensors and rain barrels. The program has been extremely successful and has lowered water consumption by 10% over a 10 year period. In 2016 the average daily water consumption equaled 1.7 MGD with

a maximum daily demand of 2.2MGD.

All water purchased from the MWRA is metered at the supply mains through meters owned by the MWRA and the Town of Reading. Residential and Commercial meter reading is modern and efficient, with an automatic system that uses radio transmitters for optimal accuracy and efficiency. Water rate changes are established by the Board of Selectmen based on recommendations from staff.

Reading's water distribution system is maintained on a GIS mapping and database system. The operation of the water system is overseen by the Department of Public Works, and is on an enterprise basis, through which the full costs of operations are borne by the water users, and not paid for by local property taxes.

Public Sewer: The sewer system is owned and operated by the Town and serves approximately 98% of all properties within the Town. While 159 individual properties throughout the Town are not yet connected to available public sewer, the only major unsewered areas are portions of Main Street north of Mill Street, and the westerly portion of Longwood Road. The system consists of 107 miles of sewer main, 12 wastewater pump or lift stations, and approximately 7,800 local service connections.

All sewage from the Town's system discharges into the MWRA's regional collection system through 2 major outfalls; one along Rte. 93 in the west adjacent to Arnold Avenue, and one at the end of Summer Avenue in the south. An isolated collection system servicing Border Road and a small portion of the West Street area discharges into the regional sewerage system via the City of Woburn. The regional sewerage system is operated by the MWRA, with principal treatment at Deer Island facility.

Water usage meters measure outfall flows and discharges. Sewer rate changes are established by the Board of Selectmen based on recommendations from staff. The Town's connection policy requires all new development to tie into the public sewer system and requires conversion to public sewer when residential septic systems fail. In addition, the Town sewer connection policy requires that all new developments perform system Inflow/Infiltration improvements or that equivalent contributions of twice the new flow multiplied by \$4.00 are made to the Town.

Reading's sewer system is maintained on a GIS mapping and database system. The operation of the sewer system is overseen by the Department of Public Works, and is on an enterprise basis, through which the full costs of operations are borne by the sewer users, and not paid for by local property taxes.

Stormwater System: Reading is located in the upper reaches of three (3) separate drainage basins; the Ipswich River basin to the north, Saugus River basin to the southeast, and Aberjona River basin to the southwest. All stormwater is collected through a series of approximately 3,400 catch basins, 80 miles of piped system, numerous open water bodies

and 450 outfalls. The GIS mapping of the stormwater system was updated in 2016.

The town has evaluated problematic areas of the Aberjona and Saugus River basins and has developed a capital plan for the improvements. The system is operated and maintained by the Department of Public Works and is funded partially through local property taxes and the balance through enterprise funds. Following the authorization of the MS4 permit program by the EPA in 2003, the Town established a stormwater enterprise in 2006 to fund the additional operation and maintenance of the stormwater system mandated by the MS4 permit. The enterprise funding is apportioned based on the extent of impervious area within the parcel.

Through the policies established under the Town's MS4 permit program, all new developments are required to install and maintain stormwater management systems. Each system must include a long-term operation and maintenance plan which includes annual reporting to the Town.

Roadway Network: Reading contains approximately 102 miles of streets and roads, however, the Town only maintains approximately 92.7 miles. The remainder of roadways not maintained by the Town are state-owned or privately-owned roadways. The Town is bordered by Interstate Highway 95 (also known as state Route 128) on the south and southeast, and Interstate Highway 93 on the west.

Reading's roadway system consists of several arterial, collector and local roadways. Arterial streets, carrying large traffic volumes and serving as principal local routes as well as regional routes, include: Main Street (Route 28), and Salem Street and Lowell Street (Route 129). These three main arterials intersect at the Common in the middle of Town, and are lined almost uninterruptedly with commercial and densely developed residential uses.

Minor arterial streets include: Haverhill Street (residential), Walkers Brook Drive (commercial and industrial), Washington Street (residential), Woburn Street (commercial through Downtown and otherwise residential) and West Street (almost entirely residential).

Collector streets, serving traffic from neighborhood streets and feeding into the arterial streets in Town, include: Franklin Street, Grove Street, Forest Street, Charles Street, Washington Street, High Street, Summer Avenue, South Street, Hopkins Street, and Willow Street.

Since 2000, Reading has utilized a computerized pavement management system to assist in developing a roadway capital improvement plan. In 2011 the system was converted to a GIS based management system. The system enables the Town to reliably develop cost effective roadway maintenance plans. Based on roadway inspections, each roadway is given a pavement condition index (PCI) that is used to identify the overall condition of the

roadways. PCI values range from 0 to 100 and the 2016 average PCI of all roadways was 77. Every 3-4 years, each roadway is physically inspected to update the database for pavement distresses factors, which are used to determine pavement longevity in the program. Through the use of the computerized program, state Chapter 90 roadway funds and the general operating funds (which is a result of a proposition 2 ½ override), the Town's planned annual expenditure of roadway maintenance will insure an overall increase in the roadways PCI value for the next 10 to 15 years.

Commuter Rail: Reading is served by the Massachusetts Bay Transportation Authority (MBTA) Commuter Rail system. The current MBTA schedule has 19 commuter rail trains each weekday inbound to North Station in downtown Boston. A total of 23 commuter trains travel outbound to Reading each weekday from North Station and of those 13 continue on to the final destination of Haverhill. The Reading train station is located in the heart of downtown at the "Depot". There is a mix of MBTA/Town parking available at the Depot. The 113 MBTA-owned spaces are available for a rate of \$4.00/day and there are also several Town-owned parking spaces available to residents only for a one-time fee of \$150. The most current ridership data available is contained in the MBTA "Blue Book" dated July, 2014. The 2014 Blue Book statistics show a typical weekday station boarding (inbound) at Reading station as of April, 2013 was 799 commuters. The average boarding count for the period 2007 – 2013 for Reading Station (inbound) was 834 with a high of 1010 in 2011 and a low of 444 in 2012. The 2009 ridership in Reading was higher than any other station on the Haverhill/Reading MBTA line. Lawrence had the second highest ridership at 722.

Bus Service: The MBTA operates two bus routes from Reading to the Malden Center Orange Line subway station. Bus 136 service begins at the Depot and travels east on Salem Street through Wakefield then continues south on Main Street with service in Melrose and eventually terminates at the Malden Center subway station. Bus 137 also departs from the Depot. This route travels south on North Avenue through Wakefield and continues south through Melrose on Main Street and terminates at the Malden Center subway station. The entire route from Reading to Malden takes approximately 40 minutes.

Electrical – Reading Municipal Light Department (RMLD): In 1891, the Massachusetts Legislature passed a law enabling cities and towns to operate their own gas and electric plants. Following several years of study and Special Town Meetings, Reading began producing electricity for 47 streetlights and 1,000 incandescent lamps on September 26, 1895. Special legislation was enacted on April 8, 1908 authorizing the Town of Reading to sell and distribute electricity to Lynnfield, North Reading and Wilmington. As a result, RMLD began delivering power to Lynnfield Center on December 10, 1909; to North Reading in 1910 and to Wilmington in 1912.

There have been decades of advancement and achievement since those early days of electricity, but some things have remained constant. After more than 110 years, RMLD is still committed to reliable service at competitive rates, but maintaining that commitment requires astute planning, innovative ideas and close attention to detail.

The Gaw substation on Causeway Road in Reading was constructed in 1969-1970 allowing RMLD to connect to the grid and purchase power from almost anywhere on the northeast power pool. In June 2000, construction was completed on a distribution substation connected to 115,000-volt transmission lines in North Reading in order to accommodate growth and enhance the entire system's efficiency and reliability. To ensure reliability, RMLD has an ongoing preventative maintenance program aimed at solving problems before they occur.

Today, RMLD serves more than 27,000 customers in its four-town service area. A professional staff of 80+ employees brings a broad scope of utility experience to RMLD's daily operation, including an up-to-date understanding of the evolving energy market. With its peak demand for electricity at more than 155 megawatts, RMLD purchases electricity from a number of different sources through long-and-short-term contracts. Recent technological advances at RMLD include a fiber optic cable network that links all substations for state-of-the-art system monitoring and control. Computer systems are also state-of-the-art, and now include a sophisticated website. Meter reading is modern and efficient, with an automatic system that uses radio transmitters for optimal accuracy and efficiency.

RMLD supports in-lieu-of-tax payments, community development and energy education programs. This includes energy conservation programs, school safety projects, school-to-work partnerships, outreach to senior groups, community support, and active memberships in local civic groups.

Infrastructure Capacity for Planned Production: Reading's overall infrastructure contains adequate capacity and capital facilities for existing build out and anticipated future development. The Town also periodically reviews and assesses its 10-year Capital Plan to insure that infrastructure will be maintained and sustained for projected growth. The Town expects to continue the policy and practice of requiring mitigation from developers, financial or otherwise, for the impacts of their proposed projects, including infrastructure improvements. Therefore, as needs are identified through staff level and consultant review of individual permitting applications, the Town expects to require - as conditions for approval - adequate improvements and upgrades to systems, resources and capacity to allow for development under this Housing Production Plan, while protecting and enhancing natural, cultural and historical assets consistent with the 2005 Master Plan.

Section 2: Affordable Housing Goals and Strategies

The housing goals and strategies included in this section are aimed primarily at creating more housing choice and affordable housing in Reading. The goals and strategies also support the Town's ability to achieve other interrelated community goals, including goals for economic development as well as protecting quality of life and community character.

Housing Goals

In reviewing the previous Reading Housing Plan of 2013, other Reading related documents, analyzing the current housing situation in Reading, and in discussing housing issues with town citizens and officials, the Town has identified six housing five-year goals that are the most appropriate and most realistic for the community. They are identified below.

Goal 1 – Create SHI-eligible housing units

Support the creation of affordable housing units, both rental and ownership units, that will count on the state's Subsidized Housing Inventory to reach the state's 10% affordable housing goal while also focusing on the specific housing needs of Reading residents.

Goal 2 – Support Reading's low-income residents

Support the housing needs of Reading's most vulnerable residents including families, seniors, and individuals with disabilities, especially households with extremely-low and very-low incomes.

Goal 3 – Preserve existing affordable housing

Preserve existing affordable housing to ensure the units remain affordable and qualify for listing on the subsidized housing inventory.

Goal 4 – Proactively manage growth

Manage growth and proactively plan to mitigate impacts of new housing and mixed-use development to preserve and enhance the quality of existing residential neighborhoods and commercial areas and to provide a greater diversity of housing options to support housing needs.

Goal 5 – Support affordable rental properties and tenants

Support owners of affordable rental units to ensure appropriate maintenance and upkeep and seek opportunities to increase affordable housing units within these properties.

Goal 6 – Strengthen education and local relationships

Educate the public on affordable housing issues and strengthen relationships with other local entities and regional partners on the topic.

Housing Strategies

This section includes descriptions of local regulatory strategies, local initiative strategies and an action plan, all of which are intended to assist the Town of Reading in meeting its affordable housing goals. The strategies are listed immediately below and discussed in more detail on the following pages.

Strategy 1: Encourage development in the Priority Development Areas

Strategy 2: Adopt an Inclusionary Zoning bylaw

Strategy 3: Explicitly Permit Congregate Housing

Strategy 4: Provide support for 40R, 40B and Local Permit applications

Strategy 5: Seek opportunities for locally-initiated development

Strategy 6: Strengthen the Affordable Housing Trust

Strategy 7: Explore Creation of a First-Time Homebuyer Program

Strategy 8: Identify potential homes for congregate housing

Strategy 9: Seek funding to create a local aging-in-place program

Strategy 10 Foster partnership initiatives with landlords

Strategy 11: Work in cooperation with community partners to promote enhanced public understanding of housing needs and promote creation of affordable housing

Strategy 12: Support the Metro North Regional Housing Services Office

Reaching 10%

The Housing Production Plan guidelines require that the HPP set an annual goal for housing production, pursuant to which there is an increase in the municipality's number of SHI Eligible Housing units by at least 0.50% of its total units during every calendar year included in the HPP, until the overall percentage exceeds the 10% Statutory Minimum.

There should be a direct link between the setting of these goals and the results of the needs assessment. The numerical goal should be based on the total year-round number of housing

units. The total year-round housing units is the total number of units for the community in the latest U.S. Census including any changes due to demolition or new construction.

The Table below projects the Town of Reading SHI. Note that the unit counts for projects on the first three lines are forecast. The denominator of Year-round housing units will be updated by the Census and then reported by DHCD in 2021/2022. These projections are not included in this update, but will be included in the 2023 update.

	FY18	FY19	FY20	FY21	FY22	FY23
Johnson Woods			7			
Eaton Lakeview 40B				120		
467 Main Street 40R			31			
SHI Units Created	896	0	38	120	0	0
Cumulative SHI Units	896	896	934	1054	1054	1054
Year Round Units (2010 Census)	9584	9584	9584	9584	9584	9584
SHI %	9.35%	9.35%	9.75%	11.00%	11.00%	11.00%
10% Requirement	958.40	958.40	958.40	958.40	958.40	958.40
+/- 10%	-62.4	-62.4	-24.4	95.6	95.6	95.6

Regulatory Strategies

Regulatory strategies refer to recommendations that entail amendments to local zoning bylaws or other local development regulations to help encourage development of more housing options including affordable housing.

Note: There is a new state funding source—MassHousing’s Planning for Housing Production Program⁸—that could help to support Reading’s efforts to implement the plan’s regulatory strategies. The Program provides municipalities with funding for additional technical capacity to implement recommendations of the housing production plan and deliver new mixed-income housing.

⁸ More information about MassHousing’s Housing Production Program:
www.masshousing.com/portal/server.pt/community/planning_programs/207/planning_for_housing_production

Strategy 1: Encourage mixed-use development in the Priority Development Areas by considering adoption of various regulatory tools.

Redevelopment in the PDAs could generate ~410 new housing units, capturing 43% of town-wide housing demand.

As part of the Reading Economic Development Action Plan 2016-2022 (EDA Plan), the town identified four regionally-significant Priority Development Areas (PDAs). As described in the EDA Plan, redevelopment in these PDAs will help meet projected regional demands for housing and commercial uses and strengthen existing places by improving the mix of development types in areas where development already exists. The PDAs are sited in areas defined as having major growth

potential and near existing transportation resources including public transit, bike, and trail facilities, thus contributing to the creation of more walkable communities.

The four PDAs are described below, as excerpted from the EDA Plan (page 6):

PDA #1 - Downtown Reading. PDA #1 is a nine-acre area consisting of 46 parcels – the Town’s 40R Smart Growth Overlay District was expanded to include a portion of this area (PDA #1A) in April 2017. PDA #1A is bounded by Haven Street, Main Street, Washington Street, and High Street and includes mixed use, commercial, and residential development. PDA #1B is adjacent to the Commuter Rail and is bounded by Lincoln and Prescott streets and includes commercial and residential development – this property is the location of an approved Comprehensive Permit.

PDA #2 – South Main Street. PDA #2 is a 26-acre area consisting of 82 parcels located south of the downtown on South Main Street. PDA #2A presently contains primarily low-density commercial development and underutilized parcels. PDA #2B consists primarily of low-density residential development. The Town is interested in facilitating more retail and mixed-use development and implement streetscape and road reconfigurations that will enhance safety and the street’s overall connectivity to downtown.



Reading Priority Development Areas
Source: EDA Plan

PDA #3 – New Crossing Road Redevelopment District and Ash Street Parcels. PDA #3 consists of the five-acre New Crossing Road Redevelopment District, which consists of four parcels and includes vacant lots, derelict buildings, sites with industrial uses, and adjacent parcels on Ash Street.

PDA #4, - 1 General Way. PDA #4 is one large 20-acre parcel with a mix of single-story commercial uses and ample parking. The Town is interested in facilitating a more vibrant mix of uses and structures of different densities in this area.

In accordance with the recommendations of the Reading Economic Development Action Plan 2016-2022, the Town recently expanded the Downtown Smart Growth District (DSGD) to PDA #1A and the rest of the underlying Business B zone in the downtown area to continue fostering mixed use development in the Commuter Rail station area. This zoning will facilitate mixed-use infill development, which will help meet Reading's Economic Development goals as well as regional demand and potential shortages of housing.

More specifically, this strategy recommends the following:

Adopt Sub-Districts with Design Guidelines for PDA #1

To ensure appropriate development and redevelopment of properties in the DSGD, the Town should adopt sub-districts with design guidelines tailored to enhance the character and further the Town's vision for each sub-district.

Consider zoning changes to promote more compact, mixed-use development

In accordance with the recommendations of the Reading Economic Development Action Plan 2016-2022, facilitate more compact, mixed-use development in PDAs #2 (or as a 40R, described above), #3, and #4. Amend underlying zoning (or through adoption of 40R) to facilitate higher density mixed use and in PDA #2—South Main Street—with a focus on increasing mixed-use redevelopment potential in PDA#2A, which has underutilized retail parcels that could be redeveloped to mixed use with commercial on the first floor and residential above. Rezoning for mixed use will generate more foot traffic downtown. Facilitate development in alignment with South Main Street Design Best Practices.

Adjust zoning requirements to facilitate mixed use in PDA #3 and #4. Work with property owners, developers and major tenants to pursue parcel consolidation to facilitate redevelopment.

Consider zoning changes to parking requirements to promote more compact, mixed-use development

In accordance with the recommendations of the Reading Economic Development Action Plan 2016-2022, evaluate parking requirements and consider zoning amendments to make parking requirements consistent with best practices.

Strategy 2: Adopt an Inclusionary Zoning bylaw

The purpose of inclusionary zoning bylaws (IZ) is to ensure that production of affordable housing units keeps pace with construction of new dwelling units. IZ mandates that developers provide affordable housing units in addition to market-rate housing. Section 9 of the Zoning Act authorizes communities to adopt bylaws that require a developer to provide a certain portion of affordable units (usually 10% to 25%) within an overall development. To help offset the cost of providing these units, the bylaw may offer an incentive, most commonly a density bonus. Other incentives include a waiver of zoning requirements or permit fees, fast-track permitting, local tax abatements, and subsidized infrastructure.⁹

Many variations of inclusionary zoning provisions have been adopted in Massachusetts communities with varying levels of success at producing affordable units. IZ provisions include:

- a unit threshold that triggers the affordable unit requirements
- minimum percentage of affordable units required
- maximum household income targets (e.g., at or below 80 percent of the area median income)
- eligibility for the state's Subsidized Housing Inventory
- density bonuses, if applicable

For example, density bonuses are sometimes offered to encourage deeper affordability of units (e.g., units affordable to extremely low-income households) or a higher percentage of affordable units.

The Town should consider allowing cash payments, off-site units, and donated buildable land as an alternative in lieu of construction of units. The cash payments and donated buildable land could be allocated to the Reading Affordable Housing Trust to create or preserve affordable housing.

It will be important to examine the most current information regarding best practices for Inclusionary Zoning provisions and to customize a Reading bylaw to ensure a successful outcome.

Strategy 3: Amend the Zoning Bylaw to explicitly permit congregate housing

Congregate housing is a shared living environment designed to integrate the housing and services needs of elders and disabled individuals. The goal of congregate housing is to increase self-sufficiency through the provision of supportive services in a residential setting. Some types of congregate housing are often in converted single-family homes; however, the Reading zoning bylaw restricts dwelling units to "families" or not more than four unrelated individuals, and this restriction may pose an issue in certain situations for congregate housing, which will often house up to 16 people.

⁹ Excerpted from the Housing Toolbox for Massachusetts Communities:
<https://www.housingtoolbox.org/zoning-and-land-use/adaptive-reuse>

In addition, congregate housing sometimes provides small kitchen facilities in each private unit in addition to the shared common facilities, which may constitute multi-family housing under the current bylaw's use regulations and thus be prohibited in certain residence districts (S-15, S-20, and S-40).

Reading's zoning bylaw does not appear explicitly permit congregate housing (a.k.a. group homes), which can be an important housing choice to accommodate later life stages for an older population and provide supportive housing for individuals with disabilities.

The Reading zoning bylaw provides the below definition for "family," which presents Fair Housing considerations. Policies that require relations by blood/marriage and/or have a limit of unrelated adults in a household may be considered discriminatory if they have an adverse impact on a protected class including people with disabilities. For example, limiting the number of unrelated persons in a dwelling can impact group home uses, foster families, or other alternative household composition.

Family: One or more persons living together in one dwelling unit as a single housekeeping unit; provided, however, that a group of more than four individuals who are not related by blood, marriage, or legal adoption shall not be deemed to constitute a family.

Dwelling, single family: A detached dwelling unit arranged, intended or designed to be occupied by only one family.

However, it is important to note that despite these limiting definitions and lack of zoning provisions for congregate housing or group homes, the Dover Amendment exempts educational uses from local zoning and programs and services that provide support, training, and skill building for persons with disabilities have been found to be educational in nature. Many congregate living and group home facilities provide such services to residents and would qualify as educational in nature. In addition, federal laws prohibit municipalities from discriminating against persons with disabilities through their land use and zoning policies.¹⁰

The zoning bylaw should be amended to ensure consistency with these laws and to explicitly permit congregate housing in all residential districts. This strategy would help to support the local initiative Strategy 8 to identify existing houses with potential for conversion to congregate housing.

Strategy 4: Provide necessary support for 40R, 40B/Comprehensive and Local Permit applications.

The Town has had multiple development proposals in recent years that can help to create a more diverse housing stock including affordable and mixed-income units. The Town should continue to provide technical and political support for appropriate projects that further the Town's housing and economic development goals. These projects could be developments in

¹⁰ Federal laws referenced here includes Section 504 of the Rehabilitation Act of 1973, the Fair Housing Amendments Act of 1988, and the American with Disabilities Act of 1990.

40R Smart Growth Districts, 40B Comprehensive Permit applications, or local permit applications.

Local Initiative Strategies

Local initiative strategies refer to recommendations that the town can undertake to foster the creation of more housing options, especially affordable housing. These initiatives are not regulatory in nature – they deal with allocation of town resources including staff time, funding, and property.

Strategy 5: Seek opportunities for locally-initiated development of affordable housing.

Continue to catalogue, prioritize and target tax-foreclosed, foreclosed, and surplus public properties with development potential

Tax-foreclosed, foreclosed, and underutilized surplus public properties can have negative impacts on neighborhoods and municipal finance. These properties can be developed or reused as affordable, mixed-income housing and/or mixed-use development and can present opportunities for neighborhood improvement.

The Town has been tracking such properties and should continue to do so to identify properties with development potential for town acquisition and/or or a cooperative effort with non-profit partners.

In addition, the Town should adopt a tax title disposition plan or policy that lays out a process for town officials, including the Treasurer, to work collaboratively to foster development/reuse for affordable housing of appropriate properties. Property acquired in tax title foreclosure can be disposed of under Chapter 60 by auction or under Chapter 30B when the tax title custodian transfers the property to another municipal agency (including an Affordable Housing Trust). Such a property disposition through Chapter 30B can specify that the property be developed within a time frame and for a specific purpose, including affordable housing.¹¹

Current Tax Title Inventory: As of October 2017, the town had three tax title properties with existing single-family houses that could have potential for conversion to affordable units (9 Swan Road, 179 Pearl Street, and Brook Street/Redfield Road).

Public Property: There are roughly 332 acres of state land including Camp Curtis Guild (25 River Road) with 291 acres (part of which is under consideration for use as a new DPW garage). The property will require further study to determine if there are environmental constraints or contamination. State land also includes a property at 9 Causeway Road (lot 31-9) with 4.7 acres. In addition, the Town declared an approximately 4.3-acre parcel on Oakland Road (near the High School) as surplus in April

¹¹ Source: CHAPA, *Back on the Roll in Massachusetts: A Report on Strategies to Return Tax Title Properties to Productive Use*, 2000.

2017. The Board of Selectmen will establish a fully public process to help determine the future disposition of the land; many options for development or use of this parcel are possible.

Explore partnership opportunities with the Reading Housing Authority to create and preserve public housing units

The Reading Housing Authority (RHA) was established in 1963 and has been developing and operating housing for low-income elderly/handicapped persons, families, and people with special needs throughout the Town of Reading. The Authority owns and manages public housing units for both families and seniors.

The RHA owns fourteen (14) or so units of housing that it leases to income eligible tenants. These units are currently unrestricted, despite efforts to work with the RHA to preserve units on the SHI. Some units have expired restrictions, and were recently lapsed from the SHI. In 2017, the Housing Authority hired a new director, which presents an opportunity for the Town to revisit collaborative efforts to restore the affordability of these units by regulating them as Local Action Units under the Local Initiative Program. The Town has identified locations of these fourteen units as follows: Summer/Main (6), Sanborn Schoolhouse (4), 13 Pierce (1), and Gazebo Circle (3).

The Housing Authority owns property on Waverly Road, which could have some potential for development of additional units. In addition to exploring the development potential of the Housing Authority's existing properties, the Town plans to work collaboratively with the Housing Authority to identify other properties for possible expansion of the public housing inventory—possibly through the development or redevelopment of tax-foreclosed, foreclosed, and/or surplus public properties, as described above.

Strategy 6: Strengthen the Affordable Housing Trust with Additional Sources of Revenue and Further Collaboration

The town adopted the Reading Affordable Housing Trust (AHTF) through a special act in 2001. In 2001 the Reading Town Meeting passed a warrant article which authorized the Selectmen to petition the Massachusetts General Court to establish an Affordable Housing Trust Fund for creation and preservation of affordable housing. The State legislature approved the special legislation. The Board of Selectmen act as the Trustees of the Trust.¹²

Partial List of Potential Funding Sources for Affordable Housing Trusts

- Inclusionary Zoning payments, including 40R incentive payments
- Payments in lieu of providing affordable units
- Voluntary developer payments
- Proceeds from sales of surplus municipal or tax-foreclosed properties
- Private donations
- Revenue from the lease of municipal land for cell towers
- Proceeds from resale of affordable units

¹² Mitchell, Robert P., FAICP, *Affordable Housing Trust Funds: A Report to the Town of Reading, MA. 2013.*

The AHTF is required to submit an allocation plan to Town Meeting annually indicating how Trust funds will be utilized in the coming year and accounting for how the prior year's funds were allocated. The AHTF requires a majority vote of the full combined membership of the Board of Selectmen and Housing Authority for all expenditures.

Secure additional funding for the AHTF

Adoption of an Inclusionary Zoning bylaw with provisions for cash payments in lieu of units can provide a source of revenue for the AHTF, in addition to other potential sources (see side bar above). The current balance of the AHTF is approximately \$263,000. The AHTF's past funding sources included the buy-out of an affordable unit at Sumner Cheney and the sale of surplus lands. No Town-generated funds have been allocated to the AHTF.

Collaboration with Community Partners

The AHTF funds can be leveraged by working in collaboration with community partners including non-profit housing organizations to create and preserve affordable housing. The AHTF funds could support a first-time homebuyer program (see below), locally-initiated developments, or other local initiative strategies.

Strategy 7: Explore Creation of a First-Time Homebuyer Program

AHTF funds can be used to support the programmatic and administration costs of homeownership assistance programs, which assist low- to moderate-income households to purchase a home. The programs can be designed in a variety of ways including the following three examples:

- 1) Down Payment Assistance: Down payment assistance programs provide financial support to assist with down payment and closing costs. This assistance is provided in the form of deferred payment loans with recapture provisions. However, this type of program does not create units that would count on the state's Subsidized Housing Inventory because the subsidy provided is modest and would not create a deed-restricted unit—therefore, Reading would benefit from considering alternative models, as described below.
- 2) Purchase/Rehab Model: In this model, the sponsoring entity, such as the AHTF or a non-profit organization, acquires property, rehabilitates it as necessary, and sells it to a qualified buyer for an affordable price with a deed restriction to secure ongoing affordability. It is important to determine an acceptable level of rehabilitation for the subject properties which stays within the program's budget and does not place unreasonable repair costs on the new homebuyer. These units may be eligible for inclusion on the state's Subsidized Housing Inventory.
- 3) Subsidy Model: In this model, the sponsoring entity, such as the AHTF or a non-profit organization, qualifies potential buyers, who then locate a market rate home to purchase with the help of a subsidy from the sponsoring entity which buys-down the cost of the mortgage to an affordable price. A permanent deed restriction is then executed for the property to secure ongoing affordability. It is critical to set program parameters, including

maximum subsidy per unit, maximum property acquisition cost, and minimum property condition/rehabilitation needs with quality standards, at the start of the process to ensure the sustainability of the program. These units may also be eligible for inclusion on the state's Subsidized Housing Inventory.

In all of these homeowner assistance models, the sponsoring entity must create a transparent, fair, and affirmative process to market the program and select qualified buyers to ensure compliance with federal Fair Housing laws and the Massachusetts Anti-Discrimination Act.

For the units to count on the state's Subsidized Housing Inventory, the program guidelines and marketing plan must meet with the requirements of the Department of Housing and Community Development (DHCD) under the state's Local Action Unit program. Units must have a permanent deed restriction, be affirmatively and fairly-marketed, and comply with DHCD's resident selection criteria.

Strategy 8: Identify existing houses with potential for conversion to congregate housing.

Congregate housing, a shared living environment designed to integrate the housing and services needs of elders and disabled individuals, is often created by converting larger single-family homes to house up to 16 residents with private bedrooms and shared common areas including kitchen, living, dining, and outdoor space. Congregate housing will often also have a resident manager with a small (accessory) apartment within the house or in an outbuilding on site. In addition, it is often beneficial for congregate housing to be in a walkable neighborhood that is close to community services, shops, and public transportation including bus and commuter rail.

The town, perhaps working through the AHTF and in conjunction with community partners, should inventory existing single-family properties to identify potential for conversion to congregate housing. AHTF funds could support acquisition and/or rehabilitation costs of community partners to facilitate such conversions.

Strategy 9: Seek funding to create a local aging-in-place program

To help low-income seniors afford to stay in their home as they age, it can be helpful to fund small repairs and safety improvements including handicap accessibility improvements. The town could fund such a program. There are many models. It will be important to design a model program that has limited administrative needs, due to limited staff capacity.

As an example, the town of Agawam applied for \$85,000 in federal Community Development Funds to create the Agawam Aging in Place Program (AIP Program).¹³ The AIP Program would provide grants up to \$5,000 per qualified senior household to complete non-structural modifications to increase the health and safety of the occupants. To be eligible, owner occupants must be 65 years of age or older, meet HUD income guidelines for low/moderate-income persons, and have home safety needs that fall under the purview of the program.

¹³ Although Agawam did not receive the award of federal funds in FY2018, the city is applying again for FY2019.

Funding per unit would vary from a few hundred dollars to the maximum \$5,000 to support improvements to the health and safety of participants' homes allowing seniors to remain living independently in their own homes. Specific improvements will include the installation of grab bars, door levers, slip resistant stair treads, dead-bolts, peep holes, smoke and/or carbon monoxide detectors, the cleaning of furnaces and chimneys or other similar work and activities.

Strategy 10: Foster partnership initiatives with landlords to upgrade existing apartment complexes and convert to affordable apartments.

Reading has a significant stock of rental units in older, mid-size to larger rental complexes of 20+ units. About 40 percent (777) of rental units are in buildings with 20+ units.¹⁴ Of these units, about 38 percent are in older buildings that were constructed prior to 1980.¹⁵

Community workshop participants supported upgrading older apartment complexes and converting more market-rate rental units to affordable units that would count on the SHI. The Town could work to foster and support private deals to upgrade and convert some of these complexes to affordable apartments.

The Town could target local funds (e.g., AHTF) to work with private partners to purchase, upgrade, and convert. The Town could release a Notice of Fund Availability (NOFA) or Request for Proposals (RFP), in accordance with MGL c.30B, to seek proposals from private developers or existing property owners to upgrade the complex and units in return for long-term affordability restrictions.

In addition, the Town/AHTF could work collaboratively with property owners and non-profit organizations to encourage use of the state's new Donation Tax Credit for property donations to non-profit organizations to convert existing buildings to affordable units. As part of the Act Relative to Job Creation and Workforce Development (H.4569), the state created the Donation Tax Credit that provides a credit against Massachusetts income tax liability for property owners who donate existing housing properties or other structures for the conversion of housing to qualified non-profits that commit to long-term affordability. The credit is worth 50 percent of the donated value, but may be increased to 65 percent by DHCD. Perhaps in Reading this tax credit could help to encourage conversion of market-rate apartment complexes to affordable units.

Strategy 11: Work in cooperation with community partners to promote enhanced public understanding of housing needs and creation of affordable housing opportunities

The Town, working with community partners, should expand community outreach and education efforts by initiating a public awareness campaign to build and maintain support for local affordable housing initiatives. Towards that end, the Metro North Regional Housing Services Office could help with this effort by clearly articulating the unmet local housing needs, perhaps through creation of infographics to include in brochures, posters, and online.

¹⁴ 2012-2016 ACS, B25032: *Tenure by Units in Structure*.

¹⁵ 2012-2016 ACS, B25127: *Tenure by Year Structure*.

In addition, the Town could solicit the assistance of other organizations to help with this effort, such as the Reading Clergy Associations or other groups invested in issues related to affordable housing.

As part of this effort, the Town and Metro North Regional Housing Services Office could consult a variety of publications exploring a variety of concerns and debunking myths related to multifamily housing development and density. For example, the Massachusetts Housing Toolbox may provide ideas to help gain support and address fears of new development, specifically around affordable housing initiatives, including strategies for community engagement and dispelling misperceptions: <https://www.housingtoolbox.org/>

There are multiple organizations working to create or preserve affordable housing and to provide needed services in Reading and the region such as Habitat for Humanity and Mystic Valley Elder Services. The Town has established strong dialogue with these organizations and should continue to have regular dialogue with non-profit entities to promote the creation of affordable housing opportunities, possibly in combination with fostering local initiative projects, as described earlier in this section.

Strategy 12: Continue to support the work of the Metro North Regional Housing Services Office

The Town of Reading is the host town for the Metro North Regional Housing Services Office (MNRHSO). The MNRHSO includes the towns of Reading, North Reading, Wilmington and Saugus. The MNRHSO provides affordable housing support and information to member communities and citizens looking to live in our region. Its primary task is monitoring the more than 2,500 units in the four member towns with the mission of expanding low- and moderate-income housing options and ensuring that owners of affordable properties are in compliance with their restrictions.

The MNRHSO maintains a website with useful information for current and future residents of the member towns including housing opportunities, refinancing instructions and current inventory presentations. <https://www.readingma.gov/regional-housing-services-office>

The Table below shows the relationship between the Goals and Strategies. Some strategies address multiple goals. All goals are addressed by at least one strategy.

	Goal 1: Create SHI Units	Goal 2: Support Residents	Goal 3: Preserve Units	Goal 4 Manage Growth	Goal 5: Rental Support	Goal 6: Education and Relationships
Strategy 1: Encourage mixed-use development in the Priority Development Areas by considering adoption of various regulatory tools	*			*		
Strategy 2: Adopt an Inclusionary Zoning bylaw	*			*		
Strategy 3: Amend the Zoning Bylaw to explicitly permit congregate housing	*	*				
Strategy 4: Provide necessary support for 40R, 40B/Comprehensive and Local Permit applications.	*					
Strategy 5: Seek opportunities for locally-initiated development of affordable housing	*			*		*
Strategy 6: Strengthen the Affordable Housing Trust with additional sources of revenue and further collaboration	*	*	*		*	*
Strategy 7: Explore creation of a First-Time Homebuyer Program	*					
Strategy 8: Identify existing houses with potential for conversion to congregate housing	*	*				*
Strategy 9: Seek funding to create a local aging-in-place program		*				
Strategy 10: Foster partnership initiatives with landlords to upgrade existing apartment complexes and convert to affordable apartments	*				*	*
Strategy 11: Work in cooperation with community partners to promote enhanced public understanding of housing needs and promote creation of affordable housing	*					*
Strategy 12: Continue to support the work of the Metro North Regional Housing Services Office						*

Action Plan

The Reading Public Services Department, specifically the Planning Division, having spearheaded this planning effort, will be the natural entity to oversee all aspects of its implementation and to provide regular updates on progress to the Board of Selectmen and Community Planning and Development Commission. The matrix below provides more specific assignment of responsible entity, supporting entity, and timeframe to implement the housing strategies.

Housing Strategies	FY2018	FY2019	FY2020	FY2021	FY2022	Responsible Entity	Supporting Entities
Strategy 1: Encourage mixed-use development in the Priority Development Areas by considering adoption of various regulatory tools						CPDC Town Meeting	Planning Division
Strategy 2: Adopt an Inclusionary Zoning bylaw						CPDC Town Meeting	Planning Division
Strategy 3: Amend the Zoning Bylaw to explicitly permit congregate housing						CPDC Town Meeting	Planning Division
Strategy 4: Provide necessary support for 40R, 40B/Comprehensive and Local Permit applications.						Planning Division	Boards, Committees & Commissions
Strategy 5: Seek opportunities for locally-initiated development of affordable housing						BOS RHA	Planning Division
Strategy 6: Strengthen the Affordable Housing Trust Fund with additional sources of revenue and further collaboration						BOS Town Meeting Town Manager	RHA
Strategy 7: Explore creation of a First-Time Homebuyer Program						Planning Division	Local banks
Strategy 8: Identify existing houses with potential for conversion to congregate housing						Planning Division	State
Strategy 9: Seek funding to create a local aging-in-place program						Planning Division Human Elder Services Division	BOS Council on Aging
Strategy 10: Foster partnership initiatives with landlords to upgrade existing apartment complexes and convert to affordable apartments						Planning Division Town Manager	State
Strategy 11: Work in cooperation with community partners to promote enhanced public understanding of housing needs and promote creation of affordable housing						Planning Division	Community Partners
Strategy 12: Continue to support the work of the Metro North Regional Housing Services Office						Planning Division Town Manager	Town Meeting BOS

AHT = Affordable Housing Trust
 CPDC = Community Planning
 and Development Commission
 BOS = Board of Selectmen

Appendices

Housing Profile

Summary of Housing Needs & Demand

POPULATION & HOUSEHOLDS (Census)

- As of the 2010 US Census, the population of Reading is 24,747, an increase of 4.4% since 2000.
- In 2010, the largest age group of Reading's population was 35-54 year olds (35% of total population).
- Between 2000-2010, population change by age groups was:
 - 0-9 years old decreased by 4.8%
 - 10-19 years old increased by 6.6%
 - 20-24 years old increased by 26.9%
 - 25-34 years old decreased by 8.9%
 - 35-59 years old increased by 3.8%
 - 60-74 increased by 17.1%
 - 75+ increased by 12.6%
- As of the 2010 Census, 35.9% of Reading's 9,305 households (a household consists of all those occupying one housing unit), have children under 18 years old, and 26.3% have persons age 65+.
- The median age increased from 39.1 years old in 2000 to 41.6 years old in 2010.
- Racial make-up is predominantly white, with 93.5% of the population; 4.2% of the population is Asian; 1.5% of the population is Hispanic or Latino.
- 9% of Reading's total population and 37.2% of Reading's 65+ population reports having one or more disabilities.

HOUSEHOLD INCOME & COST OF HOUSING

- In 2015, Reading's median household income was \$107,654; a 39.7% increase from 1999, and significantly more than the Boston-Cambridge-Quincy Metro Area (\$98,500) or the state as a whole (\$68,563). (ACS)
- An estimated 26.3% of Reading households have incomes at or below 80% of AMI. (CHAS)
- 2.8% of Reading's population is below the poverty line (annual income below \$24,600 for a household of 4), much lower than Middlesex County (8.4%) and Massachusetts (11.6%). (ACS)
- The 2016 median price of single family homes in Reading was \$525,000. The 2016 median price of all homes, including condos, was \$479,600. After a dip in prices during the national recession in the mid-2000's, housing prices have been rising steadily since 2012 and are now the highest they have ever been. (Warren Group)
- Of the 7,405 of Reading households who own their homes, 29.4% are cost-burdened (spending over 30% of their income on housing), while 33.1% of Reading's renters cost-burdened. 71% of Reading's low-income households are cost-burdened. (CHAS)
- A recent survey of available rentals on Trulia.com shows a median rent in Reading of \$2,100. The Census reports a median gross rent in Reading of \$1,282.

HOUSING SUPPLY (Census & ACS)

- The 2011-2015 ACS reports that of Reading's 9,168 occupied housing units, 78.2% are owner occupied and 21.8% renter occupied.
- The number of owner-occupied units increased by 83 while the number of rental units increased by 534 between 2000 and 2010.
- The Town's housing stock remains primarily single-family at 74.8% of total housing units. 7.5% of units are in two to four family buildings, 7% of units in 5-19 unit buildings, and 10.6% of units in multi-family buildings with 20 or more units.

AFFORDABILITY (DHCD Sales Price Calculator, Trulia.com, CHAS)

- 8.78% (841 units) of Reading's total housing stock is counted as affordable on the State's Subsidized Housing Inventory (SHI), which falls short of the State's minimum affordability goal of 10%.
- A low-income 3-person household earning 80% of the Area Median Income (AMI) could roughly afford a home that costs \$262,000 or a monthly rent of \$1,760. There are 780 Reading households (8.4%) who earn 80%-100% AMI and Trulia.com (as of September 2017) shows that there are 2 homes (both small condos) for sale in Reading under \$300,000. There are 3 rental units at this rent.
- Reading's 2016 median sale price of \$525,000 requires an annual income of approximately \$140,918, over \$33,000 higher than Reading's median household income of \$107,654.
- Based on the median sale price, Reading's ownership affordability gap is \$125,000 for median income households, and \$263,000 for low income households. Based on current median rents, Reading rentals are out of reach for low-income households. In addition, there are not very many rentals available.

AFFORDABLE HOUSING STOCK (DHCD SHI & CHAS)

- There are 841 units listed on the SHI, 91 ownership and 750 rental units.
- Most (87) of the affordable ownership units were built through the Local Initiative Program (LIP) – 34 units, or through Chapter 40R permits as part of smart growth zoning districts – 53 units.
- Of the 750 rental units on the SHI, 325 are family units, 268 are age-restricted, 71 are supportive housing units for people with disabilities, and 86 are assisted living units.
- Only 109 of the family rental units are affordable to households earning 80% or less of the AMI; the rest are market-rate units.
- Approximately 2,445 households (26.3% of total households) are eligible for affordable housing, but there are only 570 housing units in Reading restricted for households at or below 80% of AMI.

The Bottom Line: Reading has grown since 2000, with increases in population, the number of households, and housing units. In particular, the growth of the 65+ population and is projected to continue. Reading's median income has risen significantly, but nearly 1/4 of the population is low-income, and 30% of households are housing cost-burdened. Much of Reading's housing stock is out of reach for lower income households. There is a need for more affordable housing,

Reading, MA Housing Profile

Income Limits (2017)

Published annually by Housing and Urban Development (HUD)

	2017							
# Persons, AMI%	1	2	3	4	5	6	7	8
30% Published	\$20,650	\$23,600	\$26,550	\$29,450	\$31,850	\$34,200	\$36,730	\$40,890
Very Low Income (50%)	\$36,200	\$41,400	\$46,550	\$51,700	\$55,850	\$60,000	\$64,150	\$68,250
Low Income (80%)	\$54,750	\$62,550	\$70,350	\$78,150	\$84,450	\$90,700	\$96,950	\$103,200
100% AMI	\$72,400	\$82,800	\$93,100	\$103,400	\$111,700	\$120,000	\$128,300	\$136,500

Sources:

2010 Federal Census (Census)

2011-2015 American Community Survey (ACS)

2010-2014 Comprehensive Housing Affordability Strategy (CHAS) Data

The Warren Group

Metropolitan Area Planning Council (MAPC) Demographic Profiles

Trulia, trulia.com

Key to Abbreviations:

AMI: Area Median Income set by the Federal Department of Housing and Urban Development

DHCD: MA Department of Housing and Community Development

SHI: MA Subsidized Housing Inventory

Interagency Policy

INTERAGENCY AGREEMENT

Regarding Housing Opportunities for Families with Children

This Interagency Agreement (this "Agreement") is entered into as of the 17th day of January, 2014 by and between the Commonwealth of Massachusetts, acting by and through its Department of Housing and Community Development ("DHCD"), the Massachusetts Housing Partnership Fund Board ("MHP"), the Massachusetts Housing Finance Agency (in its own right and in its capacity as Project Administrator designated by DHCD under the Guidelines for Housing Programs in Which Funding is Provided By Other Than a State Agency, "MassHousing"), the Massachusetts Development Finance Agency ("MassDevelopment") and the Community Economic Development Assistance Corporation ("CEDAC"). DHCD, MHP, MassHousing, MassDevelopment and CEDAC are each referred to herein as a "State Housing Agency" and collectively as the "State Housing Agencies".

Background

A. DHCD's 2013 Analysis of Impediments to Fair Housing Choice ("AI") includes action steps to improve housing opportunities for families, including families with children, the latter being a protected class pursuant to fair housing laws, including the federal Fair Housing Act, as amended (42 U.S.C. §§ 3601 *et seq.*) and Massachusetts General Laws Chapter 151B. In order to respond to development patterns in the Commonwealth that disparately impact and limit housing options for families with children, such steps include requiring a diversity of bedroom sizes in Affordable Production Developments that are not age-restricted and that are funded, assisted or approved by the State Housing Agencies to ensure that families with children are adequately served.

B. The State Housing Agencies have agreed to conduct their activities in accordance with the action steps set forth in the AI.

C. This Agreement sets forth certain agreements and commitments among the State Housing Agencies with respect to this effort.

Definitions

1) "Affordable" - For the purposes of this Agreement, the term "Affordable" shall mean that the development will have units that meet the eligibility requirements for inclusion on the Subsidized Housing Inventory ("SHI").

2) "Production Development" - For purposes of this Agreement "Production Development" is defined as new construction or adaptive reuse of a non-residential building and shall include rehabilitation projects if the property has been vacant for two (2) or more years or if the property has been condemned or made uninhabitable by fire or other casualty.



Agreements

NOW, THEREFORE, DHCD, MHP, MassHousing, MassDevelopment and CEDAC agree as follows:

Bedroom Mix Policy

1) Consistent with the AI, it is the intention of the State Housing Agencies that at least ten percent (10%) of the units in Affordable Production Developments funded, assisted or approved by a State Housing Agency shall have three (3) or more bedrooms except as provided herein. To the extent practicable, the three bedroom or larger units shall be distributed proportionately among affordable and market rate units.

2) The Bedroom Mix Policy shall be applied by the State Housing Agency that imposes the affordability restriction that complies with the requirements of the SHI.

3) The Bedroom Mix Policy shall not apply to Affordable Production Developments for age-restricted housing, assisted living, supportive housing for individuals, single room occupancy or other developments in which the policy is not appropriate for the intended residents. In addition, the Bedroom Mix Policy shall not apply to a Production Development where such units:

- (i) are in a location where there is insufficient market demand for such units , as determined in the reasonable discretion of the applicable State Housing Agency; or
- (ii) will render a development infeasible, as determined in the reasonable discretion of the applicable State Housing Agency.

4) Additionally, a State Housing Agency shall have the discretion to waive this policy (a) for small projects that have less than ten (10) units and (b) in limited instances when, in the applicable State Housing Agency's judgment, specific factors applicable to a project and considered in view of the regional need for family housing, make a waiver reasonable.

5) The Bedroom Mix Policy shall be applicable to all Production Developments provided a Subsidy as defined under 760 CMR 56.02 or otherwise subsidized, financed and/or overseen by a State Housing Agency under the M.G.L. Chapter 40B comprehensive permit rules for which a Chapter 40B Project Eligibility letter is issued on or after March 1, 2014. The policy shall be applicable to all other Affordable Production Developments funded, assisted, or approved by a State Housing Agency on or after May 1, 2014.

