HOUSING PRODUCTION PLAN

TOWN OF WAKEFIELD, MA

2015 - 2020

Submitted by:

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Wakefield Planning Board
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I. EXECUTIVE SUMMARY

A. Introduction

Historically Wakefield is a community that has attracted first-time homebuyers and young families and remains a desirable place to live, work, and raise children. However, housing prices remain high and are climbing despite the recent financial crisis and many residents, particularly those with lower incomes, are hard-pressed to find or remain in their homes. Children who grew up in the town face the possibility that they may not be able to return to raise their own families locally. Long-term residents, especially the elderly, may find they are less able to maintain their homes but are unable to find alternative housing that responds to their current lifestyles and resources. Families may also discover that it is difficult to "buy up," purchasing larger homes as their families grow. Municipal employees and other local workers can also find it challenging to find housing that is affordable within the community. More housing options are required to meet the needs of these populations and maintain Wakefield's vital social and economic diversity.

Based on the Massachusetts Department of Housing and Community Development's most recent data on affordable housing in Wakefield, the town has 629 units that are included on the Subsidized Housing Inventory (SHI) per Chapter 40B comprehensive permit requirements, representing 6.01% of the year-round housing stock. Another 209 units should be added to the SHI through a number of Chapter 40B developments and the Town's affordability bylaw, bringing the total number of affordable units to 838 and the percentage of affordable units to 8.0%. The town needs 1,047 of the existing units to be "affordable" to meet the 10% standard under Chapter 40B,[1] representing a current gap of 209 affordable housing.[2] Because the 10% state affordability threshold is recomputed every decade as new census figures are released, it is a moving target.

Reaching the 10% affordability goal will still be a significant challenge in Wakefield. First, because the town is an older established suburb of Boston, it is largely built-up with limited land available for new development. Second, local zoning provides obstacles to affordable housing development, and current regulations would have to be reformed or in some cases overridden through "friendly" comprehensive permits. Third, the Town needs to build its capacity to create new units by aggressively reaching out for necessary technical and financial resources as well as political support to get the job done. Despite these obstacles, the community must continue to strategically plan for more affordable and accessible

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

[2] It should be noted that under Chapter 40B requirements, all units are counted in the SHI for rental projects while only the required 25% affordable units in ownership developments are eligible for inclusion in the SHI.

residential development in appropriate locations to meet the range of local needs in response to current and projected demographic and economic conditions and more limited development opportunities.

B. Summary of Housing Needs Assessment

The Housing Needs Assessment presents an overview of the current housing situation in the town of Wakefield, providing a context within which a responsive set of strategies can be developed to address identified housing needs.

Table I-1: Summary of Demographic and Economic Characteristics for Wakefield, Middlesex County and Massachusetts, 2010

Demographic Characteristics	Wakefield	Middlesex Cty	Massachusetts
Total population	24,932	1,503,085	6,547,629
Population growth 2000 to 2010	0.5%	2.6%	3.1%
Population density (per sq. mile)	3,338	1,825	835
% Minority residents	5.5%	20.0%	19.6%
% less than 18 years	21.5%	21.3%	21.7%
% 18 to 24 years	6.4%	7.5%	4.6%
% 25 to 34 years	12.3%	14.6%	18.6%
% 35 to 44 years	14.7%	14.2%	13.6%
% 45 to 54 years	16.9%	17.5%	15.5%
% 55 to 64 years	13.5%	11.8%	12.3%
% 65 years or more	14.7%	13.1%	13.8%
Median age	41.9 years	38.5 years	39.1 years
% Family households	65.5%	63.1%	63.0%
% Single-person households	28.1%	27.8%	28.7%
Average household size	2.47 persons	2.49 persons	2.48 persons
Median household income*	$81,271	$76,978	$62,859
% Individuals in poverty*	3.8%	8.2%	11.6%
% Earning less than $25,000/ $35,000 *	14.5%/19.5%	16.6%/23.5%	21.5%/29.7%
% Earning more than $100,000 *	40.6%	38.3%	30.2%

Sources: Data for the above table is derived, for the most part, from 2010 census figures (full counts, not estimates). Asterisks (*) note estimates from the U.S. Census Bureau's American Community Survey (ACS), 2009-2011 for Wakefield and 2011 for county and state data.

Table I-1 summarizes major demographic and economic characteristics in Wakefield in comparison to Middlesex County and the state, showing major trends and some notable differences and similarities from other communities in the region and the state. *In essence, major findings indicate that Wakefield, with little growth, has a somewhat higher level of families and older residents who are on average a bit more affluent in comparison to the county or state.* These findings are summarized below.

- Wakefield's 2010 population of 24,932 was actually about the same as its population in 1960, with *very little growth over the past few decades*.
- As Wakefield is an older suburb approaching buildout, it has a *considerably higher population density* than the county and state.
- The number and percentage of *minority residents have increased* but remains substantially lower than county and state levels.

- Wakefield on a whole has proportionately *more older residents*. The aging of the population is reflected in a higher median age of 41.9 years.
- Wakefield has *more families* although the average household size, while still higher than the county and state, has decreased somewhat over the past several decades.
- Wakefield is experiencing *greater income disparities* among its residents with significant increases in both the median household income (to $81,271) and poverty. While poverty levels are lower than the county and state, this increase is disturbing given the general affluence of the community.
- There were also significant discrepancies between the median incomes of owners and renters, at $98,342 and $36,230, respectively. *What is particularly notable is that the median income of renters decreased over the past decade, from $42,367 in 1999!*
- Almost *one-fifth of all households were earning less than $35,000* while about 40% were earning more than $100,000. This level of affluence is somewhat higher than the county as a whole and significantly higher than the state.
- A total of *2,030 residents claimed some type of disability, representing about 8.0% of Wakefield's population.* In regard to those 65 years of age or older, 984 or 25.7% claimed a disability, representing significant special needs in the Wakefield community including the integration of more handicapped accessibility and supportive services in housing as well as "common streets" that are more pedestrian-friendly with improved bus services.

Table I-2: Summary of Housing Characteristics for Wakefield, Middlesex County and Massachusetts, 2010

Housing Characteristics	Wakefield	Middlesex Cty	Massachusetts
Total units	10,500	612,004	2,808,254
Housing growth 2000 to 2010	5.7%	6.1%	7.1%
Housing density 2010 (units per square mile)	1,406	743	358
% Occupied housing units	95.2%	94.9%	90.7%
% Owner-occupied units	73.3%	62.2%	62.3%
% Renter-occupied units	26.7%	37.8%	37.7%
% Single-family, detached structures*	62.6%	47.9%	51.9%
% Units in structures of 3 or more units*	21.4%	32.2%	32.4%
Median # of rooms/dwelling	6.3 rooms	5.7 rooms	5.5 rooms
Median single-family sales price (Banker & Tradesman) as of May 2013/May 2014	$375,000/$425,000	$397,625/$418,000	$300,000/$319,000
Median gross rent*	$1,049	$1,248	$1,034

Sources: Data for the above table is derived, for the most part, from 2010 census figures (full counts instead of estimates). Asterisks (*) note estimates from the U.S. Census Bureau's American Community Survey (ACS), 2009-2011 for Wakefield and 2011 for the county and state.

Information on housing characteristics is summarized in Table I-2 with the following key findings:

- *Housing growth was higher than population growth* between 2000 and 2010 at 5.7% and only 0.5%, respectively, reflective of increasing numbers of smaller households.
- As an older suburb, Wakefield has *a higher level of housing density*.
- Wakefield has a considerably *higher level of owner-occupancy* than the county and state.

- Wakefield has *less housing diversity* with a higher proportion of single-family detached homes and correspondingly lower amount of multi-family housing.
- Wakefield's *housing units are larger* on the whole than those of the county and state.
- *The median value of single-family homes was higher than the county's and the state* with a median house price of $425,000 as of May 2014, up from $375,000 in May 2013. These prices required an income of about $85,000 and $79,000, respectively, (based on 80% financing) and between $80,000 and $90,000 in up-front cash for the down payment and closing costs.[3]
- *The median rent was lower than the county's* at $1,049, requiring and income of about $48,000 plus sizable up-front cash requirements.[4]
- *The gap between income and house value was only $40,014 in 1980 but increased to $294,229 by 2011*.
- *Housing growth was lower* than county and state levels between 2000 and 2010.

C. Summary of Priority Housing Needs

This Housing Production Plan suggests that the Town continue to focus on the production of subsidized rental housing to house the community's most vulnerable populations with a split of about 80% of year-round rentals to 20% affordable homeownership units. This recommendation is reflective of the fact that almost all state and federal funding is for rental unit development in addition to increasing levels of poverty, extensive wait times for subsidized rentals, and high cost burdens of existing renters.

D. Summary of Housing Production Goals

The state administers the Housing Production Program that enables cities and towns to adopt an affordable housing plan that demonstrates the production of .50% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.[5] The state's subsidizing agencies have also entered into an Interagency Agreement that provides more guidance to localities concerning housing opportunities for families with children and are now requiring that at least 10% of the units in affordable production developments that are funded, assisted or approved by a state housing agency have three or more bedrooms with some exceptions (e.g., age-restricted housing, assisted living, supportive housing for individuals, SRO's. etc.).

If the state certifies that the locality has complied with its annual production goals, the Town may be able, through its Zoning Board of Appeals, to deny comprehensive permit applications for one year (with 52 units produced) or even two years (with 105 units produced) without the developer's ability to appeal the decision to the state's Housing Appeals Committee (HAC).[6]

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[3] Figures based on 80% financing, interest of 4.5%, 30-year term, annual property residential tax rate of $12.29 per thousand, and insurance costs of $1.25 per $1,000 of combined valuation of dwelling value (value x 0.5), personal property ($100,000 fixed), and personal liability ($100,000 fixed). Given 80% financing, private mortgage insurance (PMI) was not included in calculations.

[4] Includes a utility allowance of $150 per month and the household spending no more than 30% of their income on housing costs.

[5] The state has issued changes to Chapter 40B that included modifications to the Planned Production requirements. For example, the annual production goals are instead based on one-half of one percent of total housing units and plans are now referred to as Housing Production Plans (HPP).

[6] If a community has achieved certification within 15 days of the opening of the local hearing for the comprehensive permit, the ZBA shall provide written notice to the applicant, with a copy to DHCD, that it considers that a denial of the permit or the imposition of conditions or requirements would be consistent with local needs, the grounds that it

E. Summary of Housing Strategies

Table I-3 provides a list of the proposed housing strategies that are included in this Housing Production Plan that will become the building blocks for moving forward on a proactive housing agenda in Wakefield in response to housing goals, housing needs and current or potential housing resources.

Table I-3: Summary of Housing Strategies

Strategies	Timeframe for Implementation		Projected # Affordable Units
	Years 1-2	**Years 3-5**	
A. Build Local Capacity			
1. Establish and capitalize the Housing Trust Fund	X		*
2. Conduct ongoing community outreach and education	X		*
3. Access new resources	X		*
4. Establish a working relationship among the Housing Trust, Planning Board and ZBA			*
5. Develop a program to inform and monitor affordability	X		*
6. Prepare an inventory of properties potentially suitable for affordable housing	X		*
B. Zoning Strategies			
1. Pursue 40R/40S Smart Growth Zoning	X		*
2. Modify existing zoning bylaw *Inclusionary zoning, Small lot development Preservation of Historic Buildings thru detached structure development, Mixed-use zoning, Attached Dwelling Overlay Dist.*		X	*
3. Reduce parking requirements under specific circumstances		X	*
C. Housing Production Strategies			
1. Promote mixed-use and transit-oriented development	X		52
2. Make publicly-owned property available for affordable housing	X		70
3. Support "friendly 40B" development		X	48
4. Support infill housing development and improvements		X	31
TOTAL			201

* Indicates actions that are unlikely to directly produce new affordable units by themselves but are key to creating the regulations and capacity that will contribute to actual unit creation.

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

II. INTRODUCTION

This Housing Production Plan provides an opportunity to analyze updated demographic, economic and housing information to obtain a better understanding of the current housing market dynamic and local needs. It also enables the Town to revisit what has been accomplished since its previous housing planning efforts that included the Housing Component of its Master Plan that was completed by Abacus Architects + Planners and Bonnie Heudorfer in 2003. Moreover, this current planning effort enables the Town to revise its housing agenda based on current conditions, resources and evolving community needs.

A. Housing Goals

The following housing goals provide the building blocks on which specific housing strategies will be recommended:

- *Meet local housing needs along the full range of incomes, promoting social and economic diversity and the stability of individuals and families living in Wakefield***.** Diversity in a community has been found to contribute to local health and vitality. Certainly the preservation and production of affordable housing is a proven method for promoting diversity, allowing those individuals and families with more limited means to afford to live in town. Solutions need to be found to enable children who grew up in town to return to raise their own families here, to offer town employees the opportunity to live in the community in which they work, to provide housing alternatives to elderly residents who have spent much of their lives in town but now require alternatives to their large single-family homes, and to offer families the flexibility of trading up to larger homes as their families grow.

- *Leverage other public and private resources to the greatest extent possible***.** Because Wakefield is a small town that does not receive federal funding for affordable housing on an entitlement basis[7] and because it does not have large pockets of poverty that make it a target for state or federal funding, the Town needs to be creative in how it can leverage both public and private resources to make affordable housing development possible. State agencies recognize the importance of suburban localities doing their fair share in housing lower income households and want to be supportive of affordable housing initiatives. Nevertheless, the Town needs to be strategic in how it invests its limited resources towards the production of new housing opportunities.

- *Insure that new housing creation is harmonious with the existing community***.** New affordable housing development should be an amenity that blends well within the architectural context of Wakefield. Therefore, developments should incorporate a number of characteristics – cover a wide range of income needs, include low to medium densities, eliminate huge impacts in any one part of the community, be well designed to make maximum use of any natural attributes of development sites, and comply with the architectural character of the community.

[7] Cities with populations of more than 50,000 receive federal funds, such as the Community Development Block Grant (CDBG) and HOME Program funding, directly from the federal government on a formula basis and are referred to as entitlement communities.

- *Strive to meet the 10% state standard for affordable housing***.** There is currently a 418-unit gap between the state's affordable housing standard (10% of the year-round housing stock that has been subsidized by the federal or state government to benefit those earning up to 80% of median income) and the affordable stock currently in place in Wakefield, currently 629 units. This gap will soon be reduced to 209 with the inclusion of 118 affordable units from the Legacy Park 40B development and the rental developments at 14 Audubon Road (33 affordable rentals), 415 Lowell Street (30 affordable rentals), and River Crossing (28 rentals).

- *To provide a wide range of housing alternatives to meet diverse housing needs.* This Housing Production Plan, through its Housing Needs Assessment, identifies a wide range of housing needs based on limited opportunities for first-time homeownership, special needs housing, rental units for families, and more options for households interested in downsizing but remaining in the community. To accommodate this range of needs, the Town should stimulate the production of a variety of housing types, focusing on those who are priced out of the private housing market.

- *Promote smart growth development.* Smart growth development is a response to the problems associated with unplanned, unlimited suburban development – or sprawl. Smart growth principles call for more efficient land use, compact development patterns, less dependence on the automobile, a range of diverse housing opportunities and choices, equitable allocation of the costs and benefits of development, and an improved jobs/housing balance. Examples of smart growth development and planning that incorporate affordable housing include:

    - Providing mixed-use development near the town and village centers;
    - Locating housing in close proximity to public transportation;
    - Allowing higher density housing or mixed-use development near transit stops, along commercial corridors or in town and village centers;
    - Redeveloping environmentally impacted or brownfield sites;
    - Restoring vacant and abandoned residential buildings to productive use;
    - Converting vacant or underutilized former manufacturing, commercial or municipal buildings to housing;
    - Encouraging the development of housing and preservation of open space so that the goals of each will be mutually satisfied using techniques such as cluster zoning, transfer of development rights, or other innovative zoning or regulatory devices;
    - Promoting the redevelopment of vacant infill parcels; and
    - Participating in regional responses to addressing affordable housing needs.

  Wakefield is in an excellent position to promote development in keeping with smart growth principals particularly in regard to transit-oriented development in proximity to three (3) MBTA stations as well as mixed-use redevelopment opportunities in the downtown and several village areas.

- *Preserve the existing affordable housing stock including its diversity of prices, building types, and lot sizes.* Besides the 629 units that are included in Wakefield's state approved Subsidized Housing Inventory, and despite relatively high housing prices, there are still rental and homeownership units included in the town's private housing market that would be considered affordable as the occupants have incomes of not more than 80% of area median income and they are not paying more than 30% of their incomes on housing expenses. There are also housing units where occupants have incomes of not more than 80% of the area median but they are paying too much for housing – beyond the 30% of income standard – and are facing difficulties in remaining in their homes. Many of these households are elderly on fixed incomes who have difficulty affording property taxes, insurance, medical bills, utility expenses, etc. and are likely to have deferred maintenance problems. The Town of Wakefield should consider how it could support these households in remaining independent in their homes and making necessary home improvements. The Town also needs to insure that the units that are counted in the Subsidized Housing Inventory remain affordable for as long a period of time as possible.

B. Definition of Affordable Housing

There are a number of definitions of affordable housing as federal and state programs offer various criteria. For example, HUD generally identifies units as affordable if gross rent (including costs of utilities borne by the tenant) is no more than 30% of a household's net adjusted income (with a small deduction for each dependent, for child care, for extraordinary medical expenses, etc.) or if the carrying costs of purchasing a home (mortgage, homeowners association fees, property taxes and insurance) is not more than typically 30% of net adjusted income. If households are paying more than these amounts, they are described as experiencing housing affordability problems; and if they are paying 50% or more for housing, they have severe housing affordability problems and cost burdens.

Table II-1: 2014 HUD Area Income Limits for the Boston Area

# Persons in Household	30% AMI*	50% AMI	60% AMI	80% AMI	100% AMI**
1	$19,800	$32,950	$39,540	$47,450	$65,900
2	22,600	37,650	45,180	54,200	75,300
3	25,450	42,350	50,820	61,000	84,700
4	28,250	47,050	56,460	67,750	94,100
5	30,550	50,850	61,020	73,200	101,700
6	32,800	54,600	65,520	78,600	109,200
7	35,050	58,350	70,020	84,050	116,700
8+	37,300	62,150	74,580	89,450	124,300

*AMI = Area Median Income for Boston-Cambridge-Quincy Area within which Wakefield is included.
** Extrapolated by doubling the 50% AMI level.

Affordable housing can also defined according to percentages of median income for the area as summarized in Table II-1. Housing subsidy programs are typically targeted to particular income ranges depending upon programmatic goals. Extremely low-income housing is directed to households with incomes at or below 30% of area median income as defined by the U.S. Department of Housing and Urban Development ($25,450 for a family of three for the Boston area) and very low-income is defined as households with income between 31% and 50% of area median income ($42,350 for a family of three). Sixty percent (60%) of area median income is used for the limit of a number of rental subsidy programs including the Low Income Housing Tax Credit Program and HOME Rental Program ($50,820 for a three person household). Low- and moderate-income generally refers to the range between 51% and 80% of area median income ($67,750 for a family of three). First-time homebuyer programs typically apply income limits of up to 80% of area median income. It is worth noting that according to 2011 census estimates, approximately 3,529 households or about one-third of all Wakefield's households would likely be income-eligible for affordable housing using the 80% of area median income criterion.[8]

[8] This is based on income estimates alone and do not take financial assets into consideration.

III. HOUSING NEEDS ASSESSMENT[9]

This Housing Needs Assessment presents an overview of the past and current housing dynamic in the town of Wakefield, providing the context within which a responsive set of strategies can be developed to address housing needs.

A. Demographic and Economic Profile

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

- What have been the growth trends in Wakefield, particularly since 2000?
- What are the variations in household size and types of households that suggest unmet or greater housing needs?
- What are the ramifications of increases and decreases of various age groups in regard to housing needs?
- What changes in income levels have occurred that might relate to housing affordability?
- What proportion of the population is disabled or has other special needs that suggest the need for supportive services or home modifications?

1. Population Growth – Little or no net growth since 1960

Wakefield's population growth occurred largely during the two decades following World War II and has remained relatively flat since then as summarized in Table III-1 and Figure III-1. The population actually decreased somewhat during the economic recession of the late 1980's and early 1990's. Since 2010, Town records indicate a loss of 1,085 residents as of June 17, 2013, although there are often discrepancies between Town and U.S. census data and such a decline may undercount actual population totals.

Table III-1: Population Growth: 1930 to June 2013

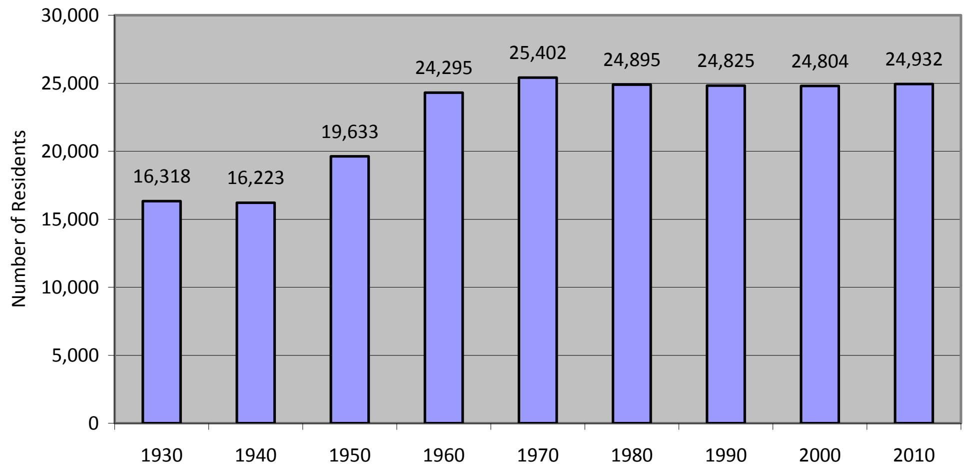
Year	Total Population	Change in # Residents	Percent Change in Population
1930	16,318	--	--
1940	16,223	-95	-0.6%
1950	19,633	3,410	21.0%
1960	24,295	4,662	23.7%
1970	25,402	1,107	4.6%
1980	24,895	-507	-2.0%
1990	24,825	-70	-0.3%
2000	24,804	-21	-0.1%
2010	24,932	128	0.5%
June 17, 2013	23,837	-1,095	-4.4%

Sources: U.S. Census Bureau, State Data Center, and Wakefield Town Clerk, June 17, 2013

[9] This Housing Needs Assessment uses the most recent data sources available. It should be noted, however, because the 2010 census includes actual counts from all households, not samples, they are used whenever available. Census data from the American Community Survey (ACS) is used for other types of data, but because ACS data involves estimates from a sample of residents/households, they have a more significant margin of error.

Figure III-1

Population Growth, 1920 to 2010



Population projections also suggest little or no net growth through 2035 as shown in Table III-3.

MAPC has recently issued some updated population projections for 2020 and 2030 based on two scenarios. The first referred to as "Status Quo" projections are based on the continuation of existing rates of births, deaths, migration, and housing occupancy. The second "Stronger Region" alternative estimates how changing trends could result in higher population growth, greater housing demand, and a substantially larger workforce. The Stronger Region projections assume that the Boston region 1) will attract more people, young adults in particular; 2) that increasing numbers of younger households (born after 1980) will opt more for urban living alternatives and will be less likely to seek out single-family homes; and 3) more seniors will choose to downsize from single-family homes to apartments or condominiums. These projections when applied to Wakefield suggest a total population of 24,886 and 25,413 by 2020 under the Status Quo and Strong Region scenarios, respectively, with its previous estimate of 24,852 (Table III-3) just a bit lower that the Status Quo figure. By 2030, MAPC calculates that Wakefield's total population will be 25,045 or 26,123 under the Status Quo and Strong Region scenarios, respectively, with its previous estimate of 27,445 by 2035 above both projections (Table III-3).

2. Age Distribution – Significant impacts of baby boomers

Census data on the changes in the age distribution from 1990 to 2010 is provided in Table III-2 and visually presented in Figure III-2 for 1990 through 2010. In general, the age distribution has remained relatively flat for most age categories with the exception of the 45 to 64-age range, which increased significantly over decades, balanced by decreases in young adults. The increase in older residents is also reflected in the median age, which climbed from 35.6 years in 1990 to 41.9 years by 2010. This 2010 median age is higher than that of the county at 38.5 years and state at 39.1 years. Specific changes in the town's age distribution are summarized below.

- *Little Increase in children*
  The number of those 18 years or younger increased from 5,347 in 1990 to 5,607 by 2000, and then decreased to 1990 levels by 2010 to 5,369 residents or 21.5% of the

population. This level of children is comparable to 21.3% for the county and 21.7% for the state.

- *Sharp decreases in young adults*
  Demographic trends also suggest that escalating housing costs were likely pricing younger individuals and families out of the housing market. Those entering the labor market and forming new families were dwindling in numbers, reducing the pool of entry-level workers and service employees as well as forcing grown children who were raised in town to relocate outside of Wakefield. For example, those between the ages of 20 and 24 decreased by almost 30% between 1990 and 2010, from 1,655 to 1,176 residents. Those 25 to 34 decreased from 18.4% to 12.3% of the total population during this same period.

- *Big increases in baby boomers*
  There were substantial increases in those 45 to 64 years of age between 1990 and 2010, many who were aging during this period as part of the baby boom generation. There were 4,838 residents in this age category in 1990, rising to 7,577 by 2010 and representing a 56.2% rate of growth despite nearly flat total population growth. This data suggests that aging baby boomers will create a need for more housing that is smaller and easier to maintain by empty nesters and younger seniors in the years ahead.

Table III-2: Age Distribution
1990-2010

	1990		**2000**		**2010**	
Age Range	**#**	**%**	**#**	**%**	**#**	**%**
Under 5 Years	1,635	6.6	1,593	6.4	1,401	5.6
5 – 9 Years	1,497	6.0	1,513	6.1	1,478	5.9
10 – 14 Years	1,334	5.4	1,578	6.4	1,534	6.2
15 – 19 Years	1,466	5.9	1,347	5.4	1,365	5.5
20 – 24 Years	1,655	6.7	1,009	4.1	1,176	4.7
25 – 34 Years	4,561	18.4	3,628	14.6	3,064	12.3
35 – 44 Years	3,977	16.0	4,473	18.0	3,686	14.8
45 – 54 Years	2,549	10.3	3,746	15.1	4,203	16.9
55 – 64 Years	2,289	9.2	2,168	8.7	3,354	13.5
65 – 74 Years	2,171	8.7	1,770	7.1	1,850	7.4
75 – 84 Years	1,293	5.2	1,447	5.8	1,240	5.0
85 Years and Over	398	1.6	532	2.1	581	2.3
Total	24,825	100.0	24,804	100.0	24,932	100.0
Population Under 18	5,347	21.5	5,607	22.6	5,369	21.5
Population Age 65+	3,862	15.6	3,749	15.1	3,671	14.7
Median Age	35.6 years		38.9 years		41.9 years	

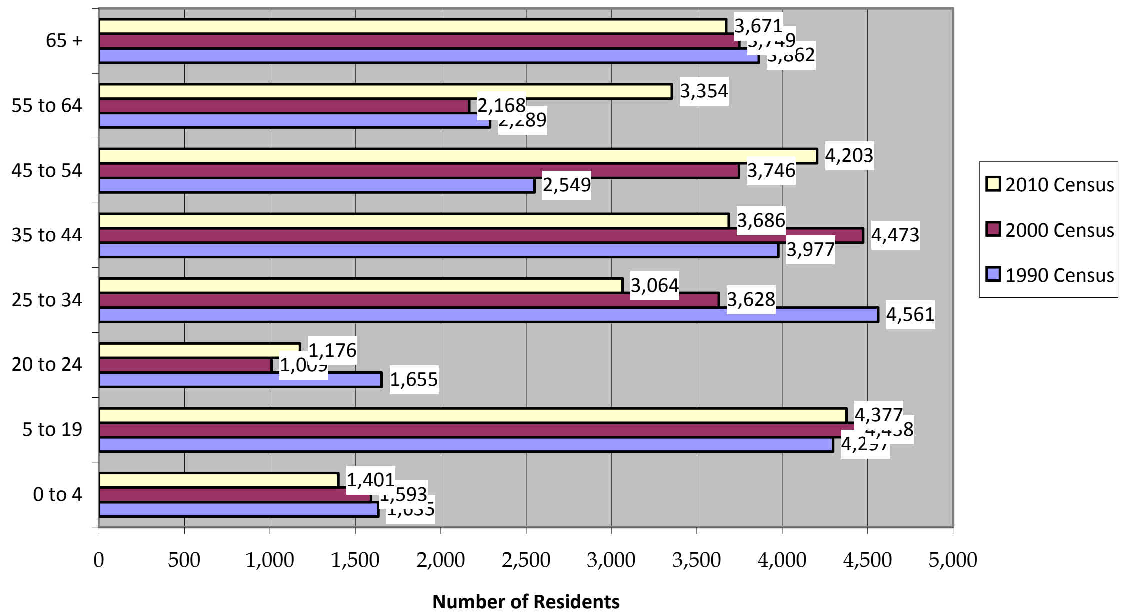
Source: 1990, 2000 and 2010 U.S. Census Bureau

- *Small declines in older adults*
  There was about a 5% decrease in residents 65 years of age or older between 1990 and 2010, from 3,862 to 3,671 residents. This data suggests that some of those who were retiring opted to move out of the community in search of other housing options, perhaps looking for more

affordable housing as their incomes become fixed, searching for assisted living options or opportunities to downsize, or even perhaps moving outside of the area.

Figure III-2

Changes in Age Distribution: 1990 to 2010



Population projections from the Metropolitan Area Planning Council's MetroFuture Report, as summarized in Table III-3 and Figure III-3, suggest the following population trends through 2035:

- Relatively stable population through 2020 and then a significant increase in residents to a population of 27,225 by 2035, representing a 9.5% rate of growth between 2020 and 2035. This figure is surprising given the relatively flat population trend over the past few decades.
- Declines in the number and percentage of children with those under 20 decreasing from 23.2% of the population in 2010 to 20.4% by 2035.
- About the same number of younger adults age 20 to 24 but a small proportional decrease from 4.7% to 4.2% between 2010 and 2035 given the projected overall population increase.
- Significant decreases in the age 25 to 34 populations from 2010 to 2035, representing an estimated loss of 228 residents in this age range, from 12.3% of the population to 10.4%.
- Some fall-off in middle-aged residents age 35 to 64, from 45.2% to 37.4% between 2010 and 2035, which likely explains some of the decreases in children as these age ranges typically reflect many in the family formation stage of their lives.
- *Substantial increases in the population 65 years of age and older, from 14.7% in 2010 to an estimated 27.7% by 2035. This increase includes the aging baby boomers and suggests that the Town undertake appropriate planning to accommodate an aging population that is likely to have special needs in the future.*

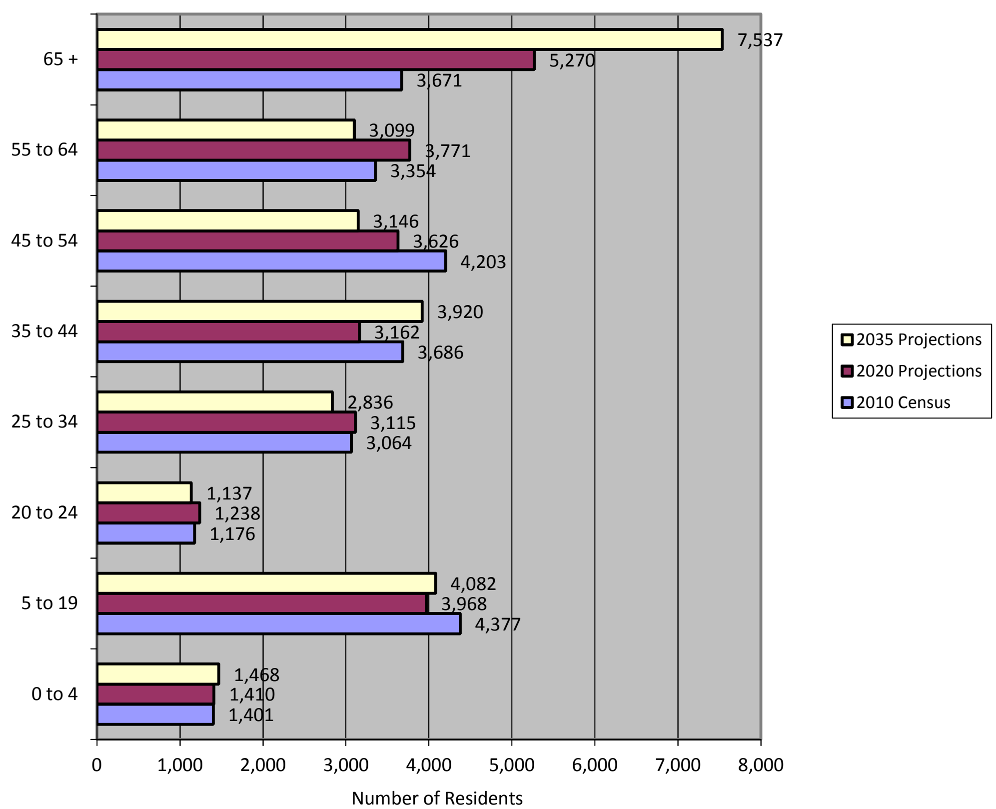
Table III-3: 2010 (Census) and 2020 and 2035 Population Projections

Age Range	2010 #	2010 %	2020 #	2020 %	2035 #	2035 %
Under 5 Years	1,401	5.6	1,410	5.7	1,468	5.4
5 – 9 Years	1,478	5.9	1,218	4.9	1,314	4.8
10 – 14 Years	1,534	6.2	1,401	5.6	1,482	5.4
15 – 19 Years	1,365	5.5	1,349	5.4	1,286	4.7
20 – 24 Years	1,176	4.7	1,238	5.0	1,137	4.2
25 – 34 Years	3,064	12.3	3,115	12.5	2,836	10.4
35 – 44 Years	3,686	14.8	3,162	12.7	3,920	14.4
45 – 54 Years	4,203	16.9	3,626	14.6	3,146	11.6
55 – 64 Years	3,354	13.5	3,771	15.2	3,099	11.4
65 – 74 Years	1,850	7.4	2,842	11.4	3,656	13.4
75 – 84 Years	1,240	5.0	1,720	6.9	2,969	10.9
85 Years and Over	581	2.3	708	2.8	912	3.3
Total	24,932	100.0	24,852	100.0	27,225	100.0
Population Under 20	5,778	23.2	5,378	21.6	5,550	20.4
Population Age 65+	3,671	14.7	5,270	21.2	7,537	27.7

Source: 2010 U.S. Census Bureau and Metropolitan Area Planning Council's MetroFuture 2035 Update.

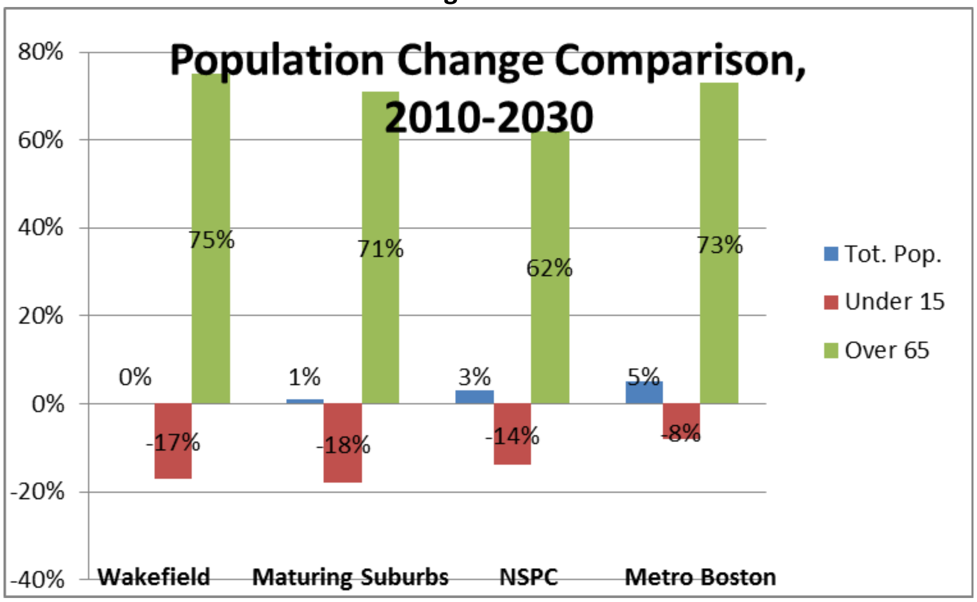
Figure III-3

Change in Age Distribution: 2010 Census With 2020 and 2035 Projections



Recent MAPC projections suggest similar trends in the age distribution with very limited population growth, a significant decline in children and dramatic increase in those 65 years of age or older as presented in Figure III-4.

Figure III-4



3. Race – Small increase in minority residents

As indicated in Table III-3, the population has remained predominantly White, but is becoming somewhat more diverse. The 2010 census indicates that the number and percentage of minority residents has climbed significantly from 1.4% of the population in 1990 to 5.5% by 2010, increasing to a total of 1,359 residents. About one-half of the 2010 minority population identified themselves as Asians, another 16.9% as Black or African-American, and most of the remaining minority residents as Hispanic or Latino or a combination of races.

Table III-4: Household Characteristics, 1990-2010

Demographic Characteristics	1990		2000		2010	
	#	%	#	%	#	%
Total Population	24,825	100.0	24,804	100.0	24,932	100.0
Minority Population*	353	1.4	759	3.1	1,359	5.5
Total # Households	9,296	100.0	9,747	100.0	9,994	100.0
Family Households**	6,687	71.9	6,604	67.8	6,547	65.5
Married Couples with Children Under 18 **	2,382	25.6	2,942	30.2	2,825	28.3
Female Heads with Children **	353	3.8	384	3.9	404	4.0
Non-family Households **	2,609	28.1	3,143	32.2	3,447	34.5
Persons Living Alone **	2,171	23.4	2,575	26.4	2,812	28.1
Average Household Size	2.64 persons		2.52 persons		2.47 persons	

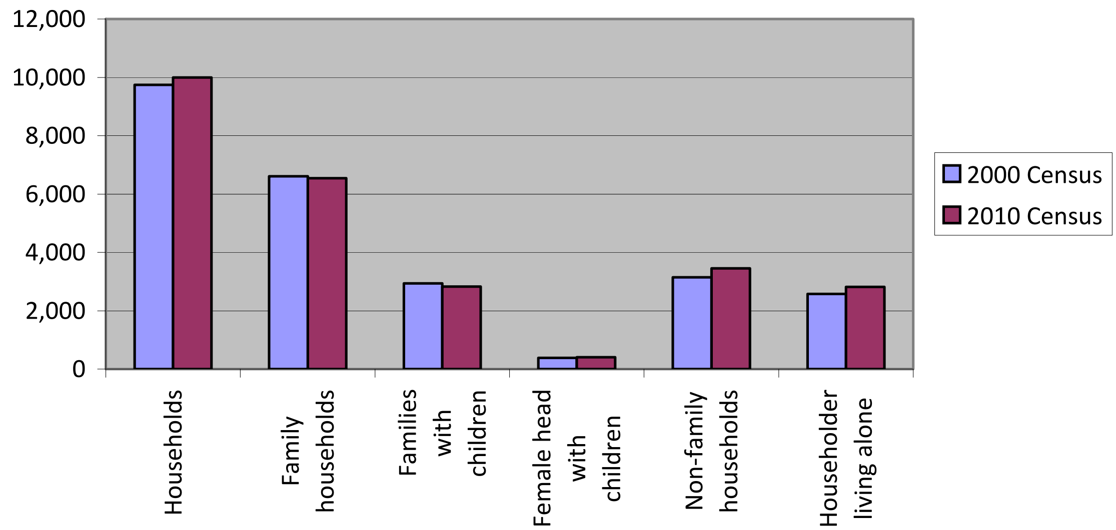
Source: 1990, 2000 and 2010 U.S. Census Bureau
*All non-White classifications ** Percent of all households

4. Households – Increasing number of smaller households

As Table III-4 and Figure III-5 indicate, while Wakefield's population remained relatively flat between 1990 and 2010, growing by 0.4% or 107 residents, the number of households increased by 698 or 7.5% of the total 9,994 households. This is reflective of some small decrease in the size of families with the average family size decreasing from 2.64 persons to 2.47 during the period. It is also due to the increasing numbers of non-family households,[10] which grew by 32.1% compared to a 2.1% decline in family households between 1990 and 2010.

Figure III-5

Types of Households, 2000 and 2010



Nevertheless, 65.5% of Wakefield's households involved families, a bit higher than the 63.1% for the county and 63.0% for the state. Two-parent families with children comprised 28.3% of Wakefield households, up from 25.6% in 2000. Also, 12.8% were single-parent families. Twenty-eight percent of all households lived alone, which included 1,752 residents or 17.5% of all households under age 65 and 1,066 households or 10.7% of all households 65 years of age or older.

Recently-issued MAPC projections estimate that the household growth rate will continue to be higher than total population growth. While these projections suggest almost no total population growth between 2010 and 2030 under the Status Quo scenario (see Section III.A.1 for more information) and a 4.8% growth rate under the Strong Region alternative, the growth in the number of households during this same period is estimated to be 9.7% or 14.0% based on the Status Quo and Strong Region models, respectively.

5. Income Distribution – Higher incomes but growing income disparities

A comparison of income figures for the past several decades is presented in Table III-5 and Figure III-6, suggesting that Wakefield has in general become significantly more affluent over the

[10] Non-family households include single individuals and unrelated household members.

past several decades. For example, there were 1,800 households that earned more than $75,000 in 1989, however, about the same number, 1,831, earned more than double that amount, $150,000, by 2011. This upsurge in relative affluence is also demonstrated by increases in median household income levels, increasing from $43,960 in 1989 to $81,271 by 2011.

The percentage of households earning under $75,000 decreased from 80% of all households in 1989 to about 47% by 2011. On the other hand, those earning more than $100,000 more than tripled between 1989 and 1999, from 746 to 2,435 households, and then to 4,066 by 2011.

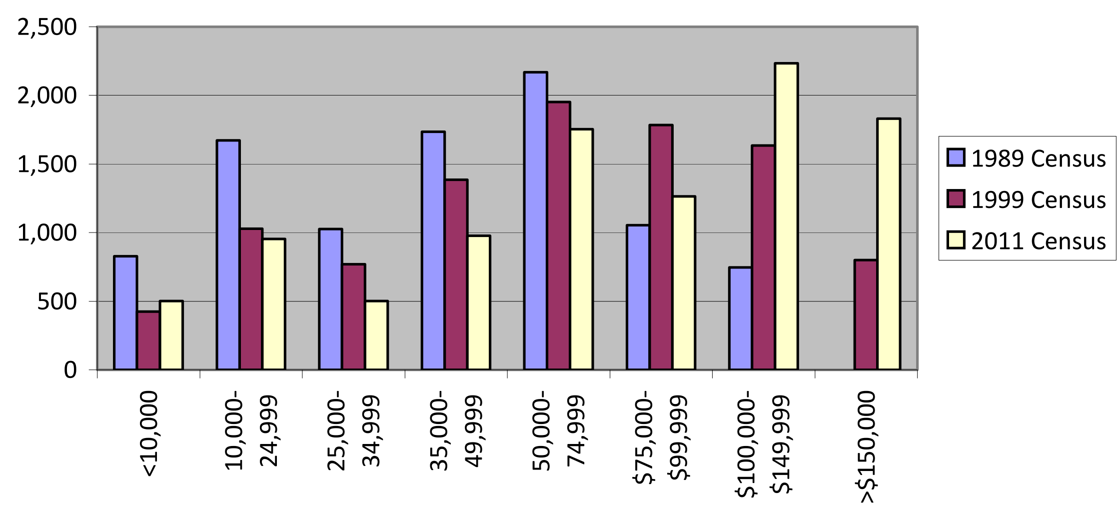
Table III-5: Income Distribution by Household
1989-2011

	1989		1999		2011	
Income Range	**#**	**%**	**#**	**%**	**#**	**%**
Under $10,000	829	9.0	425	4.3	502	5.0
10,000-24,999	1,671	18.1	1,028	10.5	953	9.5
25,000-34,999	1,025	11.1	769	7.9	502	5.0
35,000-49,999	1,734	18.8	1,385	14.2	976	9.7
50,000-74,999	2,169	23.5	1,951	20.0	1,754	17.5
75,000-99,999	1,054	11.4	1,783	18.2	1,264	12.6
100,000-149,999	746	8.1	1,635	16.7	2,235	22.3
150,000 or more			800	8.2	1,831	18.3
Total	9,228	100.0	9,776	100.0	10,017	100.0
Median Household Income	$43,960		$66,117		$81,271	

Source: U.S. Census Bureau, 1990 and 2000 and 2009-2011 American Community Survey

Figure III-6

Income Distribution, 1989 to 2011



However, of the 9,276 total households in 2011, 502 or 5.0% had incomes of less than $10,000 and another 953 or 9.5% had incomes between $10,000 and $24,999, representing those defined by HUD as having extremely low-incomes at or below 30% of area median income.

Approximately another 1,313 households had incomes between about 30% and 60% of area median income. The total number of households within these income categories was about 2,768 households in 2011 or about 28% of all Wakefield households, not an insignificant number given the general prosperity of the community. An estimated additional 761 households would likely qualify as low-income by HUD's definition, with incomes of 60% to 80% of area median income (AMI). *Therefore, approximately 3,529 households or more than one-third of all households would likely meet the income requirements for certain housing subsidy programs and potentially qualify for affordable housing for low and moderate-income residents.*

As shown in Figure III-7, median income levels vary considerably by tenure and household type. For example, the median income for those households that include children – families – was $107,010 in 2011, up from $77,834 in 2000. On the other hand, non-families had a median income of only $40,783, a very small increase from $36,523 in 2000. There were also significant discrepancies between the median incomes of owners and renters, at $98,342 and $36,230, respectively. *What is particularly notable is that the median income of renters decreased over the past decade, from $42,367 in 2000!* (See Table III-8 and Figure III-9 for more details.)

Figure III-7

Median Income Levels, 2000 and 2011

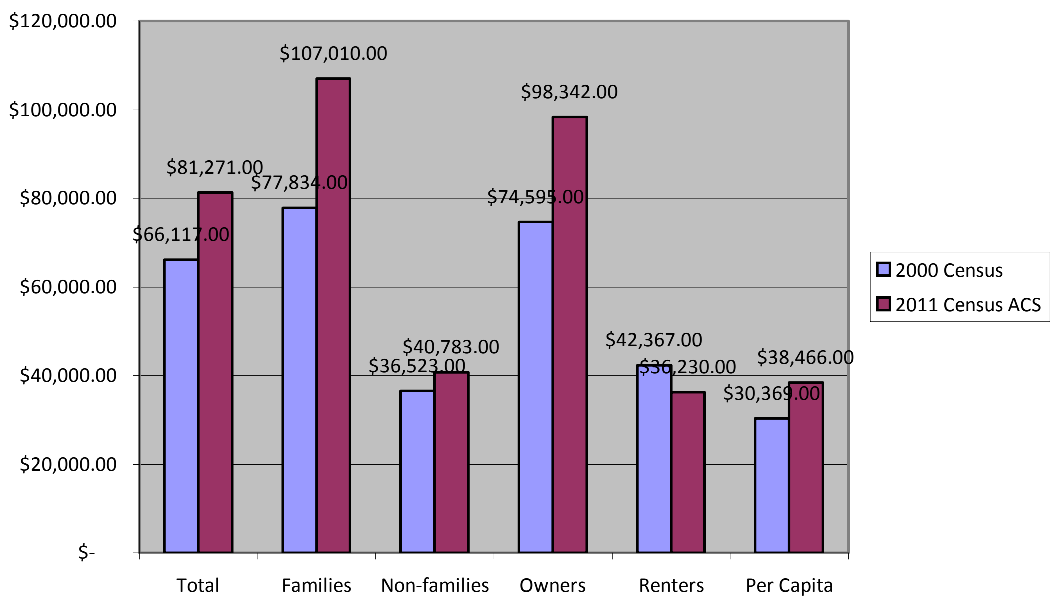


Table III-6 presents information on the distribution of incomes for Wakefield versus Middlesex County as another comparison. As the table demonstrates, Wakefield has been somewhat more affluent than the county as a whole. The percentage of those earning less than $75,000 in 2011 was 48.7% for Middlesex County while 46.7% for Wakefield. Those earning more than $150,000 included 38.3% of all households in Middlesex County and 40.6% for Wakefield. Higher income levels in Wakefield were also reflected in median income levels -- $76,978 for the county in comparison to $81,271 for the town of Wakefield, 5.6% higher than the county's and 29.3% higher than the state's at $62,859.

Table III-6: Income Distribution by Household: Middlesex County vs. Wakefield 2011

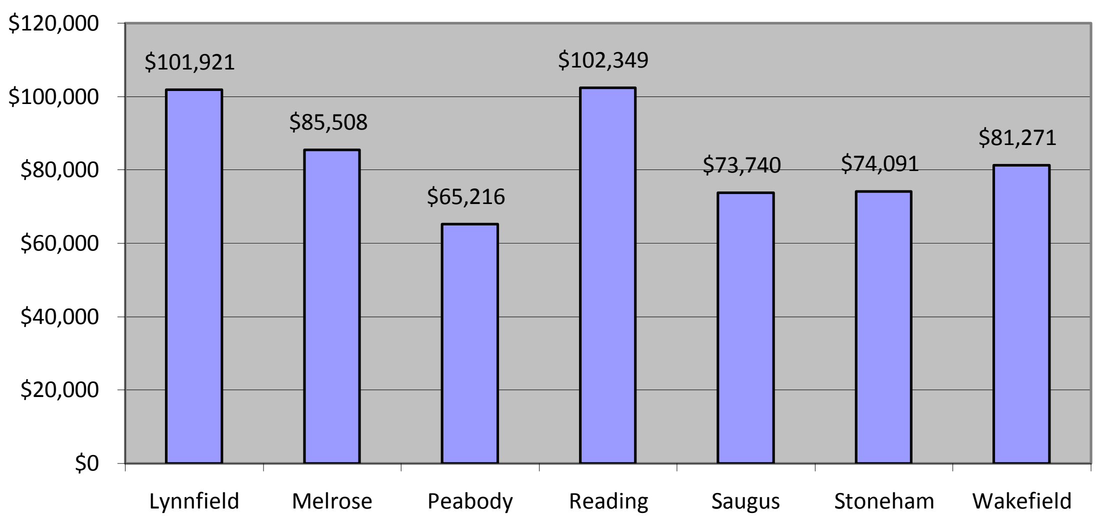
Income Range	Middlesex County #	Middlesex County %	Wakefield #	Wakefield %
Under $10,000	30,432	5.2	502	5.0
10,000-24,999	66,456	11.4	953	9.5
25,000-34,999	40,072	6.9	502	5.0
35,000-49,999	53,596	9.2	976	9.7
50,000-74,999	93,336	16.0	1,754	17.5
75,000-99,999	76,393	13.1	1,264	12.6
100,000-149,999	104,728	18.0	2,235	22.3
150,000 or more	117,933	20.3	1,831	18.3
Total	582,946	100.0	10,017	100.0
Median Household income	$76,978		$81,271	

Source: U.S. Census Bureau, 2009-2011 American Community Survey

Wakefield's somewhat higher relative affluence is also demonstrated through a comparative look at the median household income levels of neighboring communities as shown in Figure III-8.

Figure III-8

Median Household Incomes of Neighboring Communities, 2011



Median household incomes ranged from a low of $65,216 for Peabody to a high of $102,349 for Reading with Wakefield's median income level in mid-range and relatively comparable to Melrose.

It is also useful to examine the effects of age on income. Table III-7 summarizes the distribution of income by various age categories, indicating the following:

- Despite the relatively small number of households in the *under 25* years age category, a surprising number (64.4%) were earning more than $75,000 with a high median income level of $94,347. Only 9.4% of these households earned less than $50,000.

- Of the almost three thousand households between the *ages of 25 and 44* and in the family formation stage of their lives, 16.3% were earning less than $50,000 and almost two-thirds (65%) were earning more than $75,000 including more than half (55.1%) earning more than $100,000. Despite the relative young age of those in this age range, there was also a surprisingly high median income of $104,509.
- Those in the *45 to 64 age range* included 43.6% of all households with 20.7% earning less than $50,000, 82.3% earning more than $75,000 and of these 68.0% earned more than $100,000. Despite how many earned more than $100,000 in comparison to the other age categories, the median income was only $87,243, somewhat higher than the Town-wide median income.
- Not surprisingly, those households with the primary householder *65 years of age or older*, many living on fixed incomes, had the highest percentage earning less than $50,000 (57.1%), the lowest percentage of those earning more than $75,000 (28.9%), and the lowest median income of $45,015.

Table III-7: Income Distribution by Age of Householder
2011

	Under 25 Years		25 to 44 Years		45 to 64 Years		65 Years and Over	
Income Range	**#**	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Under $10,000	0	0.0	58	1.9	221	5.0	155	6.3
$10,000-24,999	11	4.7	133	4.4	248	5.7	568	23.2
$25,000-34,999	0	0.0	126	4.2	257	5.9	220	9.0
$35,000-49,999	11	4.7	173	5.8	178	4.1	454	18.6
$50,000-74,999	61	26.2	557	18.6	744	17.0	341	13.9
$75,000-99,999	113	48.5	298	10.0	629	14.3	211	8.6
$100,000-149,999	22	9.4	836	28.0	1,071	24.4	323	13.2
$150,000 or more	15	6.4	810	27.1	1,041	43.6	173	7.1
Total	233	100.0	2,991	100.0	4,389	100.0	2,445	100.0
Median income	$94,347		$104,509		$87,243		$45,015	

Source: U.S. Census Bureau, 2009-2011 American Community Survey

Another perspective on income levels is provided in Table III-8 and Figure III-9, analyzing the effects of tenure.

Table III-8: Income Distribution by Tenure
2011

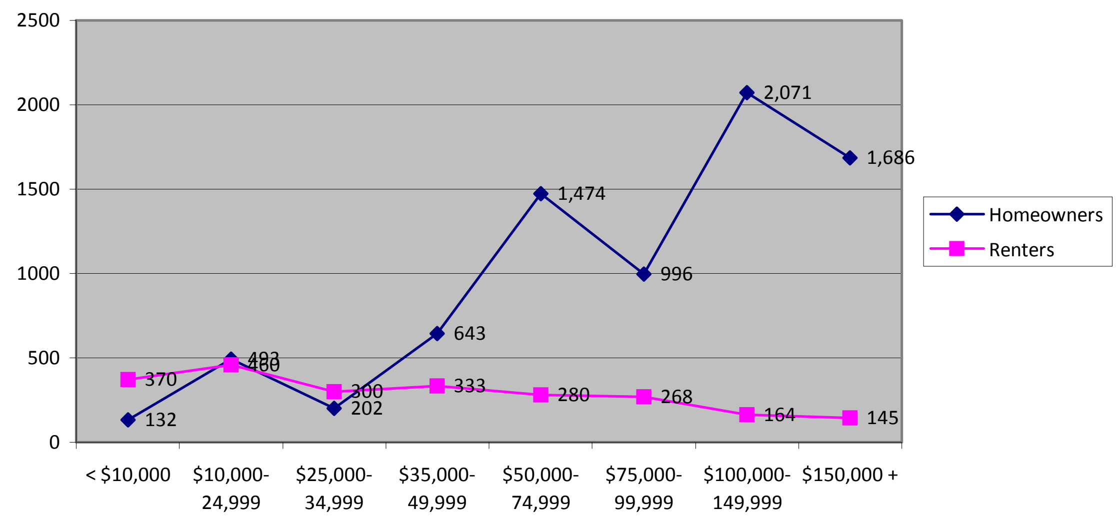
	Homeowners		Renters	
Income Range	**#**	**%**	**#**	**%**
Under $10,000	132	1.7	370	15.9
10,000-24,999	493	6.4	460	19.8
25,000-34,999	202	2.6	300	12.9
35,000-49,999	643	8.4	333	14.4
50,000-74,999	1,474	19.2	280	12.1
75,000-99,999	996	12.9	268	11.6
100,000-149,999	2,071	26.9	164	7.1
150,000 or more	1,686	21.9	145	6.3
Total	7,697	100.0	2,320	100.0
Median Household income	$98,342		$36,230	

Source: U.S. Census Bureau, 2009-2011 American Community Survey

There were significant discrepancies between the median incomes of owners and renters as noted above, at $98,342 and $36,230, respectively in 2011. While there was a steady decrease in numbers of renters in each income range after $25,000 as income levels increased, the opposite is true for homeowners with the exception of dips at the $75,000 to $99,999 income range and after $150,000. As almost half, or an estimated 1,130 renter households, earned less than $35,000 and there are only 818 subsidized rental units in town (includes 352 rental vouchers through the Massachusetts Rental Voucher Program or Section 8 Housing Choice Program and 629 SHI units), it is not surprising that so many renters were paying far too much for their housing (see Section III.B.4).

Figure III-9

Incomes by Tenure, 2011



6. Poverty – Increasing levels of poverty

While income levels for most town residents have increased substantially, there remains a significant population within Wakefield, 947 in 2011, who had very limited financial means and were living below the poverty level. The 2000 census indicated that the absolute numbers of those with incomes below the poverty level[11] decreased from 1989 to 1999 as shown in Table III-9. Since 1999, and as of 2011, poverty rose across the board, representing 3.8% of all individuals and 2.0% of all families. Poverty levels increased the most for those 65 years of age or older, going from 4.6% to 8.8% between 1999 and 2011. While poverty in Wakefield is lower than the county and state, at 6.2% and 11.6% of all individuals, respectively, this increase is nevertheless a strong signal of the growing income disparities within the Wakefield community.

[11] The 2012 federal poverty level from the U.S. Department of Health and Human Services was $11,170 for an individual and $19,090 for a three-person household.

Table III-9: Poverty Status
1989-2011

	1989		1999		2011	
	#	%	#	%	#	%
Individuals *	1,025	4.2	759	3.1	947	3.8
Families **	191	2.9	113	1.7	131	2.0
Related Children Under 18 Years ***	287	5.4	97	1.7	102	1.9
Individuals 65 and Over****	247	6.4	165	4.6	323	8.8

Source: U.S. Census Bureau 1990 and 2000 and the Census Bureau's American Community Survey, 2009-2011
*Percentage of total population
**Percentage of all families
***Percentage of all related children under 18 years
****Percentage of all individuals age 65+

7. Employment – Little or no projected job growth

Of those 20,323 Wakefield residents over the age of 16 in 2011, 14,963 or about 74% were in the labor market according to the U.S. Census Bureau's American Community Survey, higher than the 13,998 workers recorded by the state's Executive Office of Labor and Workforce Development for 2011. The Census Bureau estimates indicated that about 18% of those employed worked in the community. It should also be noted that 80% of workers drove alone to work, another 6.5% carpooled and only 7.6% used public transportation despite the proximity to MBTA commuter rail services. The average commuting time was 27.7 minutes, suggesting employment opportunities were typically located outside of Wakefield.

The 2010 Census Bureau's American Community Survey data also provided information on the concentration of Wakefield workers by industry, demonstrating that about half of Wakefield's labor force was involved in management, business, science or arts occupations (49.2%) with the remaining employed in the lesser paying retail and service-oriented jobs that support the local economy including sales and office occupations (26%), service occupations (13.3%), production and transportation (4.6%), and construction (6.9%). Almost 80% of Wakefield's labor force were salaried workers (79.5%), another 13.8% were government workers, and 6.5% were self-employed.

Detailed labor and workforce data from the state on employment patterns in Wakefield is presented in Table III-10. This information shows an average employment of 13,755 workers. Updated total workforce data from the state Executive Office of Labor and Workforce Development indicate a slight increase in those in the labor force, to 14,029 by May 2013, indicative of some slight job expansion. Data from Metropolitan Area Planning Commission (MAPC) indicates that employment levels are projected to remain relatively flat with a total employment by 2035 of 14,054.

The data also confirms a mix of employment opportunities with the highest average employment in the professional and technical services (3,007 average employment and $1,913 average weekly wage) and next highest average employment in some lower paying industries including administrative services (2,224 average employment and $811 average wage), health care and social services (1,748 average employment and $698 average weekly wage), and retail trade (1,041 average employment and $807 average weekly wage). The average weekly wage for those working in Wakefield was $1,208, about 78% of Boston's average weekly wage of $1,540. Wakefield's average employment and weekly wage was considerably higher than a couple of neighboring communities however. While Melrose and Reading are about the same size in population in comparison to Wakefield, their average weekly employment and weekly wage were substantially lower at 5,880 workers and $837 average wage for Melrose and 7,037 workers and $752 average wage for Reading.

As another point of comparison, the unemployment level as of May 2013 was 5.3% for Wakefield and 6.8% for Boston, down from 7.2% and 7.9% for Wakefield and Boston, respectively, as of the end of 2010. This shows a significant improvement in job stability over the past several years in both communities, but Wakefield in particular.

Table III-10
Average Employment and Wages by Industry, 2011

Industry	**# Establishments**	**Total Wages**	**Average Employment**	**Average Weekly Wage**
Construction	127	$52,938,436	730	$1,395
Manufacturing	39	$36,966,723	613	$1,160
Wholesale Trade	61	$25,524,635	345	$1,423
Retail Trade	82	$43,683,424	1,041	$807
Transportation/Warehousing	17	$9,327,500	274	$655
Information	21	$51,999,887	506	$1,976
Finance/Insurance	71	$76,491,848	838	$1,755
Real estate/rental/leasing	24	$11,656,463	135	$1,660
Professional/technical services	175	$299,123,685	3,007	$1,913
Management of companies/enterprises	5	$6,305,171	95	$1,276
Administrative services	74	$93,752,521	2,224	$811
Educational services	17	$49,273,605	848	$1,117
Health care/social assistance	80	$63,404,564	1,748	$698
Arts/entertainment/recreation	11	$988,445	52	$366
Accommodation/food services	52	$11,006,742	550	$385
Other services	142	$15,974,002	458	$671
Public Administration	7	$12,079,629	227	$1,023
Total	1,007	$863,826,109	13,755	$1,208

Source: Massachusetts Executive Office of Labor and Workforce Development, July 2, 2013

8. Education – Increasing educational attainment and small increases in school enrollments

The educational attainment of Wakefield residents has improved over the last couple of decades. In 2011, 93.9% of those 25 years and older had a high school diploma or higher and 42.7% had a Bachelor's degree or higher (compared to 50.2% for the county and 39.1% for the state), up from the 2000 figures of 90.6% with at least a high school diploma and 39.7% with a Bachelor's degree or higher.

Those enrolled in school (nursery through graduate school) totaled 5,546 in 2011, down 9.6% from 6,135 in 2000. There were 4,146 students enrolled in nursery school through high school, representing a decrease of 476 students since 2000. Enrollments in the Wakefield School District have declined slightly over this period, from 3,487 students in the 2000-2001 school year to 3,388 in 2012-2013, a loss of 99 students. This small loss of students is reflective of very little growth in the numbers of children living in Wakefield.

9. Disability Status – About one-quarter of seniors claimed some type of disability

A total of 2,030 residents claimed some type of disability according to 2011 census estimates, representing about *8.0% of Wakefield's population*. Of the population under age 18, 210 or 4.0% had some type of disability, and of the population age 18 to 64, 836 or 5.3% claimed a disability. In regard to those 65 years of age or older, 984 or 25.7% claimed a disability, down from 37.8% in this age range in 2000. These significant special needs suggest that greater handicapped accessibility and supportive services should be integrated into new housing as well as more pedestrian-friendly "common streets" and improved bus service.

B. Housing Profile

This section of the Housing Needs Assessment summarizes housing characteristics and trends, analyzes the housing market from a number of different data sources and perspectives, compares what housing is available to what residents can afford, summarizes what units are defined as affordable by the state, and identifies priority housing needs.

1. Housing Growth – Higher than total population growth between 2000 and 2010

From a total of 10,500 housing units that were counted as part of the 2010 census, almost 4,000 units or 37.7% predate World War II, and a total of 6,878 units or almost two-thirds of all units were constructed prior to 1960 (27.8% growth rate between 1940 and 1960). This clearly identifies Wakefield as one of the older suburbs of Boston, with most of its development occurring during the earlier part of the 20th century. This older housing may be in need of repairs, remodeling, or lead paint removal. This early housing development is comparable to countywide levels prior to 1939 but somewhat higher than the county's growth rate of 18.2% between 1940 and 1960. Since the early 1960s, housing development has fallen off considerably with the total number of units built per decade down to 563 units or 5.4% between 2000 and 2010. *This housing growth was nonetheless higher than the 0.5% population growth during the same period.*

Table III-11: Housing Units by Year Structure Was Built, 2010

Years	#	%
2000 to 2010	563	5.4
1990 to 1999	611	5.8
1980 to 1989	657	6.3
1970 to 1979	1,009	9.6
1960 to 1969	782	7.4
1950 to 1959	1,706	16.2
1940 to 1949	1,216	11.6
1939 or earlier	3,956	37.7
Total	10,500	100.0

Source: U.S. Census Bureau, 2000 and 2010

Since 2010 another 77 new units have been built in single-family homes (32 in detached structures and 38 in attached units) and small multi-family dwellings (two two-family homes and one three-family). Another three (3) permits were issued in 2012, representing the three (3) phases of the Legacy Park development with 128 units (114 rentals and 14 condos), and bringing the total number of new units to 10,705.

The 2000 MAPC buildout analysis of Wakefield's undeveloped land calculated that the town could accommodate as many as 1,072 additional dwelling units as-of-right under existing zoning. This "buildout" would increase the housing stock by about 10%, and was estimated to result in 2,669 additional residents, including 385 school children. If future development were to occur according to this buildout scenario, Wakefield's new housing would be primarily single-family, owner-occupied, lower-density, and probably more expensive than existing housing because of the increasing cost of land. *This analysis now suggests that given new residential development since 2000, the Town could accommodate just another 304 units before buildout, which is less than the current affordability gap to reach the state's 10% threshold under Chapter 40B of 418 units!* While the buildout projections have been considered far less than reliable, they do point to dwindling development opportunities and the compelling need to integrate some affordability into future development, including new zoning changes to better promote affordable housing.

2. Types of Units and Structures – Greatest recent growth occurred in single-family homes with some declines in rental housing

As shown in Table III-12, Wakefield had 9,994 occupied units in 2010, of which 7,330 or 73.3% were owner-occupied while the remaining 2,664 or 26.7% were rental units. This level of owner-occupancy was substantially higher than the county and state at 61.7% and 62.3%, respectively. Almost all of the housing growth occurred in the owner-occupied housing stock during this timeframe with some actual decline in rentals, representing a loss of eleven (11) units between 1990 and 2010 and a proportional decrease from 28.8% of all units in 1990 to 26.7% by 2010.

Table III-12: Housing Occupancy, 1990-2010

Occupancy Characteristics	1990		2000		2010	
	#	%	#	%	#	%
Total Units	9,520	100.0	9,937	100.0	10,500	100.0
Occupied Units *	9,296	97.6	9,747	98.1	9,994	95.2
Total Vacant Units *	224	2.4	190	1.9	506	4.8
Owner-Occ. Units **	6,621	71.2	7,019	72.0	7,330	73.3
Renter-Occ. Units **	2,675	28.8	2,728	28.0	2,664	26.7
Average House-Hold Size of Owner-Occupied/ Rental Unit	2.89 persons/ 2.01 persons		2.76 persons/ 1.89 persons		2.70 persons/ 1.85 persons	

Source: U.S. Census Bureau 1990, 2000 and 2010

* Percentage of total housing units ** Percentage of occupied housing units

Table III-12 also shows an ongoing decline in the average number of persons per unit, reflective of the increasing number of smaller households in Wakefield. Not surprisingly, the average number of persons per owner-occupied unit was larger than for rentals, at 2.70 persons and 1.85 persons in 2010, respectively.

The 2010 census counted 4.8% or 506 units as vacant, which was up from 1.9% and 190 units in 2000. Of these 506 vacant units, 240 included vacant rentals, four (4) that were rented but not occupied, 78 ownership units, 19 units that were sold but not yet occupied, and 41 seasonal units or second homes that may involve homes owned or rented by long-term residents who were primarily living in others parts of the country. Another 124 vacant units were not categorized.

As indicated in Table III-13, the homeowner vacancy rate was 1.1%, up from 0.4% in 2000 but still well below state and national levels and representing tight market conditions. The rental vacancy rate was 8.3%, up considerably from 2000 but still below the national level.

Table III-13: Vacancy Rates
2000 and 2010

Wakefield Vacancy Rates by Tenure				
	2000	**2010**	**MA 2010**	**Nation 2010**
Rental	1.8%	8.3%	6.5%	9.2%
Owner-Occupied	0.4%	1.1%	1.5%	2.4%

Source: U.S. Census Bureau 2000 and 2010

The 2011 census estimates indicate that almost two-thirds of the existing housing units (66.5%) were in single-family detached or attached structures, significantly higher than the 54.1% level for the county. Most of the housing growth occurred in these dwellings, which increased by 1,028 units between 1990 and 2011 but remained proportionately about 62% of all units. There was a loss of 49 units in the small two to four-unit multi-family units as well as a loss of 42 units in structures of five to nine units. The larger multi-family properties of ten or more units gained 325 units during these three decades while mobile homes disappeared. This information is summarized in Table III-14 and Figure III-10.

Table III-14: Units in Structure
1990 – 2011

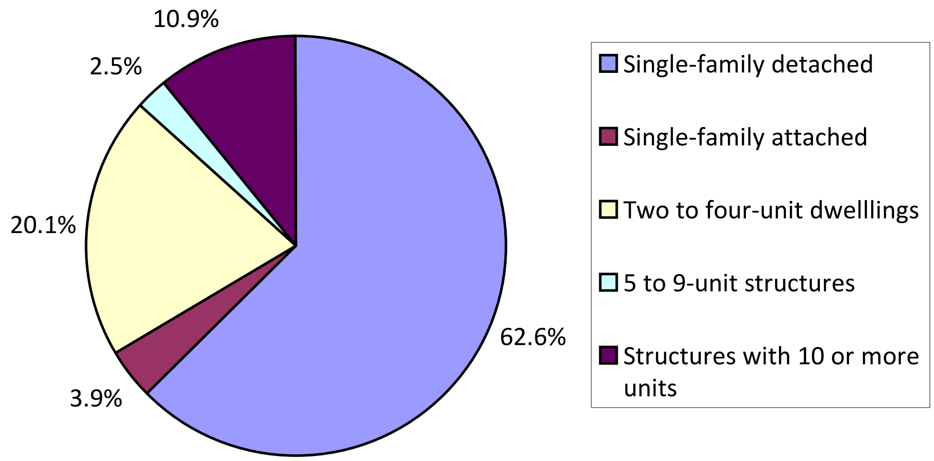
Type of Structure	**1990**		**2000**		**2011**	
	#	**%**	**#**	**%**	**#**	**%**
1-Unit Detached	5,911	62.1	6,227	62.7	6,694	62.6
1-Unit Attached	173	1.8	275	2.8	418	3.9
2 to 4 Units	2,200	23.1	2,142	21.6	2,151	20.1
5 to 9 Units	307	3.2	348	3.5	265	2.5
10 or More Units	836	8.8	913	9.2	1,160	10.9
Other	93	1.0	32	0.3	0	0.0
Total	9,520	100.0	9,937	100.0	10,688	100.0

Source: U.S. Census Bureau 1990 and 2000 and American Community Survey 2009-2011

The median number of rooms per housing unit was 6.3 indicating that the average home had three (3) to four (4) bedrooms. Dwelling sizes ranged from 2,446 units or 22.9% of units with four (4) rooms or less to 1,413 units or 13.2% of the housing stock that were very large with nine (9) rooms or more.

Figure III-10

Units in Structure, 2011



Recently released projections from the Metropolitan Areas Planning Council (MAPC) are presented in Table III-15 that estimate that the number of households will increase by 9.7% from 2010 to 10,961 households by 2030, and the number of housing units demanded will grow by 9.2% to 11,464 units for Wakefield. These projections are based on their Status Quo model that assumes the continuation of existing rates of births, deaths, migration, and housing occupancy. Table III-16 suggests that projected housing unit demand in maturing suburbs like Wakefield and the North Shore area indicates that about 30% of all units will be in multi-family structures and about 18% will be rentals.

Table III-15: Households and Housing Demand
2000 to 2030

	2000	2010	2020	2030
Households	9,747	9,994	10,500	10,961
Housing Units	9,937	10,500	10,991	11,464

Source: Metropolitan Area Planning Council, January 2014

Table III-16: Change in Housing Unit Demand
2000 to 2030

	Housing Units	% Multi-family	% Rental
Wakefield	964	--	--
Maturing Suburbs	47,069	31%	18%
NSPC	9,478	30%	17%
Metro Boston	244,979	47%	30%

Source: Metropolitan Area Planning Council, January 2014

3. *Housing Values – Housing costs remain relatively high*

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

- The 1990, 2000 and 2010 Decennial U.S. Census figures
- The U.S. Census Bureau's 2009-2011 American Community Survey
- The Warren Group's median sales price statistics and sales volume by year, from 1990 through May 2013
- Multiple Listing Service data
- Craigslist, other Internet rental listings and property agents (rental housing)

Ownership Costs

Census data on housing values for owner-occupied units is provided in Table III-17. The census indicates that the 2011 median house price was $400,600, up 60.5% from the 2000 median house value of $242,400, and more than double the 1990 median of $190,600. The census counted 230 units that were valued at less than $100,000 in 2011, and another 254 units that were valued between $100,000 and $200,000. Almost 700 units were valued between $200,000 and $300,000, still relatively affordable. Almost two-thirds of the units (65.6%) were assessed between $300,000 and $500,000, and 19.3% were valued above $500,000.

Table III-17: Housing Values
1990 – 2011

	1990		2000		2011	
Value	**#**	**%**	**#**	**%**	**#**	**%**
Less than $100,000	97	1.8	64	1.0	230	3.0
$100,000 to $149,999	538	10.0	129	2.2	73	0.9
$150,000 to $199,999	2,573	47.8	1,301	22.1	181	2.4
$200,000 to $299,999	1,885	35.0	2,940	49.9	682	8.9
$300,000 to $499,999	275	5.1	1,342	22.8	5,047	65.6
$500,000 to $999,999	17	0.3	91	1.5	1,439	18.7
$1,000,000 or more			22	0.4	45	0.6
Total	5,385	100.0	5,889	100.0	7,697	100.0
Median (dollars)	$190,600		$242,400		$400,600	

Source: U.S. Census Bureau 1990 and 2000 and American Community Survey 2009-2011

While census data is derived primarily from Assessors information that typically underestimates existing value somewhat, *The Warren Group* tracks more updated market data from Multiple Listing Service data derived through actual sales. This historic market information since 1990 is summarized in Table III-18 and charted in Figure III-11 from 2000 through May 2014.

After a decline in market prices in the early 1990's, due largely to an economic slump, the market began to revive and rose significantly after 1997 to the height of the market in 2005 with a median single-family house price of $430,000. The median price of condos was high in 2007 at $320,615. After that median values fell off somewhat for both single-family homes and condos to $375,000 and $199,000 by May 2013, respectively. Since then values have climbed back to close or beyond pre-recession levels at $425,000 for single-families and $326,500 for condos. Figure III-10 charts these changes, showing the fall-off in housing values over the past few years that came with the bursting of the housing bubble. Nevertheless, recent accounts and economic projections suggest that the housing market is reviving and

Wakefield should be poised to experience some resurgence in market values over the next several years.

Table III-18: Median Sales Prices
1990 Through May 2014

Year	Months	Single-family	# Single-family Sales	Condos	# Condo Sales
2014	Jan – May	$425,000	71	$326,500	51
2013	Jan – May June – Dec	$375,000/ $407,000	60/177	$199,000/ $265,000	17/72
2012	Jan – Dec	380,168	199	276,500	71
2011	Jan – Dec	375,500	170	296,500	56
2010	Jan – Dec	368,000	181	315,000	67
2009	Jan – Dec	380,000	190	309,000	108
2008	Jan – Dec	378,000	181	315,000	103
2007	Jan – Dec	395,000	195	320,615	133
2006	Jan – Dec	400,000	183	315,000	166
2005	Jan – Dec	430,000	231	280,415	135
2004	Jan – Dec	400,000	291	230,000	69
2003	Jan – Dec	385,000	229	234,900	105
2002	Jan – Dec	350,000	225	187,000	73
2001	Jan – Dec	313,000	222	171,500	61
2000	Jan – Dec	280,000	260	134,950	84
1999	Jan – Dec	250,000	278	156,000	84
1998	Jan – Dec	224,900	289	120,500	86
1997	Jan – Dec	195,000	247	95,000	41
1996	Jan – Dec	189,100	277	85,000	31
1995	Jan – Dec	182,000	241	79,500	30
1994	Jan – Dec	177,000	243	115,000	39
1993	Jan – Dec	176,000	194	96,000	25
1992	Jan – Dec	168,000	222	81,750	28
1991	Jan – Dec	166,750	152	90,700	14
1990	Jan – Dec	170,000	157	90,000	23

Source: The Warren Group, July 19, 2014

The numbers of sales in any year has ranged considerably for both single-family homes and condos. For example, sales of single-family homes ranged from a low of 152 in 1991, to a high of 291 in 2004, and then reviving to 199 in 2012 and up to 237 by the end of 2013. Condo sales ranged from a low of 14 sales in 2001, to a high of 166 in 2006, and then down considerably to only 56 in 2011 but up somewhat to 89 in 2013.

Figure III-11
Median Housing Prices, 2000 through May 2014

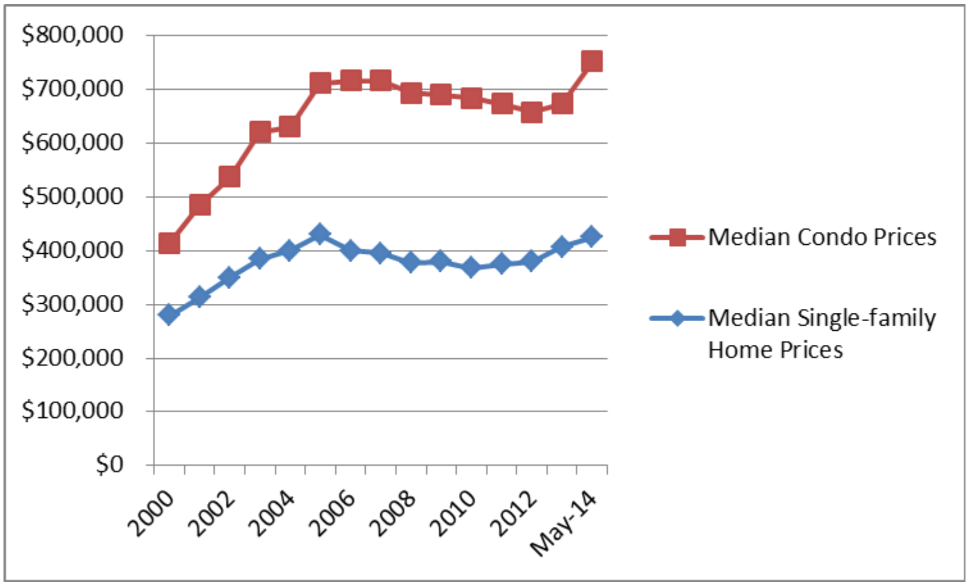
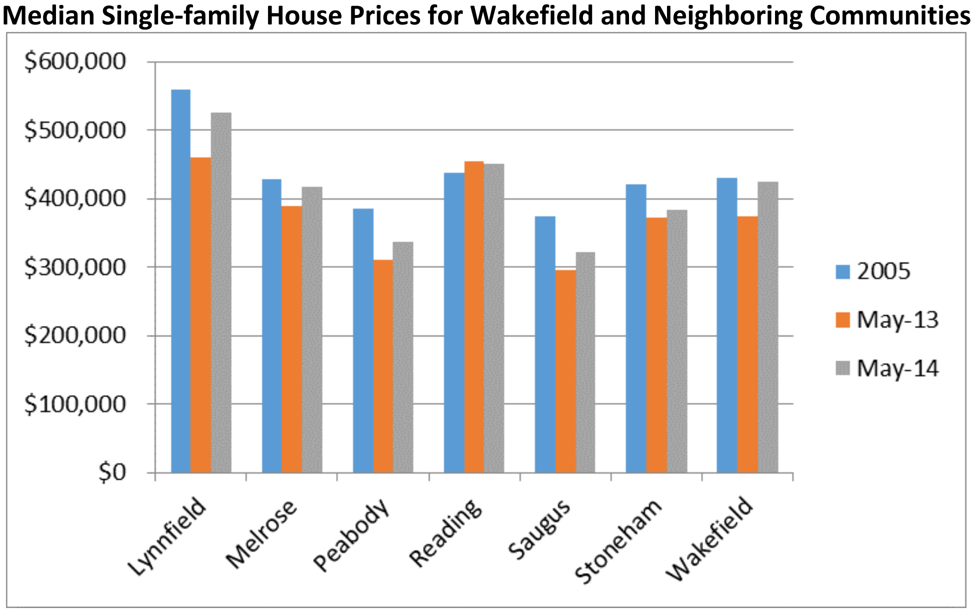


Figure III-12 compares Wakefield's median sales data to those of neighboring communities for both 2005, near the top of the housing market as well as May 2013 and 2014. All of the communities show a resurgence in their respective housing markets, approaching 2005 levels, except for Reading where median prices had overtaken 2005 levels, even in 2013.

Figure III-12
Median Single-family House Prices for Wakefield and Neighboring Communities



Wakefield's housing prices are quite comparable to those of Stoneham and Melrose in this analysis with Lynnfield and Reading's housing prices significantly higher and Saugus and Peabody's much lower.

Additional points of comparison are the median single-family home prices for the county and the state at $418,000 and $319,000, respectively, as of May 2014, down from $435,000 and $355,000, respectively, in 2005. Wakefield's housing market is now higher than both the county and state levels.

Table III-19 and Figure III-13 summarize *sales activity for single-family homes and condos between June 2012 and 2013*.

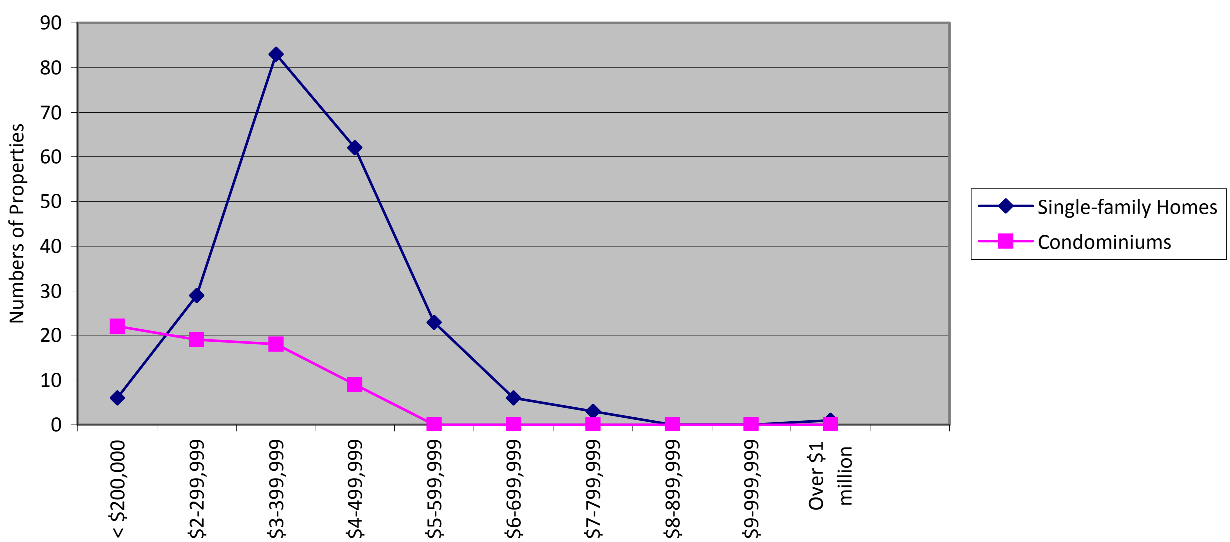
Table III-19: Single-family House and Condo Sales
June 2012 to June 2013

Price Range	Single-family Homes		Condominiums		Total	
	#	%	#	%	#	%
Less then $200,000	6	2.8	22	32.4	28	10.0
$200,000-299,999	29	13.6	19	27.9	48	17.1
$300,000-399,999	83	39.0	18	26.5	101	35.9
$400,000-499,999	62	29.1	9	13.2	71	25.3
$500,000-599,999	23	10.8	0	0.0	23	8.2
$600,000-699,999	6	2.8	0	0.0	6	2.1
$700,000-799,999	3	1.4	0	0.0	3	1.1
$800,000-899,999	0	0.0	0	0.0	0	0.0
$900,000-999,999	0	0.0	0	0.0	0	0.0
Over $1 million	1	0.5	0	0.0	1	0.4
Total	213	00.0	68	100.0	281	100.0
Median Price	$389,000		$280,000		--	

Source: *Banker & Tradesman*, June 29, 2013

Figure III-13

Numbers of Properties by Type and Sales Price, June 2012 Through June 2013



There were six (6) single-family homes and 22 condos that sold for less than $200,000, representing 10% of all sales. While all relatively affordable, it is likely that many might be small and in poor condition. About two-thirds of the single-family home sales were priced between $300,000 and $500,000; however 60% of condo sales were priced in the $100,000 to $300,000 range, demonstrating the relative affordability of the condo market. Median sales prices were $389,000 and $280,000 for single-family homes and condos, respectively. Wakefield has a very small high-end housing market with only ten (10) units or 3.6% of all units selling above $600,000 during this timeframe (see Table III-19).

Table III-20 summarizes the assessed values of single-family homes and condominiums, again demonstrating the relative affordability of condos in Wakefield where two-thirds of all units were valued at less than $300,000, including more than one-third assessed at less than $200,000. On the other hand, only a dozen single-family homes were assessed below $200,000 with almost 80% valued between $300,000 and $500,000. The median value of all single-family assessments was $374,300 compared to $261,800 for condos. This data also demonstrates a relatively small high-end market with only 6% of all single-family homes assessed above $600,000.

Table III-20: Assessed Values of Single-family Homes and Condominiums 2013

Range of Values	Single-family Homes		Condominiums		Total	
	#	%	#	%	#	%
Less then $200,000	12	0.2	377	36.3	389	6.2
$200,000-299,999	354	6.8	321	30.9	675	10.8
$300,000-399,999	2,902	55.4	263	25.3	3,165	50.4
$400,000-499,999	1,242	23.7	65	6.3	1,307	20.8
$500,000-599,999	419	8.0	13	1.3	432	6.9
$600,000-699,999	197	3.8	0	0.0	197	3.1
$700,000-799,999	61	1.2	0	0.0	61	1.0
$800,000-899,999	24	0.5	0	0.0	24	0.4
$900,000-999,999	16	0.3	0	0.0	16	0.3
Over $1 million	10	0.2	0	0.0	10	0.2
Total	5,237	100.0	1,039	100.0	6,276	100.0
Median Price	$374,300		$261,800		--	

Source: Wakefield Assessor's Office, June 27, 2013

Figure III-14 combines information on the *percentage* of sales for single-family homes and condos (between June 2012 and June 2013) within price ranges to the percentage of all single-family homes and condos that are valued within these same ranges according to Assessor's data. This analysis shows that the distribution of condo values is almost identical to the sales prices for these units over the past year, also indicating the relative affordability of condos in Wakefield. There was a significantly higher percentage of assessed values in the $300,000 to $400,000 range for single-family homes in comparison to actual sales, with a somewhat higher proportionate number of units sold in the $400,000 to $600,000 range.

Figure III-14

Percentage of Sales and Values of Single-family Homes and Condos by Price/Value Range

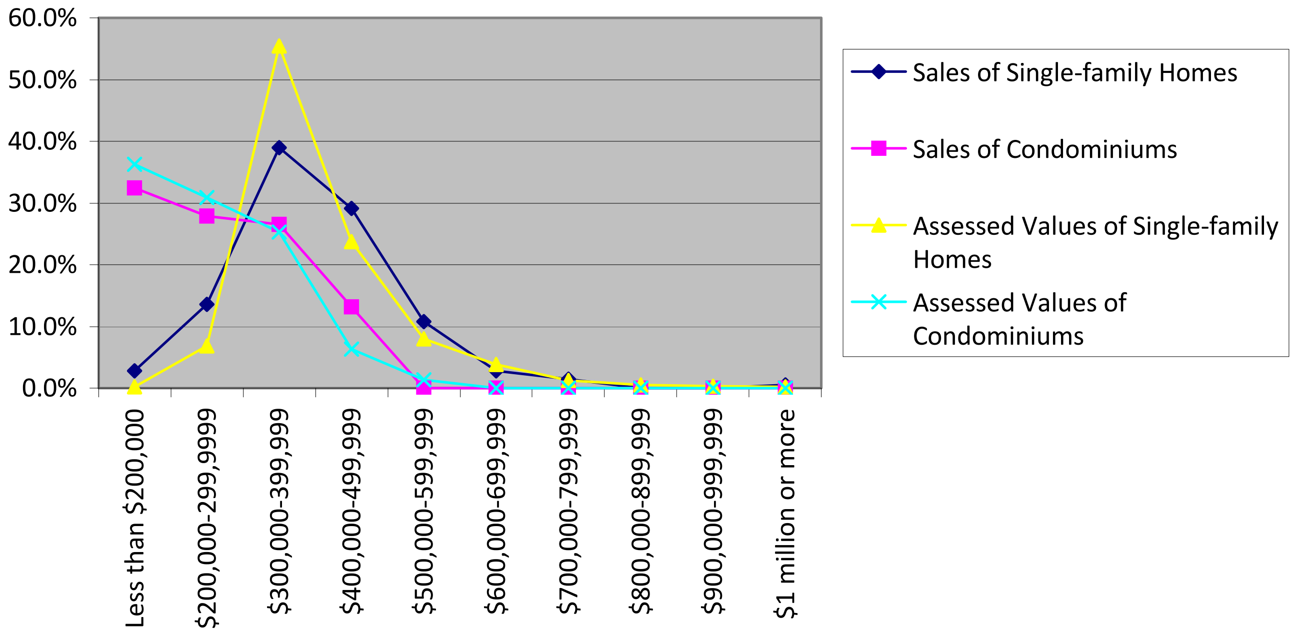


Table III-21 summarizes the distribution of values of multi-family properties in Wakefield based on Town assessments. There was a total of 632 two-family structures and 119 three-family properties with almost all of the assessed values in the $300,000 to $500,000 range. With median values for these properties at $373,100 and $403,600, respectively, they are relatively comparable to the median for single-family homes. These small, multi-family properties represent some of the community's most reasonably priced units and the supply has been eroding somewhat over the past decades with a loss of about 50 such units between 1990 and 2010. Many of these units were probably more affordable, as private landlords, particularly owner-occupied ones, tend to value good tenants and frequently maintain rents below market to keep them. It also suggests the loss of some particularly affordable homeownership stock since owners with rentals benefit from rental income that helps them finance and maintain the property. Lenders typically count about 75% of the rental income as part of mortgage underwriting calculations thus allowing a lower income homeowner to purchase a home. Consequently, small multi-family homes have offered important starter housing in many communities, older communities in particular, when such units were built before zoning in large part made them more difficult if not impossible to build. Strategies to replace some of this housing should be considered in future planning.

Table III-21 further indicates that the town has a very limited supply of larger multi-family housing with only 59 properties with four (4) to eight (8) units and another 13 with more than eight (8) units.

Table III-21: Assessed Values of Multi-family Properties, 2013

Price Range of Values	Two-family Homes/ Three-family Homes		4 to 8-Unit Structures/More than 8 Units		Total	
	#	%	#	%	#	%
Less then $200,000	1/0	0.2/0.0	0/0	0.0/0.0	1	0.1
$200,000-299,999	13/2	2.1/1.7	0/0	0.0/0.0	15	1.8
$300,000-399,999	425/54	67.2/ 45.4	5/0	8.5/0.0	484	58.8
$400,000-499,999	168/53	26.6/ 44.5	26/0	44.1/0.0	247	30.0
$500,000-599,999	15/6	2.4/5.0	17/0	28.8/0.0	38	4.6
$600,000-699,999	7/3	1.1/2.5	5/0	8.5/0.0	15	1.8
$700,000-799,999	3/0	0.5/0.0	3/0	5.1/0.0	6	0.7
$800,000-899,999	0/1	0.0/0.8	1/1	1.7/7.7	3	0.4
$900,000-999,999	0/0	0.0/0.0	1/1	1.7/7.7	2	0.2
Over $1 million	0/0	0.0/0.0	1/11	1.7/84.6	12	1.5
Total	632/119	100/100	59/13	100/100	823	100.0
Median Price	$373,100/$403,600		$497,900/$1,794,600		--	

Source: Wakefield Assessor's Office, June 27, 2013

Rental Costs

Census data on the costs of rental units from 1990 through 2011 is included in Table III-22. These census estimates indicate that there were 2,393 occupied rental units in Wakefield in 2011, and that the median gross rental was $1,067, 34.2% higher than the median of $795 in 2000, and 71.5% higher than the median rent of $622 in 1990. Only about 9% of the rental units were renting for less than $500 by 2011 compared to 30.1% in 1990. County figures reflect somewhat higher rental prices with a 2011 median gross rental of $1,248 but a bit higher percentage of units (11.1%) renting for less than $500.

Table III-22: Rental Costs, 1980-2011

Gross Rent	1990		2000		2011	
	#	%	#	%	#	%
Under $200	230	8.6	148	5.4	33	1.4
200-299	100	3.8	66	2.4	65	2.7
300-499	472	17.7	149	5.5	110	4.6
500-749	1,244	46.7	767	28.1	243	10.2
750-999	453	17.0	821	30.1	520	21.7
1,000-1,499			568	20.8	869	36.3
1,500 or more	57	2.1	61	2.2	399	17.8
No cash rent	108	4.1	147	5.4	154	6.4
Total	2,664	100.0	2,727	100.0	2,393	100.0
Median rent	$622		$795		$1,067	

Source: U.S. Census Bureau 1990 and 2000 and American Community Survey 2007-2011

It is worth noting that the 2011 census estimates of 2,393 occupied rental units are significantly less than the 2,664 such units counted in the 2010 census. It is unlikely that an actual loss of 272 rental units occurred in a single year. It is also important to note that this analysis includes the 551 affordable rental units in the Subsidized Housing Inventory (see Section III.C), and the 352 rental vouchers and thus most of the rentals below $1,000 per month are likely subsidized. These subsidized rentals, representing about one-third of the community's rental housing stock, also have a significant impact on the median gross rent that would be significantly higher without the inclusion of these subsidized units.

The U.S. Department of Housing and Urban Development (HUD) provides Fair Market Rents (FMRs) that are used in determining the maximum amount of rent participants in their Section 8 Housing Choice Voucher Program are eligible for in searching for qualifying rental housing in the private market. The federal government then provides the difference between the market prices and a portion of the household's income. These FMRs, while often lower than most market rentals, still provide a benchmark for the rental market and are significantly higher than the median rental of $1,067 estimated by the U.S. Census Bureau in 2011. They are adjusted by bedroom size as follows for the Boston area that includes Wakefield:

Studio/efficiency Units = $1,035
One-bedroom Units = $1,200
Two-bedroom Units = $1,444
Three-bedroom Units = $1,798
Four-bedroom Units = $1,955
(The FMRs for unit sizes larger than four bedrooms are calculated by adding 15% to the four-bedroom FMR for each extra bedroom.)

Recent listings of rental units are presented in Table III-23, indicating the relatively high cost of rental housing in Wakefield, higher than the Fair Market Rents listed above for the most part. This table also demonstrates the limited number of rentals that are typically listed for Wakefield. The lowest rent was for a 400 square foot studio apartment, at $900. The highest was for a two-bedroom apartment for $2,100 and most listings were condos for rent, ranging between $1,263 and $1,800.

Table III-23: Rental Listings
June/July 2013

Unit Type	# Bedrooms	Square Footage	Rent
Apartment	0/Studio	400	$900
Apartment	1	NA	$1,350
Apartment	2	NA	$1,500
Apartment	2	1,218	$2,100
Condo for rent	1	NA	$1,263
Condo for rent	1	NA	$1,275
Condo for rent	1	NA	$1,425
Condo for rent	2	911	$1,400
Condo for rent	2	767	$1,489
Condo for rent	2	1,200	$1,800
House (Cape)	2	2,000	$1,500

Sources: Internet listings in craigslist and Zillow, July 1, 2013

4. *Affordability Analysis*

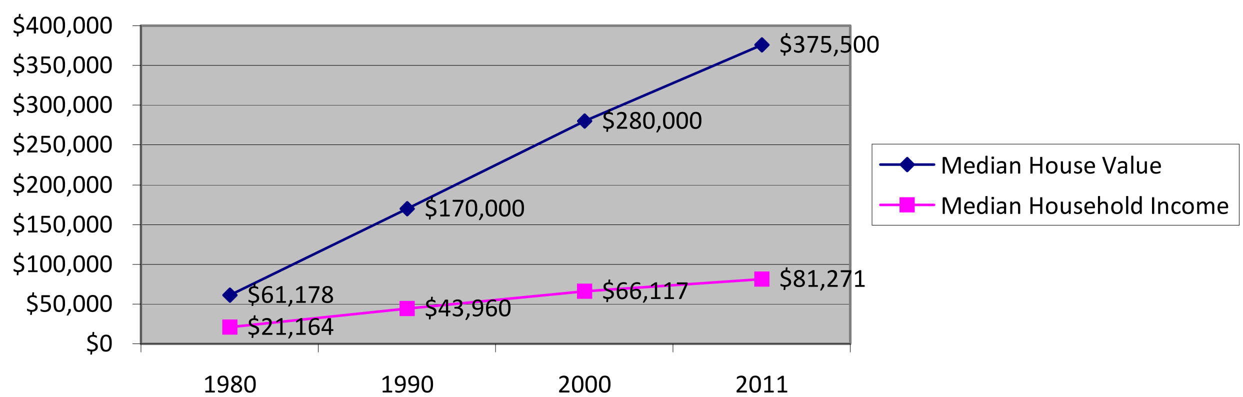
Current housing market data tells us that approximately half of Wakefield's households do not have sufficient income to afford the median sales price of $375,000 as of May 2013, and about 38% of households cannot afford the lowest rent advertised for a two-bedroom unit of $1,400. These relatively high housing costs obviously have the most severe impact on those on the lowest rungs of the income ladder, but the effects of such high housing prices have spread well into the middle class. Clearly if you do not already own a home or are not earning a substantial salary, you will be hard pressed to purchase a home in Wakefield.

A traditional rough rule of thumb is that housing is affordable if it costs no more than 2.5 times the buyer's household income. By this measure, the median income household could afford a house of no more than approximately $203,200, well below the median house price of $375,000 in 2013 and $425,000 in 2014. *This implies that the household in the middle of the town's income range faced an "affordability gap" of $221,800 as of May 2014.*

Housing prices have in fact risen much faster than incomes, making housing much less affordable as demonstrated in Figure III-15. As time went by, the gap between median household income and the median single-family house price widened considerably from median income being 34.6% of the median house price in 1980 to 21.6% by 2011. Another way of analyzing this figure is that *the gap between income and house value was only $40,014 in 1980 but has increased to $294,229*.

Figure III-15[12]

Median Household Income and Home Value, 1980 Through 2011



Another way of calculating the affordability gap is provided in the following analysis. As housing prices escalate more than income levels, the affordability gap widens, defined as the gap between the cost of housing and the proportion of income that is reasonable to pay for housing, typically defined as 30% of gross income. Tables III-24 and III-25 look at the two different vantage points in estimating this affordability gap. Table III-24 calculates what households earning at various income levels can afford with respect to types of housing, and Table III-23 examines some of the housing costs summarized above in Section III.B.3, estimating what households must earn to afford these prices *based on spending no more than 30% of their gross income on housing expenses*, the commonly applied threshold of affordability.

In addition to showing how different types of housing are more or less affordable to households earning at median income and at 80% of area median income, Table III-24 also indicates that the amount of down payment has a substantial bearing on what households can afford. Only several years ago it had

[12] The figure uses the most current data available, 2011 estimates for median household income and the median single-family home price as of March 2013.

been fairly easy for purchasers to limit their down payments to 5% or even less as long as they paid private mortgage insurance or qualified for a subsidized mortgage program such as the state's Soft Second Loan Program[13] or MassHousing mortgage programs. Since the relatively recent financial crisis, lenders are typically applying more rigid lending criteria, including the need for down payments as high as 20% of the purchase price. Such high cash requirements make homeownership, particularly first-time homeownership, much more challenging. As Table III-24 demonstrates, a household earning the same level of income can acquire a much higher priced home with more cash down as they are borrowing less.

Table III-24
Affordability Analysis I
<u>Maximum</u> Affordable Prices Based on Income Levels

Type of Property	Income Level	30% of Monthly Income	Estimated Max. Affordable Price 5% Down ***	Estimated Max. Affordable Price 20% Down ***
Single-family	Median Income = $81,271*	$2,031.78	$305,000	$363,000
	80% AMI = $60,650**	$1,516.25	$233,000	$267,000
Condominium	Median Income = $81,271*	$2,031.78	$257,000	$307,000
	80% AMI = $60,650**	$1,516.25	$184,000	$211,000
Two-family	Median Income = $81,271*	$2,031.78	$420,000	$503,000
	80% AMI = $60,650**	$1,516.25	$354,000	$407,000
		30% of Monthly Income	**Estimated Utility Cost**	**Affordable Monthly Rental**
Rental	Median Income = $81,271*	$2,031.78	$150	$1,881.78
	80% AMI = $60,650**	$1,516.25	$150	$1,366.25
	50% AMI = $42,500**	$1,062.50	$150	$912.50
	30% AMI = $25,500**	$637.50	$150	$487.50

Source: Calculations provided by Karen Sunnarborg.
* Based on the U.S. Census Bureau's American Community Survey estimate for 2011.
** HUD 2013 Income Limits for the Boston area for a household of three (3).
*** Figures based on interest rate of 5.0%, 30-year term, annual property tax rate of $12.29 per thousand, insurance costs of $1.25 per $1,000 of combined valuation of dwelling value (value x 0.5), personal property ($100,000 fixed), and personal liability ($100,000 fixed), and private mortgage insurance (PMI) estimated at 0.3125% of loan amount for 95% financing, estimated monthly condo fees of $300, and rental income of 75% of $1,000 or $750. Figures do not include underwriting for PMI in calculations with a 20% down payment and assume that purchasers earning at or below 80% of AMI would qualify for the Soft Second Loan Program or other subsidized mortgage program that would not require PMI.

Table III-24 also shows that because condo fees are calculated as housing expenses in mortgage underwriting criteria, they are more expensive. Therefore, a household earning at 80% of area median income, for example, can afford a single-family home of $233,000 with a 5% down payment, but a condo for only $184,000, assuming a condo fee of $300 per month. The same household is estimated to be able to buy a two-family house for $354,000 as it can likely charge at least $1,000 per month in rent,

[13] To be replaced by the end of 2013 with a somewhat different subsidized mortgage program called the One Mortgage Program.

which is considered as income in mortgage underwriting, usually at about 75% of the rent level or $750. A three-family house is even more affordable with two paying tenants, and it is therefore not surprising that the two-family house and triple-decker have been so successful as starter housing in many of the state's older communities when zoning allowed this type of housing.

In regard to *rentals*, the median gross median rent of $1,067, according to the 2011 census estimates, requires an income of about $48,680,[14] which is within HUD's current income limit for three-person households earning at 60% of area median income.   More than one-quarter (28.5%) of Wakefield households would still have been unable to afford this rent.

Table III-24 also looks at what renters can afford at three (3) different income levels. For example, a three-person household earning at 50% of area median income and earning $42,500 annually could afford an estimated monthly rental of about $912.50, assuming they are paying no more than 30% of their income on housing and pay utility bills that average $150 per month. A rental this low is extremely difficult to find in Wakefield's private housing market. For example, using the lowest prices advertised in late June and early July of 2013, a one-bedroom unit renting for $1,263 would require an income of $56,000, assuming $135 per month in utility bills and housing expenses of no more than 30% of the household's income. Even so, someone earning minimum wage of $8.00 for 40 hours per week every week during the year would still only earn a gross income of $16,640. Households with two persons earning the minimum wage would still fall short of the $56,000 income level needed to afford this minimum advertised rent. While there are rents that fall below this level, particularly subsidized rents, market rents tend to be beyond the reach of these lower wage earners. Rents are more typically at least $1,400 for a basic two-bedroom apartment or condo for rent, which limits affordability to those earning approximately $62,000, equivalent to the HUD income limit for those earning at 80% AMI.

It should also be noted that rentals also involve considerable up-front cash requirements including first and last months rent and a security deposit. On the $1,400 apartment this would amount to $4,200, a considerable amount for those with limited income and savings. Moreover, landlords are increasingly obtaining credit records and references for tenants, which also can pose barriers to securing housing.

Table III-25 examines affordability from another angle, going from specific housing costs to income instead of the other way around as was the case in Table III-24. Taking median price levels for single-family homes, condos and two-family homes, the incomes that would be required to afford these prices are calculated, also showing the differences between 95% and 80% financing. For example, using the median single-family home price as of May 2013 of $375,000, a household would have to earn approximately $94,750 if they were able to access 95% financing. If they could afford the 20% down payment, a lower income of about $79,000 would be required.

The median condo price was $199,000 as of May 2013, requiring an income of approximately $59,500 with 5% down and $53,175 with the 20% down payment. Because of the income generated in a two-family home, this type of property is significantly more affordable requiring an income of an estimated $64,750 or $49,000 based on 95% and 80% financing, respectively.

[14] Assumes monthly utility charges of $150.00.

Table III-25
Affordability Analysis II
Income Required to Afford Median Prices or Minimum Market Rents

Type of Property	Median Price*	Estimated Mortgage		Income Required **	
		5% Down	20% Down	5% Down	20% Down
Single-family	$375,000/5-2013	$356,250	$300,000	$94,750	$79,000
Condominium	$199,000/5-2013	$189,050	$159,200	$59,500	$53,175
Two-family	$375,000/5-2013	$356,250	$300,000	$64,750	$49,000
	Estimated Market Monthly Rental ***	**Estimated Monthly Utility Costs**	**Income Required**		
Rental					
One-bedroom	$1,263	$135	$56,000		
Two-bedroom	$1,400	$150	$62,000		
Three-bedroom	$1,600	$200	$72,000		

Source: Calculations provided by Karen Sunnarborg.
* From The Warren Group Town Stats data, July 2, 2013 for single-family and condos as of the end of May 2013. Used the same price as the single-family for the two-family example, which was close to the $373,000 median value based on Assessors Data as compiled in Table III-19, which tend to underestimate actual costs somewhat.
** Figures based on interest of 5.0%, 30-year term, annual property tax rate of $12.29 per thousand, insurance costs of $1.25 per $1,000 of combined valuation of dwelling value (value x 0.5), personal property ($100,000 fixed), and personal liability ($100,000 fixed), and private mortgage insurance estimated at 0.3125% of loan amount, estimated monthly condo fees of $300, and rental income of 75% of $1,000 or $750.
*** Lowest listed prices in June/July 2013. There were no three-bedroom listings available and an estimate is used.

Through Tables III-24 and III-25 it is possible to compute the affordability gap, typically defined as the difference between what a median income household can afford and the median priced unit on the market. There was a small affordability gap of $12,000 as of May 2013 for single-family homes, based on what a median income household could afford (for an average household of three and 80% financing) of $363,000 and the median house price of $375,000. This gap increased to $62,000 by May 2014. However, the upfront cash requirements for the down payment and closing costs of about $80,000 to $90,000, in effect widen the affordability gap considerably. The gap widens to $70,000 plus the upfront cash requirements for 95% financing.

When looking at the affordability gap for those earning at 80% of area median income (AMI), the gap continues to widen significantly to about $108,000 in May 2013, the difference between the median priced single-family home ($375,000) and what a three-person household earning at this income level can afford or $267,000. It continues to increase and was $158,000 by May 2014. If the household was able to access 95% financing, the gap becomes $192,000 by May 2014. Once again, the upfront costs of the down payment and closing costs would add considerably to the affordability gap.

As of May 2014, there was a small affordability gap of $19,500 for condos based on 80% financing. This gap widens to about $85,000 when down payment and closing costs are included in the calculations. However, for those earning at 80% AMI, the gap is $142,500 in the case of 95% financing and up to more than $180,000 with down payment and closing costs included.

Table III-26 identifies how many single-family homes and condos exist in Wakefield that would likely be affordable within various income categories. There were *only 29 single-family homes affordable to those earning at or below 80% of the area median income (AMI).* Almost one-third (31.1%) of the condos, or 323 units, were also affordable within this range, but were likely to be quite small and in older buildings. There were a substantial number of units that were affordable to those earning from 80% AMI to median income, 43.1% of the single-family units and 38.6% of the condos for a total of 2,659 units. This represents some relative affordability in the housing stock based on a number of assumptions, including 80% financing. Once again, the ability to obtain financing, including issues related to credit history and cash requirements, can provide substantial barriers to accessing housing. It is also important to note that this analysis is based on assessed values of all properties in Wakefield, not what is available on the market (see Table III-19 for market activity and prices from June 2012 through June 2013). It is also important to point out that the median income level of $81,271 for Wakefield that is used in this analysis is about 34% higher than the HUD income limit of $60,650 for those earning at 80% of median income for the Boston area.

Table III-26
Affordability Analysis III
Relative Affordability of Single-family and Condo Units in Wakefield, 2013

Price Range Single-family/Condo*	Income Range	Single-family Homes Available		Condominiums Available	
		Number	%	Number	%
Less than $233,000/ Less than $184,000	Less than 80% AMI	29	0.6	323	31.1
$233,001-$363,000/ $184,001-$307,000	80% - 100%	2,258	43.1	401	38.6
$363,001-$460,000/ $307,001-$405,000	100% - 120%**	1,917	36.6	243	23.4
More than $460,000/ More than $405,000	More than 120%**	1,033	19.7	72	6.9
Total		**5,237**	**100.0**	**1,039**	**100.0**

Source: Wakefield Assessor's Database for fiscal year 2013. Please note that as a standard practice, assessed value is assumed to be 93% of actual value or potential sale price. Figures based on a three-person household, interest of 5.0%, 30-year term, annual property tax rate of $12.29 per thousand, insurance costs of $1.25 per $1,000 of combined valuation of dwelling value (value x 0.5), personal property ($100,000 fixed), and personal liability ($100,000 fixed), and private mortgage insurance estimated at 0.3125% of loan amount, estimated monthly condo fees of $300. Figures are also based on 80% financing with the exception of the less than 80% AMI category where households could possibly qualify for subsidized mortgage programs where 95%/97% financing is available.
** The 120% AMI figure based on doubling the 60% AMI HUD figure of $51,000 for a household of three (3) or $102,000.

Another way to analyze affordability is to see how many households are paying too much for their housing, which is typically defined as paying more than 30% of a household's income on housing expenses whether towards homeownership or rental. The 2011 census estimates indicated that 521 households or 9.6% of Wakefield homeowners were paying between 30% and 35% of their income for housing (mortgage, utilities, taxes, homeowners association fees, and insurance) and another 1,389 homeowners or about one-quarter of all homeowners were paying 35% and higher. In regard to renters, 276 renters or 12.4% were spending between 30% and 34% of their income on housing and another 723 or 32.5% of renting households were allocating 35% or more of their income for housing. *This data suggests that 2,909 households,* *or an estimated 29.1% of all Wakefield households, were living in housing that was by common definition beyond their means and unaffordable.*

HUD provides additional data on housing affordability problems through its CHAS Report. This report, based on 2009 census estimates (latest report available), is summarized in Table III-27.

Table III-27: Type of Households by Income Category and Cost Burdens*
2009

Type of Household	Households Earning < 30% MFI/# with cost burdens (# spending 50% or more)	Households Earning > 30% to < 50% MFI/ # with cost burdens *	Households Earning > 50% to < 80% MFI/# with cost burdens *	Households Earning > 80% MFI/ # with cost burdens *	Total/# with cost burdens *
Elderly Renters	220/55 (75)	75/15 (0)	110/30 (0)	100/30 (0)	505/130 (75)
Small Family Renters	65/0 (55)	70/60 (10)	65/40 (0)	350/50 (0)	550/150 (65)
Large Family Renters	0/0 (0)	10/0 (10)	0/0 (0)	95/10 (0)	105/10 (10)
Other Renters**	205/0 (135)	180/135 (30)	120/80 (0)	645/40 (0)	1,150/255 (165)
Total Renters	490/55 (265)	335/210 (40)	295/150 (0)	1,190/130 (0)	2,310/545 (305)
Elderly Owners	360/115 (100)	380/180 (70)	320/35 (60)	905/95 (15)	1,965/425 (305)
Small Family Owners	35/0 (35)	65/50 (10)	230/105 (70)	3,475/485 (105)	3,805/640 (220)
Large Family Owners	0/0 (0)	15/0 (15)	30/10 (20)	520/60 (0)	565/70 (35)
Other Owners**	80/0 (80)	25/10 (10)	65/30 (35)	915/205 (120)	1,085/245 (245)
Total Owners	475/115 (215)	485/240 (105)	645/180 (185)	5,815/845 (240)	7,420/1,380 (745)
Total	965/170 (480)	820/450 (145)	940/330 (185)	7,005/975 (240)	9,730/1,925 (1,050)

Source: U. S. Department of Housing and Urban Development (HUD), SOCDS CHAS Data, 2009.
MFI indicates median family income.
*Cost burdens indicate that households are spending more than 30% of their income on housing. The CHAS data also provides data on those spending more than 50% of earnings on housing as indicated by parentheses ( ).
Large-family households are defined as having five (5) or more members, small families with two (2) to four (4) members.
** The "other" category includes non-family and non-elderly households, likely composed largely of single individuals less than 62 years of age.

This data suggests that those earning at or below 50% of median income were experiencing substantial cost burdens, meaning that they were spending more than they should for their housing defined as more than 30% of gross income. Specific findings include the following:

- More than 30% of all households in Wakefield were spending too much for their housing, representing 2,975 households according to this analysis and fairly comparable to the more recent census data cited above. More than half (1,050 households) of these 2,975 households were spending at least half of their income on housing including 305 renters and 745 homeowners.

- There were an estimated 2,725 households earning at or below 80% of median income or 28% of all households who might be eligible for housing assistance based on income alone.[15] Of these, 810 households were spending more than half of their income on housing.
- Half of those earning at or below 30% AMI were spending more than half of their income on housing.
- More than 40% (43.2%) of the 405 seniors who rented and had incomes within 80% of median were spending too much for their housing, including 175 renters. Many of the seniors who were not overspending were likely living in one of the 163 units of elderly housing provided by the Wakefield Housing Authority or other subsidized rentals.[16]
- More than 80% of small families who rented in Wakefield and earned within 80% AMI were spending too much on their housing, one-third who were spending more than half of their income on housing. There is very little subsidized housing for families in Wakefield, including only eight (8) family units managed by the Wakefield Housing Authority.
- There were also significant cost burdens for those in the "other" category of non-family and non-elderly households, typically single individuals less than 62 years of age. For example, three-quarters of these renters who earned at or below 80% AMI were spending too much as were almost all of the homeowners.
- Of the 740 elderly owners earning at or below 50% AMI, 465 or 62.8% were overspending on their housing and almost one-quarter (23%) were spending more than 50% of their income on housing-related expenses.
- A large percentage of the families who were homeowners had housing cost burdens as 82% of the small families who earned within 80% AMI were overspending as were all of the large families. Additionally, 35% and 78% of the small and large families, respectively, were spending more than half of their income on housing.

C. Subsidized Housing Inventory (SHI)

The Subsidized Housing Inventory (SHI) is the official list of units, by municipality, that the state counts towards a community's 10% housing affordability goal as prescribed by Chapter 40B comprehensive permit law. To be counted as affordable under Chapter 40B, housing must be dedicated to long-term occupancy of income-eligible households through resale or rental restrictions.

Table III-28: 2014 Income Limits for Boston PMSA
Based on 80% of Area Median Income

Number of Persons in Household	Income Limit
1	$47,450
2	54,200
3	61,000
4	67,750
5	73,200
6	78,600
7	84,050
8	89,450

Source: U.S. Department of Housing and Urban Development

[15] This does not take into account financial assets that might disqualify them from housing subsidy programs.
[16] Of a total 189 WHA units for the elderly and disabled, 13.5. % are targeted to younger disabled adults, involving 26 units.

Table III-28 presents the income limits for the affordable units based on the 2014 HUD guidelines for the Boston area, including the town of Wakefield, directed to those earning at or below 80% of area median income adjusted by household size.

1. Current Inventory

The state lists 629 affordable housing units in the current state-approved Subsidized Housing Inventory (SHI), representing 6.01% of Wakefield's total year-round housing stock of 10,469 units. The Town would need 1,047 affordable units to reach the state's affordability goal of 10%, and consequently, there is a current gap of 418 affordable units. Another 118 units are being added to the SHI through a Chapter 40B rental development at Legacy Park that will include 114 rental units and 14 condos (four of the condos will be affordable). Still another 63 affordable units have been permitted through 14 Audubon Road and 415 Lowell Street, the first through the Town's inclusionary zoning bylaw and the other through the comprehensive permit process. The 28 rental units at River Crossing should also be added to the SHI. These projects will bring the total number of affordable units to 838 and the percentage of affordable units to 8.0%. While the 10% level is a moving target as housing growth will continue to affect the year-round housing total with each release of the U.S. Census Bureau's decennial census figures, it should be noted that 100% of units in comprehensive permit projects that involve rental development are eligible for inclusion in the SHI.

In counting a community's progress toward the 10% threshold, the state counts a housing unit as affordable if it meets a number of requirements under Chapter 40B as summarized in Figure III-16.

Figure III-16

CHAPTER 40B: WHAT IS AFFORDABLE HOUSING?

1. Must be part of a "subsidized" development built by a public agency, non-profit, or limited dividend corporation.
2. At least 25% of the units in the development must be income restricted to households at or below 80% of area median income (or 20% for those earning at or below 50% AMI) and have rents or sales prices restricted to affordable levels. Restrictions must run at least 15 years for rehab and in perpetuity for new homeownership units.
3. Development must be subject to a regulatory agreement and monitored by a public agency or non-profit organization.
4. Project sponsors must meet affirmative marketing requirements.

With approval from the subsidizing agency such as DHCD, state policies also enable municipalities to reserve up to 70% of the affordable units created in state subsidized developments, including comprehensive permit projects, for those who live, work or attend school in the community, referred to as "community or local preference" units.

As shown in Table III-29 and Figure III-17, Wakefield's level of affordable housing, at 6.0% (soon to be 8.0%), is fairly comparable to its neighbors. The percentage of SHI units ranged from a low of 5.3% in Stoneham to 9.1% in Peabody with the other communities in the 6.0% to 7.6% range. It should be noted that the City of Peabody had exceeded the 10% affordability threshold but continued growth lowered the percentage to 9.1% after 2010 census figures were released.

Table III-29
SHI Units, Wakefield and Neighboring Communities

Town	# Year-round Units	# SHI Units	% SHI Units
Lynnfield	4,319	307	7.1%
Melrose	11,714	892	7.6%
Peabody	22,135	2,018	9.1%
Reading	9,584	684	6.1%
Saugus	10,754	759	7.1%
Stoneham	9,399	495	5.3%
Wakefield	10,469	629/838	6.0%/8.0%

Source: Massachusetts Department of Housing and Community Development, April 1, 2013

Figure III-17

Level of Affordable Housing

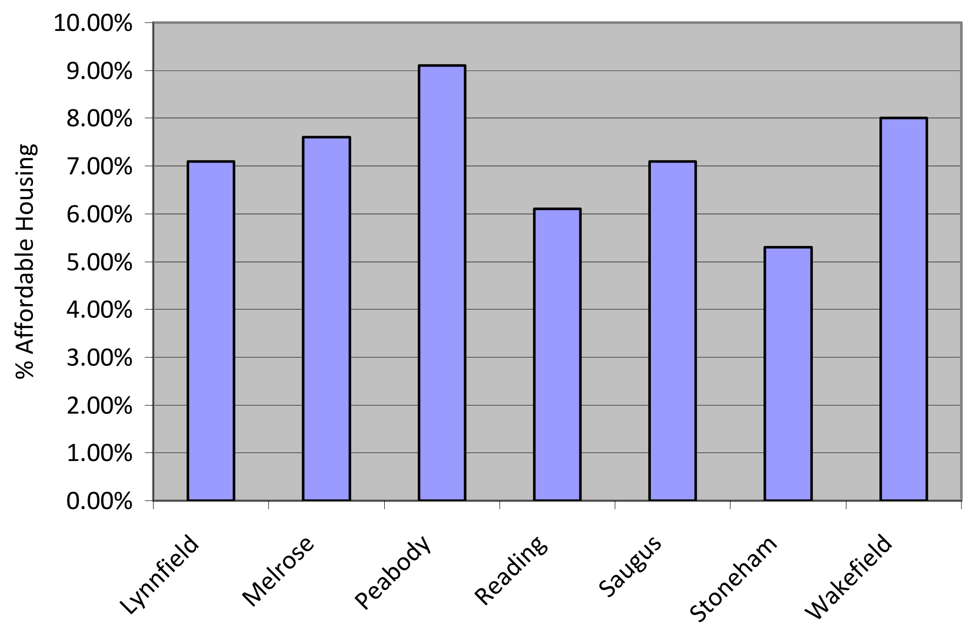


Table III-30 summarizes the units that are currently included in Wakefield's Subsidized Housing Inventory (SHI).

Table III-30
Wakefield's Subsidized Housing Inventory (SHI)

Project Name	Project Type	Affordable Units	Affordability Expires	Built with a 40B permit	Subsidizing Agency
Crystal View Apts.*	Rental/Elderly Disabled	40	Perpetuity	No	HUD
Hart's Hill Apts.*	Rental/Elderly Disabled	52	Perpetuity	No	DHCD
Hart's Hill Apts.*	Rental/Elderly Disabled	64	Perpetuity	No	DHCD
Lincoln School House*	Rental/Elderly Disabled	25	Perpetuity	No	DHCD
38 & 40 Harts Hill Road*	Rental/Special Needs	8	Perpetuity	No	DHCD
Nelly & Elm Sts*	Rental/Family	8	Perpetuity	No	DHCD
Colonial Point	Rental	176	2013/now 2048	No	HUD
Fitch Court	Ownership	3	2049	Yes	DHCD
Main Street	Ownership	4	2050	Yes	DHCD
Rockledge Apts.	Rental	60	2019	No	MassHousing
Millbrook Estates	Ownership	10	2102	Yes	FHLBB
100 Chestnut St. Rehab	Rental	6	2032	No	DHCD
239 Nahant St.	Ownership	2	2102	Yes	FHLBB
Wakefield Inn	Rental	26	2032	No	DHCD
Wakefield Crossing	Ownership	15	2102	No	DHCD
Heron Pond	Ownership	23	Perpetuity	Yes	DHCD
Parker Road Condos	Ownership	2	Perpetuity	Yes	DHCD
Housing Rehab Program	Ownership/ Rehab	19	2016 to 2021	No	DHCD
DDS Group Homes	Special Needs Rental	53	NA	No	DDS
DMH Group Homes	Special Needs Rental	32	NA	No	DMH
TOTAL		**629**			
Legacy Park	Rental and Ownership	114 rental units + 4 condos	Perpetuity	Yes	MassHousing
14 Audubon Rd.	Rental	33	Perpetuity	No	DHCD
415 Lowell St.	Rental	30	Perpetuity	Yes	MassHousing
River Crossing	Rental	28	Perpetuity	Yes	MassHousing
NEW TOTAL		**838**			

Source: Massachusetts Department of Housing and Community Development, April 2, 2013. The asterisk (*) indicates units owned and managed by the Wakefield Housing Authority (WHA).
NOTE: The units for River Crossing had been included on the SHI and are currently marked with zero (0) units. This project has been completed and should be added to the SHI.

The Wakefield Housing Authority (WHA) owns and manages 189 rental units (includes 8 special needs units) or 30% of all SHI units in the following developments:

- *Hart's Hill* is a state-financed development with 116 units for those either at least 60 years of age or with a disability with incomes at or below 80% of area median income (AMI). (179 on the waitlist including 28 Wakefield applicants, all younger and disabled)

- The *Lincoln School House* has ten (10) units for those either 60 years of age or with a disability and earning at or below 80% AMI and an additional three (3) congregate units with 15 occupants. The average income of tenants is $16,916. (176 on the waitlist including 59 Wakefield applicants with relatively short waits for the congregate units)

- *Crystal View* is a federally financed development with 40 units for those 62 years of age and older and/or disabled with incomes at or below 50% AMI. The development includes four (4) handicapped accessible units. The average income of tenants is $15,539. (127 on waitlist including 44 Wakefield applicants and three-years wait for local residents)

- *38-40 Hart's Hill Road* involves state-financed special needs housing for eight (8) clients of the state's Department of Developmental Disabilities (DDS).

- *Hart's Hill Heights* has 22 units of supportive elderly housing, units that are not included on the SHI. The development includes three (3) handicapped accessible units. The average income of tenants is $15,004. (41 on the waitlist including 22 Wakefield residents and at least three-year waits)

- *Buildings at Elm and Nelly Streets* that involved state financing through the Chapter 705 Program and includes eight (8) units for families. The average household income is $14,632. (214 on the waitlist including seven Wakefield applicants and very slow turnover of units with one family in occupancy for 30 years)

The WHA has only eight subsidized family units with the remaining units directed to seniors or special needs populations.

The Wakefield Housing Authority also manages rental subsidies that pay the difference between a percentage of a qualifying household's income and Fair Market Rents (FMRs) in privately leased housing.[17] These subsidies include 21 state vouchers through the Massachusetts Rental Voucher Program (MRVP) and an additional 331 federal Section 8 Housing Choice Vouchers. The wait for vouchers is at least five (5) years and the recent sequestration of the federal budget portends reductions in available subsidies.

As Table III-28 indicates, 466 or almost three-quarters (74.1%) of the SHI units were rental units with another 59 or 9.4% of the units involving homeownership. A total of 19 units were rehabilitated through previously available Community Development Block Grant (CDBG) funding. The state's Department of Developmental Disabilities (DDS) or Department of Mental Health (DMH) sponsors another 85 units, or 13.5% of the SHI, through group homes.

[17] Fair Market Rents (FMR's) for 2013 are $1,035 for a studio, $1,200 for one-bedroom units, $1,444 for two bedrooms, $1,798 for three bedrooms and $1,955 for four bedrooms.

Of particular concern have been two (2) projects with affordability restrictions that are listed as due to expire during the next few years. The Rockledge Apartments development includes 60 apartments with affordability expiring in March 2019. Colonial Point has 176 rental units, representing more than one-quarter of all SHI units and with affordability (through Section 8 financing) listed as expiring as of June of 2013. Fortunately, the affordability for this project was extended through 2048 with HUD refinancing. It will be important for the Town to insure that affordability is also extended for the Rockledge Apartments so that lower income tenants will not be displaced if units are converted to market rents.

Because of shorter 15-year terms of affordability involved in the Housing Rehab Program that operated in the past, an additional 19 units will be eliminated from the SHI in the relatively near future.

2. *Recently Permitted or Completed Projects*

Several additional developments have been permitted that will add another 187 units to the SHI, bringing the total number of affordable units to 838 or 8.0% of Wakefield's year-round housing stock. This would leave a gap of only 209 units to reach 10%. These projects include the following:

- *Legacy Park*
  This project was permitted through the Chapter 40B comprehensive permit process and will include 114 rental units consisting of one and two-bedroom garden-style units and 14 three-bedroom condominium townhouses, four (4) of which will be affordable. It should be noted that some of the property that was developed as part of this project was formerly owned by the Town and conveyed to the developer.

- *14 Audubon Road*
  The Planning Board approved this 184 development that was permitted under the Town's inclusionary zoning bylaw requiring that 18% or 33 units be affordable. The development is currently under construction.

- *415 Lowell Street*
  Another comprehensive permit has been approved for 415 Lowell Street with 30 rental units, including eight (8) affordable ones. The project is under construction and all 30 units will be eligible for counting in the SHI because it is a Chapter 40B rental development.

- *River Crossing*
  This development includes 28 rental units that were approved through a Chapter 40B comprehensive permit. This project has been completed and is fully occupied.

There are additional projects that are described in Section VII of this Housing Plan where there is a potential for redevelopment over the next five years that would include some amount of affordable housing.

D. Priority Housing Needs

A number of indicators in this Housing Needs Assessment suggest significant local needs for affordable housing that are in fact well beyond what could be accomplished by meeting the 10% state goal. This Housing Production Plan suggests that the Town continue to focus on the production of subsidized rental housing to house the community's most vulnerable populations with a split of about 80% of year-round rentals to 20% affordable homeownership units. This recommendation is reflective of the fact that almost all state and federal funding is for rental unit development, increasing levels of poverty, extensive wait times for subsidized rentals, and the high cost burdens of existing renters. Moreover, the equity that many lower income homeowners have built over time would potentially disqualify them from many subsidized units.

Table III-31 indicates that there is a shortage of affordable rental units, particularly for those earning at or below 50% of median income. Rental subsidy programs typically target these populations, and almost all of the existing affordable units included in the table likely involve existing subsidized rental units. Because the 500 existing affordable units included in the table is less than the 551 rental units in the SHI (includes 85 units in group homes), also too low to include the 352 rental vouchers, the data likely underestimates actual affordable units and reflects the fact that some tenants in subsidized units are paying more than the 30% affordability threshold in rent and utility costs. Moreover, the 2,310 units that are included in the census estimates on which this analysis is based, is about 300 units less than what was counted through the 2010 census, which might account for some of the discrepancy.

Table III-31
Rental Unit Need Analysis, 2011

Income Group	**Income Range***	**Affordable Rent****	**# Renter Households *** **	**# Existing Affordable Units ********	**Deficit -/ Surplus+**
Less than 30% AMI	$25,500 and less	$487.50 and less	490	170	- 320
Between 30% and 50% AMI	$25,501 to $42,500	$487.51 to $912.50	335	85	- 250
Between 50% and 80% AMI	$42,501 to $60,650	$912.51 to $1,366.25	295	245	- 50

Source: US Census Bureau's 2005-2009 American Community Survey, 2009-2011 estimates.
* For a household of three (3) based on 2013 HUD income limits for the Boston area that includes Wakefield.
** Includes a utility allowance of $150 per month.
*** Reflects the numbers of renter households within each income range as presented in Table III-25.
**** Reflects the numbers of units within income categories that are affordable in that households are not spending too much of their income on housing.

Table III-32 demonstrates a substantial need for more affordable homeownership opportunities in Wakefield for those earning at or below 80% of area median income. These calculations suggest that of the 1,605 owner households that were estimated to have earned at or below 80% AMI, there were only 29 single-family homes and 323 condos that would have been affordable to them based on fiscal year 2013 assessed values and other noted assumptions. The projected deficit of 1,253 units for those earning at or below 80% of median income is considerable. However, because almost all housing subsidy programs are directed to rentals, it is very difficult to develop subsidized homeownership, particularly when the town does not have access to more flexible funding sources such as that which becomes available with adoption of the Community Preservation Act (CPA). However, such development would be feasible through "friendly" comprehensive permit projects or other zoning mechanisms that would mandate the inclusion of affordable units in new residential or mixed-use development.

Table III-32
Homeownership Need Analysis, 2011

Income Group	Income Range*	Affordable Sales Prices Single-family/Condos**	# Owner Households	# Existing Units Single-family/Condos	Deficit -/ Surplus+
Less than 80% AMI	$60,650 and less	Up to $233,000/$184,000	1,605 ***	29/323	- 1,253
80%-100% AMI	$60,651 to $81,271	$233,001-$363,000/ $184,001-$307,000	1,105 ***	2,258/401	+ 1,554

Source: US Census Bureau's 2005-2009 American Community Survey, 2011 estimates. Wakefield Assessor's data for fiscal year 2013.
* For a household of three (3) based on 2013 HUD income limits for the Boston area that includes Wakefield.
** See analysis in Table III-24.
*** Reflects the numbers of owner households earning within 80% of area income as presented in Table III-25.
**** Extrapolated income data for owners from the US Census Bureau's American Community Survey estimates for 2011 for the 80% to median income range.

Wakefield has a gap of almost 2,000 affordable housing units. Looking at the combined deficits in Tables III-31 and 32, the Town needs 1,873 more affordable units. Moreover, Table III-27 estimates that 1,760 households earning at or below 80% of area median income are paying too much for their housing. Additionally, there is certainly ample additional documentation in this Housing Needs Assessment for the creation of new affordable rental and ownership housing. Such indicators of priority housing needs include the following:

Produce Subsidized Rental Housing for Households with Very Limited Incomes
There is a sizable population of those who are seniors, have special needs and/or have very low incomes who have significantly reduced capacity to secure decent, safe and affordable housing in Wakefield. Increasing poverty and disparities between the incomes of owners and renters suggest the need for more subsidized rentals.
Indicators of Need:

- *Significant number of low-income households:* Of the 9,276 total households in 2011, 502 or 5.0% had incomes of less than $10,000 and another 953 or 9.5% had incomes between $10,000 and $24,999, within the approximate HUD income limits of those earning at or below 30% of area median income. Approximately another 1,313 households had incomes between 30% and about 60% of area median income. The total number of households within these income categories was about 2,768 households in 2011 or about 28% of all Wakefield households, while only 629 units are included in the SHI with another 350 or so rental subsidies.
- *Increasing income disparities by tenure:* There were also significant discrepancies between the median incomes of owners and renters, at $98,342 and $36,230, respectively. *What is particularly notable is that the median income of renters decreased over the past decade, from $42,367 in 1999!*
- *Increasing poverty:* An estimated 947 individuals were living below the poverty level in 2011, up from 1999. Poverty levels increased the most for those 65 years of age or older, going from 4.6% to 8.8% between 1999 and 2011.
- *Substantial cost burdens for renters:* Of the 1,140 renter households earning at or below 80% of median income, 720 or 63.2% were spending too much of their income on housing, including

305 or more than one-quarter (26.8%) who were spending more than half of their income on housing expenses.

- Of the 405 elderly renters earning within 80% of median income, 175 or 43.2% were overspending on their housing.
- More than 80% of small families who rented in Wakefield and earned within 80% AMI were spending too much on their housing, one-third spending more than half of their income on housing.
- There were also significant cost burdens for those in the "other" category of non-family and non-elderly households, typically single individuals less than 62 years of age. For example, three-quarters of these renters who earned at or below 80% AMI were spending too much as were almost all of the homeowners.
- *Limited subsidized family rentals:* There is very little subsidized housing for families in Wakefield, including only eight (8) family units managed by the Wakefield Housing Authority.
- *Long waits for subsidized units:* The length of the wait on the Housing Authority's wait list is typically about three (3) years for seniors who are Wakefield residents and much longer for those applying for family units where there is very little turn over of units.

Goal: Approximately 80% of new units produced or about 42 units per year and 210 over five (5) years. About two-thirds directed to families given the small amount and high demand for subsidized family rentals and about one-third for seniors.

Create Opportunities for Young Families to Purchase Housing and Invest in the Community

Efforts to enable children who grew up in town to raise their own families locally and other area workers should be pursued, providing some opportunities for starter housing which the private housing market is no longer producing without subsidies.

Indicators of Need:

- *Limited affordability in the private housing stock:* Current housing market data tells us that approximately half of Wakefield's households do not have sufficient income to afford the median sales price of $375,000 as of May 2013, and about 38% of households cannot afford the lowest rent advertised for a two-bedroom unit of $1,400. These relatively high housing costs obviously have the most severe impact on those on the lowest rungs of the income ladder, but the effects of such high housing prices have spread well into the middle class. Clearly if you do not already own a home or are not earning a substantial salary, you will be hard pressed to purchase a home in Wakefield without subsidies.
- According to Assessor's data, Wakefield has only 29 homes available in the affordable range, priced at $233,000 or less and accessible to those earning at or below 80% of area median income. Another 323 condo units might also be affordable to those within this income range, but are likely to be very small in older buildings.
- *Potential market for first-time homeownership:* An estimated 295 renter households likely have incomes within 50% to 80% of area median income and potentially might qualify for affordable first-time homeownership opportunities.
- *Declines in young adults:* Demographic trends also suggest that escalating housing costs were likely pricing younger individuals and families out of the housing market. Those entering the labor market and forming new families were dwindling in numbers, reducing the pool of entry-level workers and service employees as well as forcing grown children who were raised in town to relocate outside of Wakefield. For example, those between the ages of 20 and 24 decreased by almost 30% between 1990 and 2010 and

those 25 to 34 decreased from 18.4% to 12.3% of the total population during this same period.

- *Projected future decreases in young adults:* Population projections suggest that there will be additional decreases in the age 25 to 34 population from 2010 to 2035, representing an estimated loss of 228 residents in this age range during this period, from 12.3% of the population to 10.4%.

Goal: Approximately 20% of units produced should be for affordable homeownership for young families, representing about 10 units per year or 50 units over five (5) years.

Provide Greater Handicapped Accessibility, Supportive Services and/or Smaller Units for Disabled and an Increasing Elderly Population

Population projections suggest that aging baby boomers will create a need for more housing that is smaller and easier to maintain by empty nesters and younger seniors in the years ahead in addition to significant numbers of residents with disabilities.

Indicators of Need:

- *Significant numbers of disabled residents:* A total of 2,030 residents claimed some type of disability according to 2011 census estimates, representing about 8.0% of Wakefield's population. Of the population under age 18, 210 or 4.0% had some type of disability, and of the population age 18 to 64, 836 or 5.3% claimed a disability. In regard to the population 65 years of age or older, 984 or more than one-quarter (25.7%) claimed some type of disability.
- *Aging of baby boomers suggest growing demand for unit modifications and services:* There were substantial increases in those 45 to 64 years of age between 1990 and 2010, many who were aging during this period as part of the baby boom generation. There were 4,838 residents in this age category in 1990, rising to 7,577 by 2010, representing a 56.2% rate of growth despite nearly flat total population growth.
- Population projections estimate that there will be substantial increases in the population 65 years of age and older, from 14.7% in 2010 to an estimated 27.7% by 2035. This increase includes the aging baby boomers and suggests that the Town undertake appropriate planning to accommodate an aging population that is likely to have special needs in the future.
- *Few handicapped accessible units in Wakefield:* There are only seven (7) such units in Wakefield Housing Authority developments.

Goal: At least 10% of all units produced should include handicapped accessibility, supportive services or smaller units for increasing older and smaller households. An estimated five (5) units per year or 25 over five (5) years.

Identify resources to support needed home improvements

Indicators of Need:

- *Aging housing stock:* From a total of 10,500 housing units that were counted as part of the 2010 census, almost 4,000 units or 37.7% predate World War II and a total of 6,878 units or almost two-thirds of all units were constructed prior to 1960.
- Lower income homeowners and landlords often need help in maintaining their units, correcting housing code violations, making emergency repairs, and removing lead paint, asbestos and other toxins.

Goal: At least five (5) units per year or 25 units over five (5) years.

A summary of housing goals based on these priorities is provided in Table III-33, premised on producing 52 affordable units per year that is reflective of production goals under the state Housing Production guidelines. The Table suggests a balance of about 80% rental to 20% homeownership units and a split of two-thirds to one-third rental housing for families versus seniors.

Table III-33: Housing Production Goals by Housing Type

Type of Units	1-Year Goals	5-Year Goals
Rental Housing Families Seniors	42 units 28 14	210 units 140 70
Homeownership Units/Families	10 units	50 units
Total	52 units	260 units
Handicapped accessibility and/or supportive services/about 10% of new units produced	5 units	25 units
Housing improvements	5 units	25 units

IV. CHALLENGES TO PRODUCING AFFORDABLE HOUSING

While there are pressing needs for more affordable housing in Wakefield, there also continue to be formidable challenges to producing such housing in town including the following:

- ***Limited Developable Property***
  Most prime properties have been developed, and there are fewer parcels available that do not involve development restrictions or environmental issues, such as the town's considerable amount of wetlands and ledge. Moreover, site assemblage is typically problematic as it involves the acquisition of a number small parcels under separate ownership. As a result, it will become increasingly challenging to locate development opportunities for affordable housing.

  The 2000 MAPC buildout analysis of Wakefield's undeveloped land calculated that the town could accommodate as many as 1,072 additional dwelling units as-of-right under existing zoning. This "buildout" would increase the housing stock by about 10%, and was estimated to result in 2,669 additional residents, including 385 school children. If future development were to occur according to this buildout scenario, Wakefield's new housing would be primarily single-family, owner-occupied, lower-density, and probably more expensive than existing housing because of the increasing cost of land. *This analysis now suggests that given new residential development since 2000, the Town could accommodate just another 304 units before buildout, which is not substantially higher than the current affordability gap to reach the state's 10% threshold under Chapter 40B of 209 units!*[18] While the buildout projections have been considered far less than reliable, they do point to dwindling development opportunities and the compelling need to integrate some affordability into future development.

  Mitigation Measures:
  It will be important to guide future development to appropriate locations, maximizing density in some areas and minimizing the effects on the natural environment and preserving open space corridors and recreational opportunities. Therefore, changes to the Town's Zoning Bylaw will be necessary which will consequently alter buildout calculations.

  Because of the limited amount of developable property, it is all the more important that the new units that are created help diversify the housing stock and provide greater affordability. This Plan suggests several zoning mechanisms to mandate and incentivize affordable units as well as strategies to promote more housing choices (see Section VI). Visual representations of some development opportunities are included in Section VII.

- ***Zoning***
  As is the case in most American communities, a zoning bylaw or ordinance is enacted to control the use of land including the patterns of housing development. The Wakefield Zoning Bylaw includes the following zoning districts that include residential uses:

  - *Special Single Residence (SSR)* is intended for single-family residences and allowed accessory uses with half-acre minimum lots sizes.

[18] Includes permitted units that are not yet included in the Subsidized Housing Inventory (SHI).

- *Single Residence (SR)* Districts are also intended for single-family homes and allowed accessory uses but somewhat smaller minimum lots sizes of 12,000 square feet.
- *General Residence (GR)* includes areas primarily adjacent to Wakefield Center and Greenwood where two-family units are allowed in addition to single-family homes and complementary accessory uses with even smaller minimum lots sizes of 8,000 square feet.
- *Multiple Residence (MR)* includes areas where multi-family[19] and attached dwellings (townhouses) are allowed and is divided into two parts, MR-1 and MR-2, both allowing multi-family housing under special permit at maximum densities of 14 and 36 units per acre and heights of three (3) and six (6) stories, respectively. The MR-2 district allows mid-rise units while the MR-1 District does not.
- *Neighborhood Business (NB)* includes business areas primarily serving the convenience of nearby residents where both single-family and two-family dwellings are allowed.
- *Limited Business (LB)* areas are located largely near Route 128 or other major roadways, which include predominantly office and nonretail uses and where multi-family housing is allowed under special permit while single-family or two-family dwellings are not permitted.
- *Business (B)* areas include Wakefield Center and Greenwood with uses serving community-wide needs. Multi-family structures are allowed by special permit and single-family homes and two-family residences are permitted by-right.
- *Industrial (I)* areas are largely adjacent to Wakefield Center, along the railroad corridors, and at the northerly side of Route 128, consisting of light industrial uses. Single-family and two-family dwellings are not allowed but multi-family housing is permitted by special permit.
- *Limited Industrial (LI)* areas are similar to the Industrial districts but require larger minimum lot sizes of 80,000 square feet and other more stringent dimensional requirements.

The Zoning Bylaw also includes a number of Overlay Districts, including the following that include housing:

- *Attached Dwelling Overlay District (ADOD)* would permit attached dwellings by special permit, however such areas have yet to be mapped.[20] These districts were to include areas that were determined to be suitable for attached dwellings (see footnote #20 for the definition) subject to the provisions of the Open Space Development bylaw (Section 190-93 described below). This is a zoning tool that was part of the 2003 Housing Master Plan that has not been utilized, and it would work to the advantage to the Town to undertake the necessary mapping. The zoning stipulated that no more than six (6) dwelling units should be attached together in a single structure and included useful design guidelines.

[19] Multi-family housing is defined as structures with four (4) units or more in Section 190-4 of the Zoning Bylaw.

[20] Attached dwellings (also referred to as townhouse or row house dwellings) are defined in Section 190-4 of the Zoning Bylaw as a one-family dwelling in a row of at least three (3) such units, each with its own front and rear access to the outside and completely separated by one or more common fire-resistant wall. The Bylaw does not allow new attached units that are located over another.

- *Mixed Use Overlay District (MUOD)* includes areas that are deemed appropriate for mixed residential and commercial uses (in the Multiple Residence, Business, Industrial and Light Industrial districts) through a special permit. There are three (3) such districts that have been mapped to date, two (2) in the Town Center and another in Greenwood.
- *Creative Development Overlay District (CDOD)* includes areas that allow the creation of compact residential or mixed-use development including the Multiple Residence, Business, Industrial and Light Industrial districts.
- *Assisted Living Overlay District* that has been mapped in the downtown.

Table IV-1: Dimensional Regulations by Zoning District

	SSR	SR	GR	MR-1	MR-2	NB	LB	B	I/LI
Min. Lot Size	20,000	12,000	8,000	40,000	60,000	20,000	40,000	40,000*	20,000 80,000
Min. Frontage	100	100	80	150	180	80	150	40	80/150
Setback-Front	30	20	15	30	30	15	50	--	15/50
Setback-Side	15	15	10	30	30	10	20	15	20/20
Setback-Rear	25	25	20	30	30	10	20	15	20/20

Source: Wakefield Zoning Bylaw
Note: Dimensions are in square feet or linear feet.
* For multi-family units

The dimensional requirements for these districts are summarized in Table IV-1. Minimum lot sizes range from 8,000 square feet in the General Residence District to two (2) acres in the Limited Industrial District. Large lot zoning has been used to protect the environment, but to also slow the growth of development. Such zoning can also lead to inefficiencies in the development of land, which the town has tried to partially remedy through its Multi-family housing, Open Space Development, Mixed Use, and Creative Development bylaws described below.

- *Multi-family housing,* which includes structures of four (4) or more units and attached dwellings (townhouses), are allowed by special permit of the Planning Board in a number of zoning districts with the exception of the single residence districts (SR and SSR) and Neighborhood Business and General Business districts.[21] Some of the dimensional requirements are summarized in Table IV-1.

  The Zoning Bylaw also includes an affordability component requiring that at least 18% of the units be eligible for inclusion in the Subsidized Housing Inventory (SHI).[22] The affordable units must by integrated into the overall development to prevent the physical separation of these units and their exterior appearance must be the same as the market units. This bylaw also allows the potential development of the affordable units at an off-site location under certain conditions. Moreover, the affordable units must be occupied in proportion to the market rate units and at the conclusion of construction all affordable units must be ready for occupancy before more than 95% of the market units receive occupancy permits

[21] Wakefield Zoning Bylaw, Section 190-32.
[22] When the percentage is not a whole number, it must be rounded to the nearest whole number but not less than one (1).

Both the Wakefield Crossing and 14 Audubon Roads developments have been permitted through this bylaw, involving the production 48 affordable units.

- *Cluster/flexible development* is allowed in the Open Space Development (OSD) bylaw, which permits more compact development of housing and the permanent preservation of open space that are more aligned with smart growth principles.[23] Such zoning encourages "a less sprawling and more efficient form of development that consumes less open land and conforms to existing topography and natural features better than commonly occurs with a conventional or grid subdivision".[24]

  The bylaw allows some reductions in minimum dimensional requirements as long as the maximum number of units is no more that what could be developed under the more traditional subdivision requirements (basic maximum number) of the underlying zoning in the Single Residence or Special Single Residence districts where single-family and attached dwellings are allowed.[25] However, increases in the basic maximum number of units may be permissible if the Planning Board determines that the proposed development, through the quality of the site selection, programming, and design displays exceptional sensitivity to the objectives of the bylaw. However, these "bonus" units cannot exceed 50% of the basic maximum number in Attached Dwelling Overlay Districts. The four (4) objectives on which density bonuses are based include the following:

  1. Open space: A bonus of 0.5% of the basic maximum number may be awarded for each additional percentage of the site over and above the 40% level that is set-aside as open space to a limit of 10% of the basic maximum number of units.
  2. Housing design guidelines: Where a determination is made that the project goes beyond the housing design guidelines incorporated in the 2003 Housing Master Plan, a bonus of up to 10% of the basic maximum number of units is allowed.
  3. *Affordability: The inclusion of affordable units eligible for inclusion in the Subsidized Housing Inventory up to a limit of one-third of the basic maximum number of units is permitted.*
  4. Small lot/small house restriction: A one-half dwelling unit may be added as a density bonus for each lot that is permanently restricted to the development of a single-family dwelling with building coverage that does not exceed the average existing on all developed lots abutting the development or, if smaller, 25%, and with building height in stories that do not exceed the average of existing dwellings on developed lots abutting the development or, if smaller, two stories.

[23] Wakefield Zoning Bylaw, Section 190-93.
[24] Wakefield Zoning Bylaw, Section 190-93.B.1.d.
[25] Attached units could only be developed if the Town mapped an Attached Dwelling Overlay District.

Additionally, at least 50% of the required frontage and yard setbacks for the district must be maintained and lots fronting on existing streets are not eligible for reduced frontage. At least 40% of the land must be reserved as open space with an additional 10% as usable open space.[26] The open space must include appropriate restrictions and ownership to perpetually maintain its use in an undeveloped state.

All open space developments containing six (6) or more units are subject to the affordability requirements of Section 190-96 of the Zoning Bylaw. These affordability requirements assure that at least 18% of the total number of units in the development (rounded to the nearest whole number) will be affordable, meeting all state requirements for inclusion in the Subsidized Housing Inventory and other requirements summarized above under multi-family development.

- *Mixed use development* is intended to promote compact development that will incorporate a mix of business and residential uses under restrictions related to design, open space, and parking that are pertinent only in Mixed Use Overlay Districts.[27] The location of the districts includes specified areas in and near the downtown along Main Street, North and Albion Streets. Within a Mixed Use Overlay District, all provisions of the underlying districts continue to be applicable except those developments that must be approved by special permit. Dwelling units are allowed within mixed use structures without any limitation as to type or tenure. Once again, site and building design should be in substantial conformance with the guidelines established in the housing component of the Town's Master Plan.

  A range of other requirements must be met including that the lot must have at least 2,000 square feet per dwelling unit, excluding the affordable units as prescribed in Section 190-96 (see above description in italics) for developments that create six (6) or more units of housing. There is no additional lot area requirement for other uses, except that the floor area ratio requirement for the underlying district must be met by counting only the floor area in the nonresidential uses. Building heights cannot exceed four (4) stories or 50 feet. Usable open space must cover at least 15% of the site, preferably as a courtyard or other "positive" space with some enclosure.

  The amount of parking can be reduced to reflect demand reduction commitments such as dwelling unit commitments to participation in MassHousing's "Take the T" (and Zipcar) Home Mortgage Program or other formal employee ride-sharing arrangements, as well as for different uses having different timing of peak demand. Moreover, legal on-street parking spaces on the same side of the street and adjacent to the property may be included in

[26] Usable open space is defined in Section 190-4 of the Zoning Bylaw as follows: "Open space land which is free of automotive traffic and parking and readily accessible to those for whom it is intended. It must have an average grade of less than 8% and be sufficiently well drained to permit its use for informal recreation for most seasons of the year. Such space may include open areas intended for the exclusive use of site occupants as well as those accessible to the public."
[27] Wakefield Zoning Bylaw, Section 190-94.

satisfying the parking requirement. The bylaw also indicates a preference for structured parking and for being below the building or to the rear. Required parking may also be located off the property, but a substantial portion must be within 300 feet of the premises and under a legal binding agreement for that use.

- *Creative development* provisions "provide a process for Town Meeting to approve development standards tailored for special locations in consideration of a concept plan which it approves and which gives assurance of consistency between Town Meeting intent and development outcomes".[28] The requirements of the underlying district still apply but may become more or less restrictive given Town Meeting approval of the conceptual plan for the development. Site plan approval of the Planning Board is also required.

  Overall, site and building design should be in substantial conformance with the guidelines included in the housing component of the Master Plan dated May 20, 2003. Dwelling units are allowed without limitations to structure type and tenure and lots area requirements cannot be less than the following sum:

  1. The number of detached single-family dwellings times one-eighth acre each; plus
  2. The number of units in two-family or attached dwelling structures times one-twelfth acre each; plus
  3. The number of units in other multi-family structures times one-twentieth acre each.

  Building height cannot be more than six (6) stories or 70 feet. Parking requirements are the same as those for the Mixed Use Overlay District described above. *The same affordability requirements pertain for all projects of six (6) or more units per Section 190-96 of the Zoning Bylaw. (See the summary under the Open Space Development bylaw in italics above.)*

- *Accessory apartments* are permitted in the Zoning Bylaw within single-family properties and the SSR and SR districts by special permit as issued on a year-to-year basis.[29] At least one of the units must be owner-occupied and include at least 300 square feet of living space that does not exceed 25% of the habitable area of the dwelling unless the Zoning Board of Appeals determines that circumstances warrant some deviation from the size requirements. Moreover, the accessory apartment cannot involve an addition or extension of the principal dwelling except to provide access or egress and must be rented to a family member.

- ***Availability of Subsidies***
  Unlike most cities, Wakefield does not receive an annual allocation of federal Community Development Block Grant (CDBG) or HOME Program funding that provides

[28] Wakefield Zoning Bylaw, Section 190-95.
[29] Wakefield Zoning Bylaw, Section 190-22A.

substantial housing support for a wide range of housing activities nor does it have access to Community Preservation funds that many communities in the state rely on to fund local housing initiatives. Because affordable housing requires subsidies to fill the gap between the costs of housing and the ability of qualifying low and moderate-income households to pay for such housing, subsidies are required directly from the public sector or through internal subsidies where market units subsidize affordable ones as typically accomplished through Chapter 40B comprehensive permits. Without access to public funding or progressive local zoning, most affordable housing development will be accomplished through the comprehensive permit route.

The Town does have some history in securing public subsidies for housing initiatives. Beyond funds that were available in the past to produce public housing, a number of years ago the Town applied and received CDBG funding to support a program that provided deferred, no interest loans to qualifying property owners to make essential home improvements. This program resulted in 19 loans to local homeowners, units that are included in the Subsidized Housing Inventory (SHI). Unfortunately DHCD did not approve the last funding request that was submitted a few years ago largely due to competition from other communities and limited funding.

Wakefield also does not have access to federal HOME Program funding that provides a relatively flexible resource to support affordable housing projects and programs, including both rental and ownership. Most cities received an annual allocation of this funding while other smaller communities can access the program through joining a HUD approved consortium of municipalities or applying directly to DHCD for funding on a specific project basis. There are HOME Consortiums in the area, the North Shore HOME Consortium, which is administered by the City of Peabody, and the North Suburban HOME Consortium led by the Malden Redevelopment Authority. Because Wakefield is geographically adjacent to a participating community in each of these consortiums, Lynnfield and Melrose, respectively, there may be some potential in the future to join and access HOME funding annually.

The issue of adopting the Community Preservation Act (CPA) in Wakefield was proposed in 2001, soon after CPA was introduced. The proposal included a 1% surcharge on the property tax for all residential property, exempting lower income homeowners and the first $100,000 of the property's assessed value. Unfortunately Town Meeting did not approve the proposal.

Mitigations Measures
This Housing Plan suggests that the Town pursue new housing resources including adoption of CPA, joining a HOME Consortium, reapplying for CDBG funding to support a Housing Rehabilitation Program, capitalizing Wakefield's Affordable Housing Trust Fund, and leveraging other public and private funding sources in housing development (see strategies VI.A.1 and 3).

- ***Community Perceptions***
  Residents are concerned about the impacts that new development has on local services and the quality of life in most communities. They may also have negative impressions of affordable housing and question whether there is a real need for such development in their town. Therefore, local opposition to new affordable units is more the norm than the exception. On the

other hand, given high real estate prices and growing local needs, people increasingly recognize that the new kindergarten teacher, their grown children, or the elderly neighbor may not be able to afford to live or remain in the community.

Mitigations Measures
Ongoing community outreach and education will be necessary to continue to acquaint the community with housing needs and garner local support and ultimately approvals for new housing initiatives. This Housing Production Plan also offers an excellent opportunity to showcase the issue of affordable housing, providing information to the community on local needs and proactive measures to meet these needs. It will be important to continue to be sensitive to community concerns and provide opportunities for residents to not only obtain accurate information on housing issues, whether they relate to zoning or new development, but have genuine opportunities for input (see strategy VI.A.2).

V. HOUSING PRODUCTION GOALS

The Massachusetts Department of Housing and Community Development (DHCD) introduced the Planned Production Program in December 2002, in accordance with regulations that were meant to provide municipalities with greater local control over housing development. Under the Program, cities and towns were required to prepare and adopt a Housing Plan that demonstrated the production of an increase of .75% over one year or 1.5% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.[30] If DHCD certified that the locality had complied with its annual goals or that it had met two-year goals, the Town could, through its Zoning Board of Appeals, potentially deny what it considered inappropriate comprehensive permit applications for one or two-years, respectively.[31]

In 2008, changes to Chapter 40B regulations and guidelines established some new rules that superseded previous requirements.[32] For example, Planned Production Plans are now referred to as Housing Production Plans. Moreover, annual goals changed from 0.75% of the community's year-round housing stock to 0.50%, meaning that Wakefield will now have to produce at least 52 affordable units annually to meet annual production goals, still a formidable challenge. If the Town produces 104 affordable units in any calendar year, it will have a two-year period during which it will likely be able deny inappropriate 40B applications that do not meet local needs, without the developer's ability to appeal the decision.

Using the priority needs established in Section III.D and the strategies summarized under Section VI, the Town of Wakefield has developed a Housing Production Program to chart affordable housing activity over the next five (5) years. The production goals are best guesses at this time, and there is likely to be a great deal of fluidity in these estimates from year to year.

It is also important to note that 187 units of affordable housing have been produced in Wakefield over the past several years in four (4) separate developments (see Section III.C.2). These projects have increased the Town's percentage of affordability from 6.0% to 8.0% of its year-round housing stock, demonstrating substantial progress. While no additional affordable developments are currently in the pipeline, as noted in Table V-1, it is anticipated that additional private development, new zoning, as well as development on public-owned property may enable Wakefield to become certified under Housing Production guidelines over the next few years.

[30] Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

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

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

Table V-1: Wakefield Housing Production Goals

Strategies by Year Name/Housing Type	Affordable Units < 80% AMI*	Market Units	Total # Units
Year 1 – 2015			
Private development/under existing Inclusionary bylaws (rental)	7	33	40
Subtotal	*7*	*33*	*40*
Year 2 – 2016			
Private development/multi-family housing bylaw (homeownership)	18	82	100
Private development/Greenwood Main Street Infill with mixed-use bylaw/Suburu site (rental)	11	49	60
Private development/"Friendly 40B" (rental)	24 (6 actual)***	18	24
Subtotal	*53*	*149*	*184*
Year 3 – 2017			
Covered under Year 2			
Private development/Downtown Main Street Infill with mixed-use bylaw/CVS site (see Section VII) (rental)	6	24	30
Scattered infill housing (ownership)	8	0	8
Housing Rehabilitation Program (ownership)	5	0	5
Subtotal	*19*	*24*	*43*
Year 4 – 2018			
Public property development/Tax title infill sites for starter housing (mix of rentals and homeownership – two-family homes)	10	0	10
Private development/"Friendly 40B" (rental)	24 (6 actual)***	18	24
Private development/Chapter 40R (rental)	10	40	50
Housing Rehabilitation Program (ownership)	5	0	5
Conversion of existing housing (mix of ownership and rentals focusing on 2-family dwellings)	4	0	4
Subtotal	*53*	*58*	*93*
Year 5 – 2019			
Public property development/Extension of Hart's Hill Heights WHA project with adjoining Town-owned land (rental – mix of families and seniors)	60	0	60
Housing Rehabilitation Program (ownership)	5	0	5
Conversion of existing housing (mix of ownership and rentals focusing on 2-family dwellings)	4	0	4
Subtotal	*69*	*0*	*69*
Total	**201 (165 actual)*** **	**264**	**429**

* AMI = Area Median Income (see Table II-1 on page 8) ** SHI = Subsidized Housing Inventory
*** All units in a Chapter 40B rental development are eligible for inclusion in the SHI even though only 25% are required to be actually affordable.

VI. HOUSING STRATEGIES

The strategies outlined below are derived primarily from the housing component of the Town's Master Plan that was prepared in 2003, the Housing Needs Assessment in Section III, the public forums on August 20, 2013 and April 23, 2014, local housing goals, existing local initiatives and resources, and the experience of other comparable localities in the area and throughout the Commonwealth. The strategies are grouped according to those that build local capacity to promote affordable housing as well as those involving regulatory changes, production initiatives and direct assistance to residents. They are also categorized according to priority – those higher priority actions to be implemented within Years 1 and 2 and those of more moderate priority for Years 3 to 5. A summary of these actions is included in Table I-3.

The strategies also reflect state requirements that ask communities to address all of the following major categories of strategies to the greatest extent applicable:[33]

- *Identification of zoning districts or geographic areas in which the municipality proposes to modify current regulations for the purposes of creating affordable housing developments to meet its housing production goal;*
    - Pursue 40R/40S Smart Growth Zoning (strategy VI.B.1)
    - Promote mixed-use and transit-oriented development (strategy VI.C.1)
- *Identification of specific sties for which the municipality will encourage the filing of comprehensive permit projects;*
    - Make suitable public property available for affordable housing (strategy VI.C.2)
    - Promote "friendly 40B" development (strategy VI.C.3)
- *Characteristics of proposed residential or mixed-use developments that would be preferred by the municipality;*
    - Pursue 40R/40S Smart Growth Zoning (strategy VI.B.1)
    - Promote mixed-use and transit-oriented development (strategy VI.C.1)
    - Support infill housing development (strategy VI.C.4)
    - Encourage adaptive reuse (strategy VI.C.4)
    - Encourage special needs housing (strategy VI.C.4)
    - Encourage starter housing (strategy VI.C.4)
- *Municipally owned parcels for which the municipality commits to issue requests for proposals to develop affordable housing.*
    - Make suitable public property available for affordable housing (strategy VI.C.2)
- *Participation in regional collaborations addressing housing development*
    - Participation in the North Suburban HOME Consortium (strategy VI.A.3)

It should be noted that a major goal of this Plan is not only to strive to meet the state's 10% affordability threshold under Chapter 40B, but to also to serve the range of local needs. Consequently, there are instances where housing initiatives might be promoted to meet these needs that will not necessarily result in the inclusion of units in the Subsidized Housing Inventory (examples potentially include the

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

promotion of accessory apartments and mixed-income housing that includes "community housing" or "workforce housing" units,)[34]*.* The Town will also encourage developers to incorporate universal design and visitability standards, particularly given the high number of seniors and those with special needs in the community.

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

A. Strategies That Build Local Capacity to Promote Affordable Housing

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

The *Wakefield Housing Authority* not only owns and manages 189 rental units (includes 8 special needs units) or 30% of all SHI units, but also manages rental subsidies that pay the difference between a percentage of a qualifying household's income and HUD-determined Fair Market Rents (FMRs) in privately leased housing.[35]

The *Town Planner* guides the Town's physical development, economic development, affordable housing, historic preservation and environmental conservation. The *Town Planner* directed the preparation of the Town's Master Plan, including the housing and economic development components that were completed in 2003 and 2004, respectively.

This *Housing Production Plan* will also boost the Town's capacity to promote affordable housing as it provides the necessary blueprint for the next five (5) years, prioritizing and implementing affordable housing initiatives based on documented local needs and community input. The Plan will also provide important guidance on how to invest local resources (current and proposed) for housing and serve as a comprehensive reference on housing issues in Wakefield that can be readily updated as necessary.

The Town should implement the following strategies to further build local capacity to implement the components of this Housing Production Plan:

1. *Establish and Capitalize the Affordable Housing Trust Fund*

High Priority: Years 1 to 2
Responsible Party: Board of Selectmen

Current Status: The state enacted the Municipal Affordable Housing Trust Fund Act on June 7, 2005, which simplified the process of establishing housing funds that are dedicated to

[34] Community housing generally refers to units directed to those earning between 80% and 100% AMI, whereas workforce housing refers to units directed to those earning between 80% and 120% AMI, but still priced out of the private housing market.
[35] Fair Market Rents (FMR's) for 2013 are $1,035 for a studio, $1,200 for one-bedroom units, $1,444 for two bedrooms, $1,798 for three bedrooms and $1,955 for four bedrooms.

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

The Town of Wakefield has collected funding to support affordable housing through a number of avenues with about $760,000 remaining available. However, the Town does not have a municipal entity that is charged with overseeing affordable housing issues that would have a specific plan for spending this funding in the most strategic ways. Moreover, other opportunities to raise funding for affordable housing should be explored. Some examples of how other communities have capitalized their Housing Trust Funds are offered below.

Next Steps: The Town should establishment a Municipal Affordable Housing Trust Fund through a Town warrant article and appoint members to the Board of Trustees. This Housing Trust would serve as the Town's permanent committee for overseeing housing issues and the implementation of the Housing Production Plan, managing the Affordable Housing Trust Fund, defining policy issues that are in the public interest, potentially serving as the Town's development review committee, and also working with the Planning Board on establishing new zoning to promote affordable housing. It is advisable that the Town supplement its formal request to establish a Housing Trust with further information to educate residents and other local leaders on the benefits of the Trust. Detailed information on forming a Municipal Affordable Housing Trust Fund is included in a guidebook prepared by the Massachusetts Housing Partnership.[36]

The following steps will be required to establish a working Affordable Housing Trust:

- Town Meeting Approval – A warrant for Town Meeting must prepared, submitted and approved.
- Certification of Bylaw and Submission to the Attorney General – The Town Clerk needs to certify the bylaw that established the Trust and submit it to the Attorney General within 30 days of the adjournment of the Town Meeting at which the bylaw was adopted.
- Hire a Consultant – The Town should hire a consultant, under the supervision of the Town Planner, to provide guidance throughout the process of establishing and operationalizing the Housing Trust. State funds through the Planning Assistance Toward Housing (PATH) Program should be available to support the costs of this consultant.
- Appoint Trustees – The Chair of the Board of Selectmen is required to appoint members to the Housing Trust. At least five (5) members must be appointed, including a member of the Board of Selectmen. It is helpful to recruit trustees that will include a broad representation from the

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

public and private sectors such as those with expertise in real estate law, housing finance, residential development, and advocates in addition to members from other relevant municipal boards or committees.

- Prepare a Declaration of Trust – While not required under the statute, a Declaration of Trust is recommended as it provides a recorded notice of the Trust's establishment and its powers, including the authority to hold and convey real estate. There are numerous examples of such Declarations that the Housing Trust can review and adapt for Wakefield. Town Counsel should review the Declaration prior to it being recorded at the Registry of Deeds.
- Organize the Trust – Once established the Trust should determine its meeting schedule, designate officers, establish an account to hold the funding (separate bank account of municipal account), and review procedures.
- Conduct Necessary Planning – This Housing Production Plan provides guidance for the Housing Trust regarding key strategies for proactively promoting affordable housing, which the Trust will need to review, prioritize and implement.
- Create a Budget – The Trust should create a one or five-year budget that correlates to the key strategies in the Housing Production Plan including operating (legal fees, title searches, recording fees, administrative or housing coordinator costs, advertising, postage, supplies, etc.) and costs related to special affordable housing programs and projects.
- Secure Necessary Resources – Resources for operations and special initiatives will be required to implement key strategies in this Housing Plan (see below).

Other Community Models for Capitalizing the Housing Trust

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

The Housing Trust should also be the first step in the development process where developers of projects that include affordable units obtain initial feedback on their preliminary project plans.

Required Resources: The Housing Trust currently has about $760,000 available through its Housing Trust Fund. It will need additional funding to fulfill its mission and implement key strategies of this Housing Plan.

This Housing Plan proposes that the Town adopt CPA that will enable it to be proactive in meeting local housing needs as opposed to being reactive to developer proposals, typically Chapter 40B comprehensive permit projects (see strategy VI.A.3). Such funding will potentially enable the Wakefield Affordable Housing Trust to secure CPA funding on an annual basis in an amount at least equivalent to the minimal annual allocation for affordable housing or 10%. This funding would also require Town Meeting approval. Other opportunities to capitalize the Housing Trust should also be explored including donations (funding and property), negotiations with developers, cash in lieu of affordable units through zoning bylaws that include some affordability requirements, special fundraisers, grants, etc.

2. Conduct Ongoing Community Outreach and Education

High Priority: Years 1 to 2 *Responsible Parties:* Housing Trust and Other Sponsors of Affordable Housing Initiatives

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

Next Steps: The presentation of this Housing Production Plan offers an important opportunity to bring attention to the issue of affordable housing, providing information on housing needs and proposed strategies that can help attract community support for affordable housing initiatives. The inclusion of visual representations of key development opportunities in Section VII also offers compelling illustrations of how affordable housing can not only blend into the community fabric but also revitalize areas of Wakefield. A series of meetings have been held with local leaders to get input into this Housing Plan including public meetings on June 24th at the Senior Center as well as August 20th and April 23, 2014 at the Towns' Public Safety Building to secure important local input. Other education opportunities should continue to be pursued including special forums on all new housing initiatives, housing summits, public information on existing programs and services, enhanced use of public access television, and educational opportunities for board and committee members as well as professional staff.

Required Resources: Expand the Town Planner's Office to bring in additional professional and administrative support to conduct these activities.

3. Access New Housing Resources

High Priority: Years 1 to 2 *Responsible Party:* Board of Selectmen or Proposed Housing Trust

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

- *Community Preservation Funds*
  Most communities with Community Preservation funding find this source invaluable in paying for upfront predevelopment costs and feasibility analysis as well as leveraging additional public subsidies. The Community Preservation Act establishes the authority

for municipalities in the Commonwealth to create a Community Preservation Fund derived from a surcharge of 1% to 3% of the property tax, to be matched by the state based on a formula. While supported largely through fees from the state's Registry of Deeds, the state recently allocated another $25 million in funding for CPA.

Once adopted the Act requires at least 10% of the monies raised to be distributed to each of three categories – open space, historic preservation and affordable housing – allowing flexibility in distributing the majority of the money to any of the three uses as determined by the community. More than 150 municipalities in the Commonwealth are benefiting from this important resource that could be pivotal to Wakefield's efforts to enhance community character related to preserving its history, open space, and housing affordability.

As noted earlier, adopting the Community Preservation Act (CPA) in Wakefield was proposed in 2001, soon after CPA was introduced. The proposal included a 1% surcharge on the property tax for all residential property, exempting lower income homeowners and the first $100,000 of the property's assessed value. Unfortunately Town Meeting did not approve the proposal.

- *HOME Investment Partnership Program*
  HUD created the HOME Investment Partnership Program in 1990 to provide grants to states, larger cities and consortia of smaller cities and towns to do the following:

  - Produce new affordable rental or ownership units;
  - Provide rehabilitation loans and grants, including lead paint removal and accessibility modifications, for rental and owner-occupied properties;
  - Offer tenant-based rental assistance (two-year subsidies); and/or
  - Assist first-time homeowners including subsidies for down payment and closing costs assistance.

  The HOME Program funding is targeted to homebuyers or homeowners earning no more than 80% of median income and to rental units where at least 90% of the units must be affordable and occupied by households earning no more than 60% of median income, the balance to those earning within 80% of median. Moreover, for those rental projects with five or more units, at least 20% of the units must be reserved for households earning less than 50% of median income. In addition to income guidelines, the HOME Program specifies the need for deed restrictions, resale requirements, and maximum sales prices or rents.

  Wakefield also does not have access to federal HOME Program funding without submitting applications to DHCD for special projects on a competitive basis. However, there are existing HOME Consortia in the area, the North Shore HOME Consortium, which is administered by the City of Peabody, and the North Suburban HOME Consortium, with Malden as the lead community. The North Shore HOME Consortium receives approximately $2 million annually that is allocated by formula to all participating 30 communities to assist in the development of affordable housing. The North Suburban HOME Consortium involves eight (8) participating jurisdictions with approximately $1.4 million available this year for distribution. Because Wakefield is geographically adjacent to participating communities, Lynnfield and Melrose, there may be some potential in the future to access HOME funding.

Model: Needham Community Preservation and HOME Program Funding

Needham, a community that is also relatively built-out and with a population only somewhat higher than Wakefield's, approved the Community Preservation Act (CPA) in November 2004, which has been a very important resource for supporting local affordable housing efforts. Over the years the Town has spent about $1.3 million of its CPA funds on housing initiatives that include:

- $860,500 for four (4) grants to the Needham Housing Authority (NHA), three (3) for the High Rock Estates project[37] and another for a feasibility study for redeveloping NHA property.
- $370,000 for the Charles River Center (formerly the Charles River ARC) for four (4) grants including three (3) grants for existing group homes and another for a new group residence for five people with significant physical and cognitive disabilities.
- $25,000 for a housing consultant to prepare local Chapter 40B guidelines.

The Town also joined the Metro West HOME Consortium in 2008, which has enabled it to secure HOME Program funding to address community housing needs. Funding has fluctuated over the years from an allocation of $57,521 in fiscal year 2009, to $67,387 by 2011, and down to $36,149 in 2013. Through January 2013, the Town has spent $280,000 in HOME funds in support of the Housing Authority's High Rock Estates development and the Charles River Association for Retarded Citizens' proposed group residence at 1285 South Street.

- *Community Development Block Grant (CDBG) Funds*
  The Community Development Block Grant (CDBG) Program is a flexible federal program that provides communities with resources to address a wide range of unique community development needs. Beginning in 1974, the CDBG Program is one of the longest continuously run program at the Department of Housing and Urban Development (HUD), offering grants on a formula basis to about 1,200 cities as well as states. Because of Wakefield's size and lack of any pockets of poverty, it is not entitled to automatic annual grants. However, the program's Community Development Fund II is targeted to communities with lower needs scores, which have not received CDBG funds in recent years. Wakefield received such funding for a number of years in support of a Housing Rehabilitation Program (fiscal years 1995, 1997, 2000, 2003, and 2005) that provided zero interest, deferred payment loans to qualifying property owners. A few years ago the Town once again submitted an application for CDBG funding to support the continuation of this Housing Rehab Program but was not funded given tight competition and limited funding. There are currently 19 units counted as part of the Town's Subsidized Housing Inventory that were funded as part of this program.

- *Other Special Programs*
  Other state and federal subsidy programs can be accessed to support affordable housing programs and developments. Many of these are summarized in Appendix 3.

Next Steps: The Town, through the Town Planner, should make efforts to access these funding sources as follows:

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37 NHA coordinated a $2 million modernization project that expanded the living areas and renovated the kitchens of units in their High Rock Estates project. Additionally, they redeveloped 20 single-family houses into 20 duplexes, creating 20 additional units to be sold as affordable condominiums to income-eligible families, also in the High Rock Estates project.

- *CPA Funding* – The Community Preservation Act Coalition is available to support community efforts related to the CPA and have an excellent web site at www.communitypreservation.org.

- *HOME Program Funds* – Wakefield is geographically adjacent to Lynnfield and Melrose, towns that are already participating in the North Shore HOME Consortium and the North Suburban HOME Consortium, respectively. The North Shore HOME Consortium has 30 participating communities and has not been open to taking on additional communities given the high number of current participants and declining funding. The North Suburban HOME Consortium, which includes Revere, Chelsea, Medford, Arlington, Everett, Winthrop, and Malden, in addition to neighboring Melrose is coordinated by the Malden Redevelopment Authority. While funding over the past few years has been cut significantly, it received $1.4 million in funding for fiscal year 2014. The Consortium allocates its resources to various communities based on each community's needs, including available pipeline projects. The Consortium also sponsors first-time homebuyer counseling and funds a program that provides financial assistance to help qualifying individuals and families afford to purchase their first home.

Model: North Suburban HOME Consortium First-time Homebuyer Program

This Program combines advantageous mortgage financing through the state's ONE Mortgage Program with required homebuyer counseling (typically through non-profit organizations such as Medford Community Housing and Chelsea Restoration Corporation) and a subsidy to help pay for down payment and closing costs of up to $7,500 for single-family homes and condominiums and $8,500 for two-family dwellings. Qualifying participants must have incomes at or below 80% of area median income and purchase a home in one of the Consortium's participating jurisdictions. The Program also includes maximum purchase prices that range between $308,750 and $486,476 depending upon the community and type of dwelling. For example, the maximum single-family home or condo price is $380,000 for Melrose, $486,476 for two-family homes. Applications for assistance can be submitted to the HOME Consortium representative in each of the participating communities or the Malden Redevelopment Authority.

The Town should make an informal inquiry into the potential for joining the Consortium. If it appears that there may be an opportunity to participate, the Town should follow-up with a formal request to the administering agency, the Malden Redevelopment Authority, and discuss next steps.

- *CDBG Funds* – Given the aging of the housing stock and other related needs identified in Section III.D of this Housing Plan, the Town should prepare and submit another application for such funding and reintroduce this important program. It may be prudent to obtain the assistance of a consultant who has a proven track record in securing such funding and the ability to administer the program.

- *Other Special Funds* – The Town of Wakefield should work with developers to reach out to private, public and non-profit entities to secure additional housing resources – technical and financial – in support of its efforts to produce new affordable housing as new opportunities arise. The developer is typically responsible for applying for these funds, but the support of municipal governments is often crucial for securing very competitive funding. There are numerous public programs that can be helpful in financing local housing efforts. A summary of some of these subsidy programs as well as pertinent housing regulations is included in Appendix 3.

Required Resources: Donated time of members of the Board of Selectmen or proposed Housing Trust to provide some support, including letters, to developers for affordable housing funding which will be needed for new initiatives as well as time from the Town Planner and a consultant to coordinate the activities that are necessary to secure funding.

4. Establish a Working Relationship among the Proposed Housing Trust, Planning Board and ZBA

High Priority: Years 1 to 2 *Responsible Parties:* Proposed Housing Trust, Planning Board and ZBA

Current Status: It will be important for the various municipal entities that are involved in housing development and policy – including the proposed Housing Trust, the Planning Board and Zoning Board of Appeals (ZBA) – to work cooperatively to achieve mutual goals such as key strategies included in Section VI.B and C of this Plan. Of particular importance are smart growth development measures such as transit-oriented and mixed-use development where the integration of more housing, including some affordable housing, provides a number of important benefits:

- Reduces the reliance on the automobile as more residents live within walking distance to goods and services, which is particularly important in the context of an aging population;
- Brings customers in closer proximity to businesses even into the evening hours and enlivens the area;
- Directs growth to areas that are more appropriate for some increases in density;
- Provides another income stream to property owners who create housing above their businesses; and
- Offers opportunities for the creation of diverse housing types such as artist live-work space, smaller apartments for growing smaller households, multi-family housing, etc.

Moreover, as the Town gets closer to buildout, it will become increasingly more critical that new development and redevelopment, where possible, incorporate some long-term public benefits, including affordable housing. The Housing Trust can become an important partner in reviewing development proposals and providing useful input to insure that such development is responsive to local needs. Given some likely technical capacity of appointed Housing Trust members, the involvement of the Housing Trust in relevant Planning Board and ZBA decision-making can boost the Town's capacity to make judicious decisions on proposed housing-related zoning and permitting.

Next Steps: Zoning is an important component of this Housing Production Plan, and it will be essential that the Housing Trust support zoning changes that involve affordable housing and work closely with the Planning Board to prepare zoning amendments and advocate for their approval. An expanded Town Planner's Office with a consultant and/or administrative support would be helpful in facilitating joint meetings of both entities from time to time, bringing in representatives from other appropriate boards and committees as needed.

Permitting of new development is also an extremely important part of the municipal operations and the Housing Trust should establish a sound working relationship with both the Planning Board and ZBA on developments that include affordable housing, providing technical and financial support and advocacy as appropriate. In fact the Housing Trust should be the first point of contact for developers to obtain feedback on preliminary project plans for developments that include affordable housing. Joint meetings of the Housing Trust with the Planning Board and ZBA should be scheduled to bolster ongoing coordination and cooperation in regarding to residential permitting that includes affordable housing.

Required Resources: Time from the Town Planner to oversee this coordination with potential support from a consultant.

5. Develop a Program to Inform and Monitor Affordability

High Priority: Years 1 to 2
Responsible Parties: Board of Selectmen, Planning Board and Proposed Housing Trust

Current Status: The state requires that the Town ensure that proposed affordable units meet all state requirements to be included in the Subsidized Housing Inventory (SHI) and that all related conditions in local decisions for Special Permits and Comprehensive Permits are met.

Of particular importance is the ongoing need to insure that affordable units produced through this Plan get counted, to the greatest extent possible, as part of the Subsidized Housing Inventory (SHI), applied through the Local Initiative Program (LIP) administered by the state's Department of Housing and Community Development (DHCD) if another state or federal housing subsidy is not used. In addition to being used for "friendly" 40B projects, LIP can be used for counting those affordable units as part of a Town's Subsidized Housing Inventory that are being developed through some local action including:

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

In order to be counted as part of the Subsidized Housing Inventory the units must meet the following criteria:

- A result of municipal action or approval;
- Sold or rented based on procedures articulated in an affirmative fair marketing and lottery plan approved by DHCD;
- Sales prices and rents must be affordable to households earning at or below 80% of area median income; and
- Long-term affordability is enforced through affordability restrictions, approved by DHCD.

Some of the important tasks for insuring that the affordable units, now referred to as Local Action Units (LAU's), meet the requirements of Chapter 40B/LIP include:

- Meet with the developer to discuss requirements for insuring that the units are eligible for inclusion in the Subsidized Housing Inventory through the state's Local Initiatives Program (LIP).
- Determine the purchase price/rents based on LIP Guidelines.

- Contact DHCD to discuss the project.
- Identify a marketing agent to conduct outreach and the lottery as well as monitoring agent to enforce the affordability restrictions.
- Execute a regulatory agreement to further insure long-term affordability between the developer, municipality and DHCD.
- Prepare an Affirmative Fair Housing Marketing Plan.
- Prepare a LIP Local Action Units application and submit it to DHCD.
- Prepare a Purchaser/Renter Application and implement the Marketing Plan.
- Hold several information sessions about the lottery.
- Approve applicants for eligibility in the lottery.
- Prepare a letter to those eligible for inclusion in the lottery and another to those who do not qualify.
- Conduct the lottery.[38]
- Work with winning applicants and lenders to secure mortgage commitments or other information required prior to occupancy.
- Obtain the deed rider and Resale Price Certificate from DHCD that requires the loan commitment letters, purchase and sale agreements, and contact info for the closing attorneys, in the case of ownership projects.
- Work with lenders and the developer to close on the units in the case of ownership projects.
- Submit necessary documentation to DHCD to have the units counted as part of the Subsidized Housing Inventory.
- Annually recertify the continued eligibility of affordable units.

Moreover, while the affordability restrictions for units produced through the Local Initiative Program (LIP) will be monitored by DHCD, it is still the premise of LIP that the municipality and DHCD work together to create affordable housing and fulfill the obligations of the affordability restrictions.

Next Steps: The Board of Selectmen should work with the proposed Housing Trust, Planning Board and Zoning Board of Appeals to insure that all developments with affordable units are appropriately permitted and monitored to insure that they comply with all pertinent regulations. This includes securing consultants who, under the supervision of the Town Planner, can provide professional input during the review of project proposals, evaluating project feasibility. There a number of state resources to obtain this expertise such as Massachusetts Housing Partnership's Intensive Community Support Team and Chapter 40B Technical Assistance Program (see Appendix 3 for details).

Required Resources: In addition to the MHP programs mentioned above, it will be important to supplement the capacity of the Town Planner's Office by bringing in consultant and administrative support to insure project review and monitoring functions are performed effectively and efficiently on an ongoing basis.

[38] Up to 70% of the affordable units in most developments can be reserved for those who have a connection to the community, referred to as community preference or local preference units, including current residents, those who work in Wakefield, and the families of children who attend school in Wakefield. See Appendix 3.I.A for details.

6. Prepare an Inventory of Properties Potentially Suitable for Affordable Housing

High Priority: Years 1 to 2 *Responsible Party:* Proposed Housing Trust

Current Status: This Housing Production Plan includes a preliminary list of several potential public sites that may be suitable for the development of housing, including some amount of affordable housing (see strategy VI.C.1). Visual representations in Section VII of this Plan also include some privately owned sites that are illustrative of higher and better uses that private owners might consider in upgrading their properties. A more comprehensive review of existing properties would be helpful to determine future opportunities to create affordable housing in Wakefield and help meet the outstanding needs and production goals included in this Housing Plan. These should be studied in more depth to determine the most appropriate municipal use, balancing competitive needs including the need for affordable housing.

Next Steps: Representatives from the proposed Housing Trust should work with other Town boards and committees such as the Planning Board, Board of Assessors and Conservation Commission to review the inventory of Town-owned property and determine which parcels, if any, might be appropriate for affordable housing. After some initial environmental testing and other preliminary feasibility analyses (the costs of which could be covered by CPA funds if approved – see strategy VI.A.3), the Town could declare these parcels surplus and convey them to a designated developer following Town Meeting approval of this conveyance and the selection of the developer via a Request for Proposals (see strategy VI.C.1 for more information on the process of developing Town-owned property). The Town should also consider what privately-held properties might be suitable for affordable housing and work with existing owners to develop or acquire them. Priority consideration should also be given for potential properties owned by the Wakefield Housing Authority.

Required Resources: It will be useful to supplement the capacity of the Town Planner's Office by bringing in consultant and administrative support to conduct this review. There will also be additional costs associated with preliminary engineering tests to further determine feasibility. Funding for these activities can be covered by Housing Trust Funds and other potential resources listed in strategy VI.A.3.

B. Zoning Strategies

As with most communities, Wakefield's Zoning Bylaw includes relatively large lot zoning in most areas of town and other exclusionary provisions that constrain the development of affordable housing. This creates the likely need for regulatory relief for many residential developments that includes affordable units, possibly through the "friendly" comprehensive permit process that overrides local zoning if not through normal regulatory channels. Additionally, the Zoning Bylaw incorporates a number of provisions that while intended to encourage affordable housing, have not provided sufficient incentives to realize actual new affordable units and should be revisited and revised as necessary.

The Town of Wakefield should consider the following zoning-related strategies to promote the production of additional affordable units and to direct new development to appropriate locations. These actions can be considered as tools that the Town will have available to promote new housing opportunities, each applied to particular circumstances. These strategies enable new affordable unit creation that is more responsive to local needs and priorities. Estimates of units that might be produced through these regulatory tools are incorporated under Section VI.C – Housing Production.

It should also be noted that recent changes to Chapter 40B regulations expand the items that a subsidizing agency must consider when determining the appropriateness of a site for eligibility through the comprehensive permit process and includes information provided by the municipality or other parties regarding *municipal actions previously taken to meet affordable housing needs, including inclusionary zoning, multi-family districts and 40R overlay districts.*[39] Therefore, a community's progress in reforming its land use provisions to promote affordable housing and smart growth will likely have a meaningful impact on the determination of project eligibility/site approval for comprehensive permit projects.

1. Pursue 40R/40S Smart Growth Zoning

Timeframe: Years 1 to 2
Responsible Parties: Planning Board in coordination with the Proposed Housing Trust

Current Status: The State Legislature approved the Chapter 40R zoning tool for communities in 2004 in recognition that escalating housing prices, beyond the reach of increasing numbers of state residents, were causing graduates from area institutions of higher learning to relocate to other areas of the country in search of greater affordability. Housing demand was outstripping housing supply, which was driving up housing prices. The statute defines 40R as "a principle of land development that emphasizes mixing land uses, increases the availability of affordable housing by creating a range of housing opportunities in neighborhoods, takes advantage of compact design, fosters distinctive and attractive communities, preserves open space, farmland, natural beauty and critical environmental areas, strengthens existing communities, provides a variety of transportation choices, makes development decisions predictable, fair and cost effective and encourages community and stakeholder collaboration in development decisions."[40] The key components of 40R include:

- Allows local option to adopt Overlay Districts near transit, areas of concentrated development, commercial districts, rural village districts, and other suitable locations;
- Allows "as-of-right" residential development of minimum allowable densities;
- Provides that 20% of the units be affordable;
- Promotes mixed-use and infill development;
- Provides two (2) types of payments to municipalities (one based on the number of projected housing units and another for each unit that receives a building permit); and
- Encourages open space and protects historic districts.

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

[39] Massachusetts General Laws, Chapter 40B, Section 56.04.
[40] Massachusetts General Law, Chapter 40R, Section 11.

A joint report from Citizens Housing and Planning Association (CHAPA) and the Metropolitan Area Planning Council (MAPC)[41] identified 27 cities and towns that had fully-approved 40R districts that collectively permitted the construction of almost 10,000 housing units if fully developed as of August 2009 (including 2,100 affordable units), just four and a half years after the program regulations were issued. Another 20 communities had begun the process of establishing a 40R district or were seriously considering the program. As of August 2009, 17 districts had given approval for 3,200 units and nine (9) had a combined total of 1,100 units under construction. The communities with approved districts were scattered throughout the state, from Pittsfield and Northampton in Western and Central Massachusetts, to Plymouth on the South Shore, and to Amesbury on the North Shore.[42] The 27 communities with approved districts are eligible to receive $36.8 million in 40R payments if their districts are fully built, working out to about $17,100 per projected affordable unit if only 20% of the units are affordable. As of August 2009, $10.56 million had been paid out by the state. For example, the overlay district in Amesbury projects 249 total housing units of which 225 would receive 40R funding, including 50 affordable units, for a total of $1,025,000. It is also worth noting, that contrary to common belief, most 40R districts are not "transit" or "concentrated development" locations as the majority of the districts were approved under the "highly suitable" standard for somewhat higher-density development. More detailed information on 40R is included in Appendix 3.

Model: Reading 40R Community

Reading's municipally-driven Downtown Smart Growth District is a transit-oriented revitalization area that includes smaller infill and redevelopment opportunities near the town's downtown commuter rail station. This Smart Growth Overlay District that was approved under the state's Chapter 40R requirements, covers approximately 26 acres with zoning that will lead to an estimated 256 housing units. The 40R program earned the town $350,000 in state incentive funds plus additional funding will be secured from the state as units are produced. For example, the town received another $159,000 in 40R implementation funds with the development of the 53-unit mixed-use project that included 11 affordable units at 30 Haven Street. The 40R zoning has already leveraged $18 million in private investment that is bringing new residents, businesses and vitality to Reading's downtown. Additional public funding was secured to upgrade the infrastructure in the area as well.

Next Steps: The Wakefield Planning Board will explore opportunities to create Smart Growth Overlay Districts through 40R/40S. Some the sites that were identified through this planning process, with visual representations included in Section VII, would lend themselves to this type of zoning including an enlarged Mixed-use Overlay District.

The formal steps involved in creating the 40R Overlay District are as follows:

- The Town holds a public hearing as to whether to adopt an Overlay District per the requirements of 40R;
- The Town applies to DHCD prior to adopting the new zoning;
- DHCD reviews the application and issues a Letter of Eligibility if the new zoning satisfies the requirements of 40R;

[41] Ann Verrilli and Jennifer Raitt, "The Use of Chapter 40R in Massachusetts as a Tool for Smart Growth and Affordable Housing Production", October 2009.

[42] Districts with approved projects as of August 2009 included Amesbury, Boston, Chelsea, Haverhill, Holyoke, Lakeville, Lawrence, Lowell, Lunenburg, Lynnfield, Natick, North Reading, Northampton, Norwood, Pittsfield, Plymouth, Sharon and Westfield.

- The Town adopts the new zoning through a two-thirds vote of Town Meeting subject to any modifications required by DHCD;
- The Town submits evidence of approval to DHCD upon the adoption of the new zoning; and
- DHCD issues a letter of approval, which indicates the number of projected units on which its subsidy is based and the amount of payment.

Required Resources: Donated time of members of the Planning Board to prepare the necessary zoning with time from the Town Planner and input/advocacy from the Housing Trust. It will be important for the Town to hire a consultant to assist the Town Planner with this process. The state's Planning Assistance Toward Housing (PATH) Program (see Appendix 3 for details) could cover consultant fees.

2. Modify Existing Bylaws

Timeframe: Years 3 to 5
Responsible Parties: Planning Board with support from the Proposed Housing Trust

Current Status: The Town has been involved in updating its Zoning Bylaw from time to time, however, as the Town approaches buildout and local demographics and market conditions change, it is important to consider modifications to keep the Bylaw up-to-date and better guide development under "smart growth" principals and with public benefits.

Next Steps: The Planning Board should work with the proposed Housing Trust to explore the following modifications to the Zoning Bylaw:

- *Inclusionary Zoning*
  Certain provisions in designated districts in Wakefield's Zoning Bylaw trigger affordability requirements per Section 190-96 of the Zoning Bylaw. The inclusion of 33 affordable units out of a total of 184 units through the development of 14 Audubon Road is a result of this bylaw.

  The affordability requirements assure that at least 18% of the total number of units for projects of six (6) or more units (rounded to the nearest whole number) in projects that are developed through the Multi-family, Open Space Development (OSD), Mixed Use, or Creative Development bylaws will be affordable, meeting all state requirements for inclusion in the Subsidized Housing Inventory.[43] The affordable units must by integrated into the overall development to prevent the physical separation of these units and their exterior appearance must be the same as the market units. This bylaw also allows the potential development of the affordable units at an off-site location, however, existing units that are converted to affordability cannot be counted in the required total number of affordable units, only new affordable units. Moreover, the affordable units must be occupied in proportion to the market rate units and at the conclusion of construction all affordable units must be occupied before more than 95% of the market units receive occupancy permits.

[43] When the percentage is not a whole number, it must be rounded to the nearest whole number but not less than one (1).

It is important to provide sufficient incentives, not just mandates, to developers to make sure that the incorporation of affordable units will be financially feasible. Such incentives, typically density bonuses, also reduce the risk of litigation from developers who claim that the mandatory inclusion of affordable units involves a "taking" of their property rights. In fact inclusionary zoning can be legally vulnerable if requirements make it impossible for the developer to earn a reasonable return on the project as a whole.

Wakefield does include a density bonus for affordable housing in its Open Space Development (OSD) bylaw equal to a limit of one-third of the basic maximum number of units that would be allowed in a traditional subdivision of the underlying zoning district. It would be prudent for the Town to add additional incentives in its affordability bylaw (Section 190-96) to cover legal questions and insure that the zoning works economically for all projects that involve inclusionary zoning. This Housing Plan also proposes that the Town consider extending the affordability requirements to all residential developments of six (6) or more units on a Town-wide basis under the same 18% threshold.

- *Preservation of Historic Buildings*
  The Zoning Bylaw allows additional units on 13,000 square foot lots, and a significant amount of this activity is occurring. At this point the bylaw does not allow the addition of units in detached structures such as garages or barns. The Planning Board should consider amending the Bylaw to allow such development, particularly as it might contribute to the continued economic viability and preservation of historic structures.

- *Small Lot Development*
  There are parcels of vacant land that at this time cannot be developed because they do not meet the dimensional requirements of the Zoning Bylaw such as minimum lot size as well as front, rear and side yard requirements. It is likely that many of these parcels could in fact be suitably developed as housing. Smaller lots will encourage the construction of smaller homes under appropriate guidelines to provide some housing options that are not currently being created by the private market such as starter housing or homes for empty nesters interested in reducing their living space and home maintenance.

Model: Dennis Affordable Lots Program

- Contain at least 10,000 square feet and satisfies other Board of Health requirements.
- Have safe and adequate access to a public or private way.
- Are similar in size and shape to surrounding lots.
- The dwelling cannot have more than three bedrooms with a minimum of 5,000 square feet per bedroom.
- The applicable front, rear and side yard requirements are determined by establishing an average setback based on the homes adjacent to and across the street from the lot in question.
- Where two lots are in common ownership, one of the two lots must be deed restricted to insure permanent affordability and where more than two lots are held in common ownership, the second, third and fifty percent of the remaining lots to be built upon.
- Must be deed restricted as permanently affordable (the fourth lot may be market rate, fifth affordable, sixth market rate, etc.).

The Planning Board and proposed Housing Trust might explore what other communities are doing with respect to these undersized lots and prepare a zoning amendment to enable these lots to be developed based on specific criteria. One potential model is to adapt a bylaw that has been approved in Dennis to allow "affordable lots" that enables nonconforming lots to be built on by special permit if they meet a number of conditions.

- *Mixed-Use Overlay District Zoning* – The current mapping of these districts is limited and some attention should be focused on extending the current area. For example, The Planning Board should consider expanding the current Town Center districts to include Albion Street.

- *Attached Dwelling Overlay District (ADOD)*
  These districts would permit attached dwellings by special permit, however such areas have yet to be mapped.[44] This is a zoning tool that was part of the 2003 Housing Master Plan that has not been utilized, and it would work to the Town's advantage to undertake this mapping process. The zoning stipulated that no more than six (6) dwelling units should be attached together in a single structure and included useful design guidelines.

Required Resources: Donated time of the Planning Board with support from the Housing Trust. It will be important for the Town to hire a consultant to assist the Town Planner with these zoning changes.

3. Reduce Parking Requirements under Specific Circumstances

Timeframe: Years 3 to 5 *Responsible Party:* Planning Board

Current Status: Parking requirements often act as impediments to development of multi-unit buildings and increase housing costs. In some cases parking requirements can make new housing development particularly difficult, requiring more spaces than what is reasonably necessary given the location of the housing and target market. For example, some users are likely to have significantly reduced parking needs including seniors, special needs populations, and people living near transit. Additionally, mixed-use developments pose opportunities for shared parking – residents using spaces in the evening and the public during the workday.

As noted in Section IV, Wakefield has made some parking concessions in its Mixed Use Overlay Districts. The amount of parking can be reduced to reflect demand reduction commitments such as dwelling unit commitments to participation in MassHousing's "Take the T" (and Zipcar) Home Mortgage Program or other formal employee ride-sharing arrangements, as well as for different uses having different timing of peak demand. Moreover, legal on-street parking spaces on the same side of the street and adjacent to the property may be included in satisfying the parking requirement.

[44] Attached dwellings (also referred to as townhouse or row house dwellings) are defined in Section 190-4 of the Zoning Bylaw as a one-family dwelling in a row of at least three (3) such units, each with its own front and rear access to the outside and completely separated by one or more common fire-resistant wall. The Bylaw does not allow new attached units that are located over another.

Next Steps: The Planning Board should review existing parking requirements for multi-unit buildings and determine what, if any, reductions might be reasonable to make development more economically feasible and to promote transit-oriented new development. This review could be important in promoting mixed-use development in commercial areas. It may also consider payments in lieu of parking spaces, an approach that is being adopted in other municipalities. Some communities, such as Northampton, have also decided to eliminate the parking requirement in particular areas to encourage development.

Model: Somerville Payment In Lieu of Parking

The City of Somerville approved new zoning in 2010 to lower its parking requirements in Union Square to one space per residential unit, also lowering commercial parking requirements. Additionally, it established a system where the Planning Board could set a number for a Payment in Lieu of Parking (PILOP) for some or all of a property owner's parking requirement, which the Board established at $18,500 per space. The PILOP Program requires a special permit. The City hopes to use the funds raised through the Program towards the construction of future structured parking.

Resources Required: Time of the Town Planner and the Planning Board to review existing requirements, recommend reductions and adopt necessary zoning.

C. Housing Production Strategies

Since the 2003 Housing Master Plan was completed some significant progress has been made in developing affordable housing including the developments at Legacy Park, 14 Audubon Road, 415 Lowell Street and River Crossing with a total of 209 affordable units. However, as noted in Section III.D, given the substantial numbers of residents who are paying too much for their housing and the gaps between the need and supply of existing housing, more subsidized housing units are required in Wakefield. The gap between the level of need and the resources available is further exacerbated by the economy, decreasing state and federal resources available to subsidize housing, increasing poverty, high property costs, and dwindling supply of developable property. Nevertheless, there are actions that the Town can take to promote the production of affordable housing. These proposed affordable housing production strategies can be divided into three (3) general categories of development:

1. *Larger-scale Private Development Including Mixed-Use and Transit-Oriented Development*

   In its efforts to promote affordable housing, the Town will need to work cooperatively with private developers, for profit and non-profit, negotiating with these developers to insure that new development satisfies local priorities. Communities can help shape development proposals, including Chapter 40B comprehensive permit applications, "friendly 40B" proposals in particular. Wakefield should explore Chapter 40R/40S as a vehicle for better promoting such development in key areas of the community which could substantially benefit from revitalization activities and where higher densities are appropriate (see strategy VI.B.1).

2. *Development of Public Property*

   While the Town has very limited municipally owned property, the development of Town-owned property should be pursued. Through such development, the Town will be able to control what gets built, dictating the key terms and conditions through a Request for Proposals to select a developer and a regulatory agreement that is executed between the Town, developer and state. The use of the "friendly 40B" process is often used for project permitting.

3. *Scattered-site Private Development*
   This Plan also recommends the development of small infill parcels for starter or special needs housing, including undersized lots under specified conditions, that will have relatively fewer impacts on any single neighborhood as affordable housing creation will be spread geographically throughout town. The promotion of adaptive reuse projects of underutilized buildings, creation of accessory apartments, and conversion of existing housing to long-term affordability will also be scattered throughout Wakefield without significant changes to the built or natural environment.

The following strategies, sometimes in combination, provide the basic components for the Town to produce new affordable housing:

1. Pursue Opportunities for Mixed-Use and Transit-Oriented Development

Timeframe: Years 1 to 2
Responsible Parties: Planning Board with support from the Proposed Housing Trust

Current Status: In the context of good town planning and smart growth, the likely location for denser development, certainly for providing housing for smaller households and seniors, is in commercial areas and near transportation. The current Zoning Bylaw includes Mixed Use Overlay Districts that are located in a couple of limited areas in and near the downtown to encourage such development under certain conditions, also including affordability requirements for projects with six (6) or more units. The possible adoption of one or more 40R districts (see Section VI.B.1) would provide additional incentives and resources and make development in these areas more attractive and feasible. District Improvement Financing (DIF), Urban Center Housing Zones and Tax Increment Financing (TIF) are additional financial tools that might also be considered as tools to promote mixed-use development in Wakefield. The Town is in fact currently pursuing Tax Increment Financing. Additionally, "friendly" comprehensive permit projects could also be promoted in these areas.

As noted in strategy VI.B.2, in addition to the existing areas covered by the Mixed Use Overlay District zoning, the Town might consider other places that are appropriate for some concentrated development, including mixed residential and commercial uses, such as Albion Street.

Model: 30 Haven in Reading

The 30 Haven rental development in Reading is a result of the town's 40R Smart Growth Overlay District, including mixed commercial spaces and 53 one- and two-bedroom units. Based on 40R affordability requirements, at least 20% of the units are affordable to those earning at or below 80% of area median income, or eleven (11) units. In close proximity to the MBTA commuter rail station, the development also includes convenient amenities such as assigned parking, a fitness room, roof deck access, a guest room for visitors, and a community living room. 30 Haven was also designed to integrate long-term environmental sustainability and is a LEED certified residential community.

Next Steps: The Town should thoroughly assess the benefits of extending mixed-use development and allowing higher density affordable housing in designated districts within specific criteria and amend the Zoning Bylaw accordingly. The zoning changes, including the adoption of 40R/40S (see strategy VI.B.1) and reduced parking requirements (see strategy VI.B.3) as well as the willingness to explore other financial tools (strategy VI.A.3), should attract interest from developers and continue to make new mixed residential and commercial development economically feasible. As such development opportunities arise, it will be important for the Town to work constructively with developers to make sure that projects reflect community needs and priorities.

Required Resources: Donated time from members of the Planning Board and Housing Trust (once operational) and time from the Town Planner with additional professional support from a consultant(s).

Projected # Affordable Units Produced: 52 units

2. Make Suitable Public Property Available for Affordable Housing

Timeframe: Years 1 to 2 *Responsible Parties:* Board of Selectmen in coordination with the Planning Board and Proposed Housing Trust

Current Status: As mentioned in Section IV, there are major obstacles to developing affordable housing in Wakefield including the limited availability of developable property, publicly-owned property in particular. Nevertheless, some Town-owned property does exist and the contribution or "bargain sale" of land or buildings owned by the Town but not essential for municipal purposes could enable Wakefield to take a proactive approach to addressing local housing needs. The Town has in fact conveyed some of its property for the purpose of building affordable housing, including some land for the development of Legacy Park with 118 affordable units and the Lincoln School, now owned and managed by the Wakefield Housing Authority.

As the Wakefield approaches buildout, it is becoming increasingly more critical for the Town to guide development in ways that will maximize long-term public benefits. Such benefits include the integration of some amount of affordable housing that will help diversify the housing stock well into the future, providing an inventory of affordable units in perpetuity for generations to come. This is particularly important for property that the Town controls. Instead of auctioning off property to the highest bidder, the Town should be strategic in how it disposes of surplus municipal property, embracing opportunities to meet local housing needs and goals and leverage other public and private investment in the community.

Examples of some potential parcels include tax title land that could be developed as affordable housing. Other potential opportunities for developing publicly owned property include possible land at Harts Hill Heights and the Lincoln School that are owned by the Wakefield Housing Authority (WHA). In fact, the Town of Wakefield owns some property that is adjacent to WHA undeveloped property at Harts Hill Heights. If the Town could consider subdividing its parcel, it when added to the WHA land would provide the necessary site control to undertake an important subsidized development. The Town would work jointly with the WHA on the project, in project planning, preparing the RFP and selecting the developer.

The Town may also decide to acquire privately-owned sites at some time in the future for the purposes of protecting open space, providing for particular municipal uses, and developing some amount of housing, including affordable housing, through cluster development on a portion of the sites. Having Community Preservation funding available would provide an important resource for such acquisition (see strategy VI.A.3). For example, the Towns of Carlisle and Falmouth acquired land for affordable housing development including open space preservation and other public benefits.

Model: Benfield Farms in Carlisle

The Town of Carlisle issued a Request for Proposals to develop 26 units of senior rental housing on a Town-owned site it acquired by bonding a portion of its Community Preservation funding. Most of the parcel will be preserved as open space with the development of some athletic fields on a portion of the property projected for the future. The Town provided the land for a nominal amount and approved $425,000 in CPA funding to support costs related to infrastructure and an additional allocation to further subsidize the development. The Town selected the nonprofit organization Neighborhood of Affordable Housing (NOAH) as the developer. The design includes a three-story main house connecting to a two-story barn, incorporating green building, energy efficiency, sustainability and universal design standards. A rendering of the development is provided below.

Additional smaller sites may become available as well to build affordable new starter homes, housing for empty nesters, special needs units, or housing for the formerly homeless on an infill basis. For example, the Towns of Bourne and Yarmouth both developed small single-family homes on publicly owned infill sites for first-time purchasers.

Model: Small Home Development in Yarmouth

In 1989, Yarmouth's Town Meeting voted to transfer title of 16 acres on Brush Hill Road to the Yarmouth Housing Authority (YHA) for the nominal amount of $1.00 for the purposes of building affordable housing. At that time the YHA had planned to develop 12 units of Chapter 705 family rental housing, however, all development projects were halted in 1991 due to state budget problems.

In 2000, the Housing Authority issued an RFP for four house lots that were subsequently developed by the winning respondent, a local nonprofit organization, Our First Home, Inc. (OFH), which obtained the regulatory approvals for the subdivision plans on YHA's 16-acre parcel and built the road into the subdivision. The YHA issued another Request for Proposals to develop two of the other lots as affordable housing for special needs populations. The regional nonprofit housing organization, the Housing Assistance Corporation (HAC), was the successful respondent, and the organization subsequently secured the necessary financing from HUD. In 2006, the YHA issued another RFP to develop the remaining six lots, conveying the lots for a discounted price of $5,000 per lot, representing a substantial commitment on the part of the Town of Yarmouth and Yarmouth Housing Authority towards subsidizing the new homes and promoting greater project feasibility. The Town once again selected the nonprofit Our First Home, Inc. as the developer and the homes were fully occupied a year later.

Next Steps: The Board of Selectmen in coordination with the Planning Board and proposed Housing Trust, once it becomes operational, should undertake the inventory proposed in strategy VI.A.6 and then conduct a preliminary feasibility analyses on those Town-owned parcels that might be most suitable for some amount of affordable housing. Funding for this work could come from the state's Planning Assistance Toward Housing (PATH) Program or other resources included in strategy VI.A.3. If this analysis indicates that housing might be accommodated, the Board of Selectmen should request approval from Town Meeting to designate these identified parcels for affordable housing development.

Following the necessary approvals, a Request for Proposals (RFP) would be issued to solicit interest from developers based on the Town's specific project requirements. A developer will be selected based on identified criteria included in the RFP. It is likely that the projects will require densities or other regulatory relief beyond what is allowed under the existing Zoning Bylaw, and this relief may be available from the ZBA if community support is assured, or through the use of the "friendly" comprehensive permit process through DHCD's Local Initiative Program (LIP) that is discussed below (strategy VI.C.3). Additionally, the Housing Trust will need to work with the selected developer to attract the necessary financial, technical and political support. Evidence of municipal support is often critical when seeking financial or technical assistance from state or federal agencies.

Monitoring and enforcing affordability requirements during the term of affordability are critical to the effective provision of affordable housing. The Town will also have to insure that affordable units are eligible for inclusion in the Subsidized Housing Inventory and provide the state with all of the appropriate documentation (see strategy VI.A.5).

Required Resources: In addition to the costs of coordinating development, resources will be required to help subsidize the development and perhaps to conduct some initial feasibility analyses on site conditions, which ultimately can be included in the project's budget and is discussed above. This strategy will involve the Town Planner, who with support from consultant(s), will work with the proposed Housing Trust and Town's Chief Procurement Officer to coordinate necessary testing, prepare Request for Proposals, coordinate the developer selection process and insure that all affordable units will be eligible for inclusion in the SHI.

Comprehensive permits sometimes do not involve external public subsidies but use internal subsidies by which the market units in fact subsidize the affordable ones. Many communities have used the "friendly" comprehensive permit process to take advantage of these internal subsidies, to create the necessary densities to make development feasible, and to make it easier to navigate the existing regulatory system. Other communities are finding that they require public subsidies to cover the costs of producing affordable housing and mixed-income residential development and need to access a range of programs through the state and federal government and other financial institutions to accomplish these objectives. Because the costs of development are typically significantly higher than the rents or purchase prices that low- and moderate-income tenants can afford, multiple layers of subsidies are often required to fill the gaps. Chapter 40B developments often require external subsidies to increase the numbers of affordable units, to target units to lower income or special needs populations, or to fill gaps that market rates cannot fully cover.

A number of financial and technical resources may be required to produce affordable units in Wakefield. The following resources may help make affordable housing development feasible in addition to the Town-owned property conveyed or leased at a nominal price:

- Predevelopment funding from the state's PATH Program, CEDAC, MHIC, Life Initiative, etc.
- Federal HOME Program financing of up to $65,000 per unit administered through DHCD for a range of housing activities. These are competitive funding sources, and DHCD typically accepts proposals through two funding rounds per year. If Wakefield joins a nearby HOME Consortium this funding might be easier to access.
- Possible federal financing through Low Income Housing Tax Credits to developers of affordable housing that provide significant equity into a development. The allocating agency is DHCD and there are typically two funding rounds per year. These funds are directed to rental properties solely and are extremely competitive.
- Affordable Housing Trust Fund program that offers gap financing for new unit production.
- Section 202 federal financing to non-profit organizations for the development of rental housing targeted to very low-income seniors and those with disabilities.
- Affordable Housing Program grant funding from the Federal Home Loan Bank Board, applied through participating banks.
- Rental subsidies through the Project Based Section 8 Program or individual Section 8 vouchers administered through the state, Housing Authorities and regional non-profit organizations.
- Section 8 to Homeownership Program, enabling Section 8 subsidy recipients to access homeownership.
- Additional resources that are directed solely to first-time homebuyer projects to make homeownership more affordable including the ONE Mortgage Program, Purchaser-Based HOME Program and MassHousing's First-Time Homebuyer financing.

- Financing from CEDAC to support innovative forms of affordable housing including SRO's, transitional housing, limited equity cooperatives, etc. and to preserve existing affordable housing developments.
- OneSource Loan Program involving a streamlined financing program offered jointly by MHIC and Massachusetts Housing Partnership Fund with construction and permanent financing in a single package.
- LISC, a national intermediary organization, is providing capacity building grant support to community based organizations operating in the suburban ring of Boston to support new housing development.
- District Improvement Financing, Urban Center Housing Zones and Tax Increment Financing that offer cities and towns the ability to promote residential and commercial development in commercial areas through a real estate exemption on all or part of the increased value (the "increment") of the improved real estate.
- Section 40R of the Massachusetts General Law that provides subsidies to promote higher housing densities, mixed-use development, and affordable housing in smart growth areas.
- Other state funding programs.

Summaries of these and other program resources are included in Appendix 3.

Projected # Affordable Units Produced: 70 units

3. Promote "Friendly 40B" Development

Timeframe: Years 3 to 5 *Responsible Parties:* Board of Selectmen in coordination with the Zoning Board of Appeals and Housing Trust

Current Status: The Massachusetts Comprehensive Permit Law, Chapter 40B Sections 20-23 of the General Laws, was enacted as Chapter 774 of the Acts of 1969 to encourage the construction of affordable housing throughout the state. Often referred to as the Anti-Snob Zoning Act, it requires all communities to use a streamlined review process through the local Zoning Board of Appeals for "comprehensive permits" submitted by developers for projects proposing zoning and other regulatory waivers and incorporating affordable housing for at least 25% of the units if they are occupied by those earning at or below 80% AMI or 20% if the units are targeted to those earning at or below 50% AMI. All units count as affordable in a rental project while only the actual affordable units are counted in homeownership developments.

The Local Initiative Program (LIP) is a technical assistance subsidy program to facilitate Chapter 40B developments and locally produced affordable units. *The Program is often referred to as the "friendly 40B" option as it insures that projects are consistent with sustainable or smart growth development principles as well as local housing needs.* LIP recognizes that there is a critical need for all types of housing but encourages family and special needs housing in particular. Age-restricted housing (over 55) is allowed but the locality must demonstrate actual need and marketability.

Model: Lake Street Affordable Housing

Chatham provided CPA funds ($17,000 in predevelopment funding and $300,000 in gap financing) to help leverage state funding to increase the affordability of a "friendly" Chapter 40B project on an approximately seven-acre parcel on Lake Street. The parcel included about 5.4 acres owned by the Chatham Housing Authority (CHA), next to an existing affordable homeownership development (Chatham Homeownership Opportunities), and a one plus acre lot owned and donated by the Town to the project. The development includes 47 rental units developed by The Community Builders (TCB), and another three (3) new homes built by Habitat for Humanity of Cape Cod. All of the units are affordable and are included in the Subsidized Housing Inventory. The TCB rental development includes three (3) units for those earning at or below 80% of area median income, and the remaining units were targeted to several income tiers below, including those earning at 30%, 50% and 60% of area median income. TCB manages the property and CHA is responsible for any resales of the Habitat houses, the first that was resold in 2011. A photo of one of the buildings is provided below.

Next Steps: In order to meet local needs, production goals and the 10% state affordability threshold, the Town will continue to partner with developers, non-profit and for profit. The "friendly 40B" option will be an important tool for the Town to use in permitting such developments, working in a cooperative spirit with developers. *It should be further noted that with approval from the subsidizing agency, such as DHCD, up to 70% of the units in a 40B development could be reserved for those who live and work in Wakefield, referred to as local preference units.* The process that is required for using LIP for "friendly" comprehensive permit projects and local preference is detailed in Appendix 3, Section I.A.

As members of Housing Trusts are typically selected because they have some expertise and interest in affordable housing (e.g., builders, realtors, lenders, architects, planners, etc.) they should be involved in the initial review of projects that include affordable units. Developers who are interested in working with the town on "friendly 40B's" should contact the Housing Trust as the first step in the development process to present their conceptual plans and get feedback. The Housing Trust will then continue to work with these developers to fine-tune their proposals to insure they meet local needs and priorities.

Required Resources: This strategy will involve the Town Planner who with support from consultants from time to time will work with the proposed Housing Trust and developers on project development and permitting.

Projected # Affordable Units Produced: 31 units

4. Support Infill Housing Development and Improvements

Timeframe: Years 3 to 5 *Responsible Parties:* Planning Board in coordination with the Housing Trust

Current Status: Some communities are looking for opportunities to create affordable housing through efforts that will spread the impacts of new affordable housing production throughout the community so as not to overburden any particular neighborhood. There are a number of lots that are geographically spread throughout Wakefield that might accommodate a housing unit or small number of units to serve local affordable housing needs, particularly small starter and special needs housing.

Examples of potential development opportunities include but are not limited to the following:

- *Starter Housing:* Habitat for Humanity has expressed great interest in developing new affordable homes in Wakefield and continues to look for donated public and private land on which to build. Such development might also be conducive to scattered Town-owned infill parcels.

- *Special Needs Housing:* Organizations that support special needs housing are active in Wakefield and throughout the Boston area, and are likely to have a continuing interest in developing group homes or other special facilities in the community if opportunities arise. Wakefield has a number of such special needs developments. For example, the Wakefield Housing Authority owns and manages 38-40 Hart's Hill Road that involves state-financed special needs housing for eight (8) clients of the state's Department of Developmental Disabilities (DDS). The Subsidized Housing Inventory also includes 53 additional units for DDS clients in group homes as well as 32 units for Department of Mental Health clients. As documented in Section III.D, these developments are important but insufficient to meet the community's increasing needs for more handicapped accessible and service-enriched housing units given the high numbers of residents with disabilities and the aging of the population.

- *Small "Pocket" Development:* There are also models of small clustered development, including comprehensive permit projects, in other communities that incorporate several income tiers to meet the housing needs. A couple of examples are offered below.

Model: Small 40B Infill Development – Junction Place in Needham

Junction Place is a condominium project in Needham comprised of five (5) attached townhouse units in close proximity to a commuter rail station. The project was developed on a site with less than 12,000 square feet by a private developer. All of the townhouses were sold at below market prices to eligible families through a lottery. Two (2) of the homes were sold for $165,000 to families earning up to 80% of the area median income while the remaining three sold for $310,000 to families earning up to 150% of the area median income. Each of the units contains approximately 1,512 square feet including 3 bedrooms, 2½ bathrooms, a laundry room with a washer and dryer, a one-car garage and an outside parking space.

Model: Jenney Way in Edgartown

The Island Affordable Housing Fund (IAHF) purchased an in-town 2.53-acre property in Edgartown from the Jenney family for a substantially discounted price that resulted in nine (9) subsidized single-family houses developed in partnership with the South Mountain Company. This "pocket neighborhood" of houses was built to high performance building standards and four (4) of the houses with solar electric systems achieved LEED Platinum Certification (the highest standard for Leadership in Environmental Design awarded by the U.S. Green Building Council). The nine (9) single-family houses were sold and the land ground leased under the Island Housing Trust with resale restrictions to income qualified households earning 80%, 100%, 120% and 140% or less of the area median income. Grants from the Island Affordable Housing Fund, the Town of Edgartown Community Preservation Act (CPA), and Cape Light Compact helped fund the land purchase and construction costs. A photo of part of the development is provided below.

- *Conversion of Existing Housing:* While housing prices are still relatively high, some of the smaller houses or condominiums in town could be purchased, subsidized as affordable and leased or sold to low- and moderate-income households. Larger properties could also be candidates for acquisition and rehab, to be managed as rental property or developed as mixed-income or affordable condominiums. Moreover, the two-family houses in the West Side or near the downtown have been targets for condo conversion, eroding some of the more affordable private market housing in the community, and would be likely targets for conversion to long-term affordability.

Models of Buy-down Programs

There are a number of approaches that have been effectively implemented in communities to "buy-down" existing unsubsidized housing by acquiring units and converting them to long-term affordability.

- The Town of Barnstable developed the Rental Acquisition Program (RAP) to seek out existing single and multi-family units, purchase them, and maintain them as affordable rentals. The Town has contracted with the Barnstable Housing Authority to administer the program with CDBG funding.
- The Town of Sandwich secured about $1 million as payments in lieu of producing four (4) actual affordable units via negotiations with a private developer on a residential development project called the Sandwich Home Ownership Program (SHOP). The Town then selected the Housing Assistance Corporation (HAC) to coordinate the program, investing the funding in a buy-down project that involved the purchase of seven (7) existing housing units, completion of necessary improvements, and the use of subsidies to enable first-time homebuyers earning at or below 80% of area median income to purchase the units.
- The Town of Eastham approved $300,000 in CPA funding to enable the Eastham Housing Authority to purchase units, make necessary improvements and maintain them as affordable rentals.

- *Adaptive Reuse:* As an older suburb of Boston, Wakefield has less undeveloped property available and needs to look for opportunities to redevelop existing properties. Adaptive reuse, involving the conversion of nonresidential properties to housing, is an example of such redevelopment. There is some precedent for this type of development in Wakefield including the conversion of the Lincoln School to subsidized senior housing by the Wakefield Housing Authority. The Town should continue to identify underutilized nonresidential properties for possible conversion to affordable housing including underutilized light industrial properties along Foundry Road and sites included in Section VII of this Housing Plan. Any properties to be so redeveloped could incorporate various residential uses including but not limited to congregate and/or special needs housing, rental housing and first-time homeownership. Adaptive reuse can be amenable to mixed-use and mixed-income development. Moreover, affordable housing development can be an excellent vehicle for redeveloping properties that require some environmental remediation as such developments are often competitive for special subsidy programs.

- *Housing Rehabilitation Program:* Through the new housing resources described in strategy VI.A.3, the Town will make efforts to reintroduce a Housing Rehabilitation Program and will reapply to the state for another allocation of CDBG funds (see strategy VI.A.3 for more information).

Next Steps: As opportunities arise, the Town should work with local developers in support of small-scale infill development and a housing improvement program and allocate funding (see strategy VI.A.3) to insure project feasibility.

Required Resources: Funding (proposed CPA, CDBG, HOME or Affordable Housing Trust Fund) to support these projects and overall supervision by the Town Planner with assistance from consultant(s).

Projected # Affordable Units Produced: 31 units

APPENDIX 1
Local and Regional Organizations/Resources

Wakefield has a number of important resources including Town government, local non-profit organizations and regional entities that have made substantial contributions to the promotion of affordable housing in Wakefield or have the resources to contribute in the future. These resources, including their contact information, are briefly summarized below.

Local Agencies and Organizations

Wakefield Housing Authority

The Wakefield Housing Authority (WHA) is a quasi-public agency that was established by the state and the Town of Wakefield to produce housing that is affordable to low- and moderate-income residents. The WHA owns and/or manages 189 units in six (6) separate developments, including units for seniors, families, and those with special needs. The Housing Authority also administers approximately 352 rental subsidies/vouchers that enable those who are priced out of the housing market to rent housing in privately owned units, paying only a specified portion of their income on housing costs. For more information on WHA, see Section III.C.1.

Contact Info: 25 Crescent Street #1, Wakefield; 781-245-7328; www.wakefieldhousing.org

Wakefield Council on Aging

The Wakefield Council on Aging is a Town department that supports the quality of life of Wakefield elders through a wide variety of services including the operation of the McCarthy Senior Center that offers a number of important services to residents 60 years of age or older including a full-time adult day program, a wide range of social services, referral information, daily lunches, health services, and special recreational activities and classes. The Council also operates a van service to those who need transportation, including those requiring wheelchair access. Such services are becoming increasingly important as the town's population ages. The Council relies on many local volunteers to support its work.

The Council on Aging receives many inquiries regarding housing, and has witnessed an increasing demand for subsidized housing for seniors. Some seniors are having their adult children come to live with them, and sometimes defer leaving their homes for senior housing until these children have resettled elsewhere. In fact, one result of the return of adult children is the increase in total household income that can push lower income elderly outside of the eligibility requirements for social service programs including food stamps and fuel assistance. The COA finds that local seniors want to remain in their homes and in the community as long as possible, however, often require significant support services to do so. Moreover, maintaining their homes becomes much more challenging as the years go by. While there are a number of affordable or relatively affordable units for seniors in Wakefield, some units are viewed as being too small, too remote, and/or have extensive wait lists.

The COA operates the Property Tax Work-off Program that enables qualifying households to commit 62.5 hours of service to the Town in exchange for a $500 reduction in their property taxes. Applicants must be 60 years of age, must have owned the residence for at least five (5) years, lived in Massachusetts for at least ten (10) years, and the property must be their primary residence. If the applicant pool exceeds the number of jobs available, a lottery is held to determine participation.

Contact Info: McCarthy Senior Center, 30 Converse Street, Wakefield; 781-245-3312; www.wakefield.ma.us

Regional Agencies and Organizations

Community Action, Inc.

Community Action, Inc. is the area's community action agency that was established to serve a wide range of education, housing, health and service needs of low-income and disadvantaged area residents. The organization, based in Haverhill, has expanded during the past three decades to include a number of cities and towns on the North Shore. Programs include fuel assistance, Head Start, WIC, education and training, and other services directed to area families. Housing-related services include counseling and down payment and closing cost assistance for first time homebuyers as well as the administration of lotteries and development of small affordable housing projects.
Contact Info: 145 Essex Street in Haverhill; 978-373-1971; www.communityactioninc.org

Metropolitan Boston Housing Partnership (MBHP)

The Metropolitan Boston Housing Partnership (MBHP) is the regional housing organization for the Boston area, including Wakefield. The organization's primary role if the administration of government-funded rental assistance including Section 8 Housing Choice Vouchers, Massachusetts Rental Voucher Program (MRVP), and specialized voucher programs that provide rental subsidies to various special populations (veterans, elders, people with disabilities). The agency's Consumer Education Center provides a wide variety of support to help individuals and families who are homeless or at risk of homelessness secure adequate housing or be able to remain in their homes. Additionally, the organization provides a variety of services for property owners or first-time buyers including first-time homebuyer workshops, home modification assistance, foreclosure prevention counseling, and leasing assistance.
Contact Info: 125 Lincoln Street, Boston, MA 02111; 617-859-0400; www.mbhp.org

North Shore Community Development Coalition (NSCDC)

The North Shore CDC, which evolved from the former Salem Harbor CDC, is committed to building and preserving affordable housing in North Shore communities. This organization has completed 287 units to date, primarily in Salem, Beverly and Ipswich, but has the interest and capacity to serve other North Shore communities as well.
Contact Info: 102 Lafayette Street in Salem; 978-825-4009; www.northshorecdc.org

Greater Lowell Habitat for Humanity

Habitat for Humanity is an ecumenical, non-profit Christian ministry dedicated to building simple, decent homes in partnership with families in need that has grown over the past several decades into one of the largest private homebuilders in the world. The organization has almost 1,600 U.S. affiliates and over 2,100 affiliates worldwide. The Greater Lowell Habitat for Humanity is based in Westford and serves 15 communities, including Wakefield.
Contact Info: 124 Main Street, Westford; 978-692-0927; www.lowellhabitat.org

Coastal Homebuyer Education, Inc.
Coastal Homebuyer Education, Inc. helps prospective homebuyers in eastern Massachusetts make homeownership a reality. Certified by CHAPA and MassHousing, the organization provides homebuyer counseling, which is often a prerequisite for many financing programs. Seminars are held over four (4) evening meetings or two (2) Saturdays throughout the year for a fee of $60 per household. The organization recently added post purchase classes as well.
Contact Info: www.coastalhbedu.org

Citizens for Adequate Housing (CAH)
Citizens for Adequate Housing is a non-profit organization whose mission is to end homelessness one family at a time, serving families from the North Shore, eastern Massachusetts, and sometimes the Merrimack Valley. In addition to providing housing, CAH offers other serves to help individuals and families find permanent solutions to ending their homelessness.
Contact Info: 40 Washington Street, Peabody; 978-531-9775; info@cahns.org

Metropolitan Area Planning Council (MAPC)
The Metropolitan Area Planning Council (MAPC) is Wakefield's regional planning agency serving 101 communities in the Greater Boston area. Guided by its regional plan, "MetroFuture: Making a Greater Boston Region", the agency works with participating communities towards "sound municipal management, sustainable land use planning, protection of natural resources, efficient and affordable transportation, a diverse housing stock, public safety, economic development, an informed public, and equity and opportunity among people of all backgrounds".
Contact Info: 60 Temple Place, Boston 02111; 617-451-2770; www.mapc.org

APPENDIX 2
Glossary of Housing Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Metropolitan Statistical Area (MSA)
The term, MSA, is also used for CMSAs (consolidated metropolitan statistical areas) and PMSAs (primary metropolitan statistical areas) that are geographic units used for defining urban areas that are based largely on commuting patterns. The federal Office of Management and Budget defines these areas for statistical purposes only, but many federal agencies use them for programmatic purposes, including allocating federal funds and determining program eligibility. HUD uses MSAs as its basis for setting income guidelines and fair market rents.

Mixed-Income Housing Development
Mixed-income development includes housing for various income levels.

Mixed-Use Development
Mixed-use projects combine different types of development such as residential, commercial, office, industrial and institutional into one project.

Overlay Zoning
A zoning district, applied over one or more other districts that contains additional provisions for special features or conditions, such as historic buildings, affordable housing, or wetlands.

Planned Development
A district or project designed to provide an alternative to the conventional suburban development standards that promote a number of important public policy benefits, often including a variety of housing, including affordable housing, and creative site design alternatives.

Public Housing Agency (PHA)
A public entity that operates housing programs: includes state housing agencies (including DHCD), housing finance agencies and local housing authorities. This is a HUD definition that is used to describe the entities that are permitted to receive funds or administer a wide range of HUD programs including public housing and Section 8 rental assistance.

Regional Non-profit Housing Organizations
Regional non-profit housing organizations include nine private, non-profit housing agencies, which administer the Section 8 Program on a statewide basis, under contract with DHCD. Each agency serves a wide geographic region. Collectively, they cover the entire state and administer over 15,000 Section 8 vouchers. In addition to administering Section 8 subsidies, they administer state-funded rental assistance (MRVP) in communities without participating local housing authorities. They also develop affordable housing and run housing rehabilitation and weatherization programs, operate homeless shelters, run homeless prevention and first-time homebuyer programs, and offer technical assistance and training programs for communities. The Metropolitan Boston Housing Partnership (MBHP) serves as Wakefield's regional non-profit housing organization.

Regional Planning Agencies (RPAs)
These are public agencies that coordinate planning in each of thirteen regions of the state. They are empowered to undertake studies of resources, problems, and needs of their districts. They provide professional expertise to communities in areas such as master planning, affordable housing and open space planning, and traffic impact studies. With the exception of the Cape Cod and Nantucket Commissions, however, which are land use regulatory agencies as well as planning agencies, the RPAs serve in an advisory capacity only. The Metropolitan Area Planning Council (MAPC) serves as Wakefield's Regional Planning Agency.

Request for Proposals (RFP)
A process for soliciting applications for funding when funds are awarded competitively or soliciting proposals from developers as an alternative to lowest-bidder competitive bidding.

Section 8
Refers to the major federal (HUD) program – actually a collection of programs – providing rental assistance to low-income households to help them pay for housing. Participating tenants pay 30% of their income (some pay more) for housing (rent and basic utilities) and the federal subsidy pays the balance of the rent. The Program is now officially called the Housing Choice Voucher Program.

Single Room Occupancy (SRO)
A single room occupancy (more commonly SRO, sometimes called single resident occupancy) is a multiple tenant building that houses one or two people in individual rooms (sometimes two rooms, or two rooms with a bathroom or half bathroom), or to the single room dwelling itself. SRO tenants typically share bathrooms and /or kitchens, while some SRO rooms may include kitchenettes, bathrooms, or half-baths. Although many are former hotels, SROs are primarily rented as permanent residences.

Smart Growth
The term used to refer to a rapidly growing and widespread movement that calls for a more coordinated, environmentally sensitive approach to planning and development. A response to the problems associated with unplanned, unlimited suburban development – or sprawl – smart growth principles call for more efficient land use, compact development patterns, less dependence on the automobile, a range of housing opportunities and choices, and improved jobs/housing balance.

Subsidy
Typically refers to financial assistance that fills the gap between the costs of any affordable housing development and what the occupants can afford based on program eligibility requirements. Many times multiple subsidies from various funding sources are required, often referred to as the "layering" of subsidies, in order to make a project feasible. In the state's Local Initiative Program (LIP), DHCD's technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. Also, "internal subsidies" refers to those developments that do not have an external source(s) of funding for affordable housing, but use the value of the market units to "cross subsidize" the affordable ones.

Subsidized Housing Inventory (SHI)
This is the official list of units, by municipality, that count toward a community's 10% goal as prescribed by Chapter 40B comprehensive permit law.

Sustainability
Development that includes a balanced set of integrated principles such as social equity, environmental respect, and economic viability, which preserve a high quality of life for current occupants and future generations.

Transfer of Development Rights (TDR)
A program that coordinates the relocation of development from environmentally sensitive areas that should be preserved as open space to areas that can accommodate higher densities.

Transit Oriented Development (TOD)
Development that occurs within walking distance of public transportation, usually bus or trains, to reduce the reliance on the automobile and typically accommodate mixed uses and higher densities.

U.S. Department of Housing and Urban Development (HUD)
The primary federal agency for regulating housing, including fair housing and housing finance. It is also the major federal funding source for affordable housing programs.

Appendix 3
Summary of Housing Regulations and Resources

I. SUMMARY OF HOUSING REGULATIONS

A. Chapter 40B Comprehensive Permit Law

The Massachusetts Comprehensive Permit Law, Chapter 40B Sections 20-23 of the General Laws, was enacted as Chapter 774 of the Acts of 1969 to encourage the construction of affordable housing throughout the state, particularly outside of cities. Often referred to as the Anti-Snob Zoning Act, it requires all communities to use a streamlined review process through the local Zoning Board of Appeals for "comprehensive permits" submitted by developers for projects proposing zoning and other regulatory waivers and incorporating affordable housing for at least 25% of the units. Only one application is submitted to the ZBA instead of separate permit applications that are typically required by a number of local departments as part of the normal development process. Here the ZBA takes the lead and consults with the other relevant departments (e.g., building department, planning department, highway department, fire department, sanitation department, etc.) on a single application. The Conservation Commission retains jurisdiction under the Wetlands Protection Act and Department of Environmental Protection, the Building Inspector applies the state building code, and the Board of Health enforces Title V.

For a development to qualify under Chapter 40B, it must meet all of the following requirements:

- Must be part of a "subsidized" development built by a public agency, non-profit organization, or limited dividend corporation.
- At least 25% of the units in the development must be income restricted to households with incomes at or below 80% of area median income and have rents or sales prices restricted to affordable levels income levels defined each year by the US Department of Housing and Urban Development.
- Affordability restrictions must be in effect in perpetuity unless there is a justification for a shorter term that must be approved by DHCD.
- Development must be subject to a regulatory agreement and monitored by a public agency or non-profit organization.
- Project sponsors must meet affirmative marketing requirements.

According to Chapter 40B regulations, the ZBA decision to deny or place conditions on a comprehensive permit project cannot be appealed by the developer if any of the following conditions are met[45]:

- The community has met the "statutory minima" by having at least 10% of its year-round housing stock affordable as defined by Chapter 40B, at least 1.5% of the community's land area includes affordable housing as defined again by 40B, or annual affordable housing construction is on at least 0.3% of the community's land area.
- The community has made "recent progress" adding SHI eligible housing units during the prior 12 months equal at least to 2% of its year-round housing.

[45] Section 56.03 of the new Chapter 40B regulations.

- The community has a one- or two-year exemption under Planned Production.
- The application is for a "large project" that equals at least 6% of all housing units in a community with less than 2,500 housing units.
- A "related application" for the site was filed, pending or withdrawn within 12 months of the application.

If a municipality does not meet any of the above thresholds, it is susceptible to appeals by comprehensive permit applicants of the ZBA's decision to the state's Housing Appeals Committee (HAC). This makes the Town susceptible to a state override of local zoning if a developer chooses to create affordable housing through the Chapter 40B comprehensive permit process.[46] Recently approved regulations add a new requirement that ZBA's provide early written notice (within 15 days of the opening of the local hearing) to the applicant and to DHCD if they intend to deny or condition the permit based on the grounds listed above that make the application appeal proof, providing documentation for its position. Under these circumstances, municipalities can or cannot count projects with approved comprehensive permits that are under legal approval, but not by the ZBA, at the time.

If the applicant appeals the use of these "appeals proof" grounds, DHCD will review materials from the ZBA and applicant and issue a decision within 30 days of receipt of the appeal (failure to issue a decision is a construction approval of the ZBA's position). Either the ZBA or applicant can appeal DHCD's decision by filing an interlocutory appeal with the Housing Appeals Committee (HAC) within 20 days of receiving DHCD's decision. If a ZBA fails to follow this procedure, it waives its right to deny a permit on these "appeal-proof" grounds.

Recent changes to Chapter 40B also address when a community can count a unit as eligible for inclusion in the SHI including:

- *40R*
  Units receiving zoning approval under 40R count when the permit or approval is filed with the municipal clerk provided that no appeals are filed by the board or when the last appeal is fully resolved, similar to a comprehensive permit project.

- *Certificate of Occupancy*
  Units added to the SHI on the basis of receiving building permits become temporarily ineligible if the C of O is not issued with 18 months.

- *Large Phased Projects*
  If the comprehensive permit approval or zoning approval allows a project to be built in phases and each phase includes at least 150 units and average time between the start of each phase is

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

15 months or less, then the entire project remains eligible for the SHI as long as the phasing schedule set forth in the permit approval continues to be met.

- *Projects with Expired Use Restrictions*
  Units become ineligible for inclusion in the SHI upon expiration or termination of the initial use restriction unless a subsequent use restriction is imposed.

- *Biennial Municipal Reporting*
  Municipalities are responsible for providing the information on units that should be included in the SHI through a statement certified by the chief executive officer.

Towns are allowed to set-aside up to 70% of the affordable units available in a 40B development for those who have a connection to the community as defined under state guidelines including current residents, municipal employees, or employees of businesses located in town. It is also worth noting that the Town, through its Affirmative Fair Housing Marketing Plan, must demonstrate the associated local need for the community preference and insure that there will be no discriminatory impacts with the use of community preference.[47]

While there are ongoing discussions regarding how the state should count the affordable units for the purpose of determining whether a community has met the 10% goal, in a rental project if the subsidy applies to the entire project, all units are counted towards the state standard. For homeownership projects, only the units made affordable to those households earning within 80% of median income can be attributed to the affordable housing inventory.

There are up to three stages in the 40B process – the project eligibility stage, the application stage, and at times the appeals stage. First, the applicant must apply for eligibility of a proposed 40B project/site from a subsidizing agency. Under Chapter 40B, subsidized housing is not limited exclusively to housing receiving direct public subsidies but also applies to privately-financed projects receiving technical assistance from the State through its Local Initiative Program (LIP) or through MassHousing (Housing Starts Program), Federal Home Loan Bank Board (New England Fund), MassDevelopment, and Massachusetts Housing Partnership Fund. The subsidizing agency then forwards the application to the local Board of Selectmen for a 30-day comment period. The Board of Selectmen solicits comments from Town officials and other boards and based on their review the subsidizing agency typically issues a project eligibility letter. Alternatively, a developer may approach the Board of Selectmen for their

[47] If a municipality wishes to implement a local selection preference it must:

- Demonstrate the need for local preference in an Affirmative Fair Housing Marketing Plan that must be approved by the subsidizing agency.
- Justify the extent of the local preference (the percentage of the units proposed to be set-aside for local preference), that is how the documented local need, in the context of the size of the community, the size of the project and the regional need, justifies the proposed size of the local preference for a given project. In no case can the percentage exceed 70% of the affordable units in a project.
- Demonstrate that the proposed local preference will not have a disparate or discriminatory impact on protected classes.
- Provide the developer with the documentation required to support a local preference within three (3) months of final issuance of the comprehensive permit. Failure to comply with this requirement will be deemed to demonstrate that there is not a need for a local preference and it will not be approved as part of any Affirmative Fair Housing Marketing Plan or use restriction.

endorsement of the project, and the Selectmen can submit an application to DHCD for certification under the Local Initiative Program (for more information see description in Section I.E below).

Recent changes to 40B regulations expands the items a subsidizing agency must consider when determining site eligibility including:

- Information provided by the municipality or other parties regarding municipal actions previously taken to meet affordable housing needs, including inclusionary zoning, multi-family districts and 40R overlay zones.
- Whether the conceptual design is appropriate for the site including building massing, topography, environmental resources, and integration into existing development patterns.
- That the land valuation, as included in the pro forma, is consistent with DHCD guidelines regarding cost examination and limitations on profits and distribution.
- Requires that LIP site approval applications be submitted by the municipality's chief executive officer.
- Specifies that members of local boards can attend the site visit conducted during DHCD's 30-day review period.
- Requires that the subsidizing agency provide a copy of its determination of eligibility to DHCD, the chief executive officer of the municipality, the ZBA and the applicant.

If there are substantial changes to a project before the ZBA issues its decision, the subsidizing agency can defer the re-determination of site/project eligibility until the ZBA issues its decision unless the chief executive officer of the municipality or applicant requests otherwise. New 40B regulations provide greater detail on this re-determination process. Additionally, challenges to project eligibility determinations can only be made on the grounds that there has been a substantial change to the project that affects project eligibility requirements and leaves resolution of the challenge to the subsidizing agency.

The next stage in the comprehensive permit process is the application phase including pre-hearing activities such as adopting rules before the application is submitted, setting a reasonable filing fee, providing for technical "peer review" fees, establishing a process for selecting technical consultants, and setting forth minimum application submission requirements. Failure to open a public hearing within 30 days of filing an application can result in constructive approval. The public hearing is the most critical part of the whole application process. Here is the chance for the Zoning Board of Appeals' consultants to analyze existing site conditions, advise the ZBA on the capacity of the site to handle the proposed type of development, and to recommend alternative development designs. Here is where the ZBA gets the advice of experts on unfamiliar matters – called peer review. Consistency of the project with local needs is the central principle in the review process.

Another important component of the public hearing process is the project economic analysis that determines whether conditions imposed and waivers denied would render the project "uneconomic". The burden of proof is on the applicant, who must prove that it is impossible to proceed and still realize a reasonable return, which cannot be more than 20%. Another part of the public hearing process is the engineering review. The ZBA directs its consultants to analyze the consistency of the project with local bylaws and regulations and to examine the feasibility of alternative designs.

New Chapter 40B regulations now add a number of requirements related to the hearing process that include:

- The hearing must be terminated within 180 days of the filing of a complete application unless the applicant consents to extend.
- Allows communities already considering three (3) or more comprehensive permit applications to stay a hearing on additional applications if the total units under consideration meet the definition of a large project (larger of 300 units or 2% of housing in communities with 7,500 housing units as of the latest Census, 250 units in communities with 5,001 to 7,499 total units, 200 units in communities with 2,500 to 5,000 units, and 150 units or 10% of housing in communities with less than 2,500 units).
- Local boards can adopt local rules for the conduct of their hearings, but they must obtain an opinion from DHCD that there rules are consistent with Chapter 40B.
- Local boards cannot impose "unreasonable or unnecessary" time or cost burdens on an applicant and cannot require an applicant to pay legal fees for general representation of the ZBA or other boards. The new requirements go into the basis of the fees in more detail, but as a general rule the ZBA may not assess any fee greater than the amount that might be appropriated from town or city funds to review a project of a similar type and scale.
- An applicant can appeal the selection of a consultant within 20 days of the selection on the grounds that the consultant has a conflict of interest or lacks minimum required qualifications.
- Specifies and limits the circumstances under which ZBA's can review pro formas.
- Zoning waivers are only required under "as of right" requirements, not from special permit requirements.
- Forbids ZBA's from imposing conditions that deviate from the project eligibility requirements or that would require the project to provide more affordable units than the minimum threshold required by DHCD guidelines.
- States that ZBA's cannot delay or deny an application because a state or federal approval has not been obtained.
- Adds new language regarding what constitutes an uneconomic condition including requiring applicants to pay for off-site public infrastructure or improvements if they involve pre-existing conditions, are not usually imposed on unsubsidized housing or are disproportionate to the impacts of the proposed development or require a reduction in the number of units other than on a basis of legitimate local concerns (health, safety, environment, design, etc.). Also states that a condition shall not be considered uneconomic if it would remove or modify a proposed nonresidential element of a project that is not allowed by right.

After the public hearing is closed, the ZBA must set-aside at least two sessions for deliberations within 40 days of the close of the hearing. These deliberations can result in either approval, approval with conditions, or denial.

Subsidizing agencies are required to issue final project eligibility approvals following approval of the comprehensive permit reconfirming project eligibility, including financial feasibility, and approving the proposed use restriction and finding that the applicant has committed to complying with cost examination requirements. New Chapter 40B regulations set forth the basic parameters for insuring that profit limitations are enforced, while leaving the definition of "reasonable return" to the subsidizing agency in accordance with DHCD guidelines. The applicant or subsequent developer must submit a detailed financial statement, prepared by a certified public accountant, to the subsidizing agency in a form and upon a schedule determined by the DHCD guidelines.

If the process heads into the third stage – the appeals process – the burden is on the ZBA to demonstrate that the denial is consistent with local needs, meaning the public health and safety and environmental concerns outweigh the regional need for housing. If a local ZBA denies the permit, a state Housing Appeals Committee (HAC) can overrule the local decision if less than 10% of the locality's year round housing stock has been subsidized for households earning less than 80% of median income, if the locality cannot demonstrate health and safety reasons for the denial that cannot be mitigated, or if the community has not met housing production goals based on an approved plan or other statutory minima listed above. The HAC has upheld the developer in the vast majority of the cases, but in most instances promotes negotiation and compromise between the developer and locality. In its 30-year history, only a handful of denials have been upheld on appeal. The HAC cannot issue a permit, but may only order the ZBA to issue one. Also, any aggrieved person, except the applicant, may appeal to the Superior Court or Land Court, but even for abutters, establishing "standing" in court is an uphill battle. Appeals from approvals are often filed to force a delay in commencing a project, but the appeal must demonstrate "legal error" in the decision of the ZBA or HAC.

B. Housing Production Regulations

As part of the Chapter 40B comprehensive permit regulations, the Massachusetts Department of Housing and Community Development (DHCD) is administering the Housing Production Program in accordance with regulations that enable cities and towns to do the following:

- Prepare and adopt an Housing Production Plan that demonstrates production of an increase of .05% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory (52 units and 104 units, respectively, for Wakefield) for *approval* by DHCD.[48]
- Request *certification* of compliance with the plan by demonstrating production of at least the number of units indicated above.
- Through local ZBA action, deny a comprehensive permit application during the period of certified compliance, which is 12 months following submission of the certification documentation to DHCD, or 24 months if the 1.0% threshold is met.

For the plan to be acceptable to DHCD it must meet the following requirements:

- Include a comprehensive housing needs assessment to establish the context for municipal action based on the most recent census data. The assessment must include a discussion of municipal infrastructure based on future planned improvements.
- Address a mix of housing consistent with identified needs and market conditions.
- Address the following strategies including -
    - Identification of geographic areas in which land use regulations will be modified to accomplish affordable housing production goals.
    - Identification of specific sites on which comprehensive permit applications will be encouraged.
    - Preferable characteristics of residential development such as infill housing, clustered areas, and compact development.

[48] Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

- o Municipally owned parcels for which development proposals will be sought.
- o Participation in regional collaborations addressing housing development.

Plans must be adopted by the Board of Selectmen and Planning Board, and the term of an approved plan is five (5) years.

C. Chapter 40R/40S

In 2004, the State Legislature approved a new zoning tool for communities in recognition that escalating housing prices, now beyond the reach of increasing numbers of state residents, are causing graduates from area institutions of higher learning to relocate to other areas of the country in search of greater affordability. The Commonwealth Housing Task Force, in concert with other organizations and institutions, developed a series of recommendations, most of which were enacted by the State Legislature as Chapter 40R of the Massachusetts General Laws. The key components of these regulations are that "the state provide financial and other incentives to local communities that pass Smart Growth Overlay Zoning Districts that allow the building of single-family homes on smaller lots and the construction of apartments for families at all income levels, and the state increase its commitment to fund affordable housing for families of low and moderate income".[49]

The statute defines 40R as "a principle of land development that emphasizes mixing land uses, increases the availability of affordable housing by creating a range of housing opportunities in neighborhoods, takes advantage of compact design, fosters distinctive and attractive communities, preserves opens space, farmland, natural beauty and critical environmental areas, strengthens existing communities, provides a variety of transportation choices, makes development decisions predictable, fair and cost effective and encourages community and stakeholder collaboration in development decisions."[50] The key components of 40R include:

- Allows local option to adopt Overlay Districts near transit, areas of concentrated development, commercial districts, rural village districts, and other suitable locations;
- Allows "as-of-right" residential development of minimum allowable densities;
- Provides that 20% of the units be affordable;
- Promotes mixed-use and infill development;
- Provides two types of payments to municipalities; and
- Encourages open space and protects historic districts.

The incentives prescribed by the Task Force and passed by the Legislature include an incentive payment upon the passage of the Overlay District based on the number of projected housing units as follows:

Incentive Payments

Incentive Units	Payments
Up to 20	$10,000
21-100	$75,000
101-200	$200,000
210-500	$350,000
501 or more	$600,000

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49 Edward Carman, Barry Bluestone, and Eleanor White for the Commonwealth Housing Task Force, "A Housing Strategy for Smart Growth and Economic Development: Executive Summary", October 30, 2003, p. 3.
50 Massachusetts General Law, Chapter 40R, Section 11.

There are also density bonus payments of $3,000 for each residential unit issued a building permit. To be eligible for these incentives the Overlay Districts need to allow mixed-use development and densities of 20 units per acre for apartment buildings, 12 units per acre for two and three-family homes, and at least eight units per acre for single-family homes. Communities with populations of less than 10,000 residents are eligible for a waiver of these density requirements, however significant hardship must be demonstrated. The Zoning Districts would also encourage housing development on vacant infill lots and in underutilized nonresidential buildings. The Task Force emphasizes that Planning Boards, which would prepare the Zoning Districts bylaw or ordinance for Town Meeting or City Council enactment, would be "able to ensure that what is built in the District is compatible with and reflects the character of the immediate neighborhood."[51]

The principal benefits of 40R include:

- Expands a community's planning efforts;
- Allows communities to address housing needs;
- Allows communities to direct growth;
- Can help communities meet planned production goals and 10% threshold under Chapter 40B;
- Can help identify preferred locations for 40B developments; and
- State incentive payments.

The formal steps involved in creating Overlay Districts are as follows:

- The Town holds a public hearing as to whether to adopt an Overlay District per the requirements of 40R;
- The Town applies to DHCD prior to adopting the new zoning;
- DHCD reviews the application and issues a Letter of Eligibility if the new zoning satisfies the requirements of 40R;
- The Town adopts the new zoning through a two-thirds vote of Town Meeting subject to any modifications required by DHCD;
- The Town submits evidence of approval to DHCD upon the adoption of the new zoning; and
- DHCD issues a letter of approval, which indicates the number of incentive units and the amount of payment.

The state recently enacted Chapter 40S under the Massachusetts General Law that provides additional benefits through insurance to towns that build affordable housing under 40R that they would not be saddled with the extra school costs caused by school-aged children who might move into this new housing. This funding was initially included as part of 40R but was eliminated during the final stages of approval. In effect, 40S is a complimentary insurance plan for communities concerned about the impacts of a possible net increase in school costs due to new housing development.

D. Local Initiative Program (LIP) Guidelines

The Local Initiative Program (LIP) is a technical assistance subsidy program to facilitate Chapter 40B developments and locally produced affordable units. The general requirements of LIP include insuring that projects are consistent with sustainable or smart growth development

[51] "A Housing Strategy for Smart Growth and Economic Development: Executive Summary," p. 4.

principles as well as local housing needs. LIP recognizes that there is a critical need for all types of housing but encourages family and special needs housing in particular. Age-restricted housing (over 55) is allowed but the locality must demonstrate actual need and marketability. DHCD has the discretion to withhold approval of age-restricted housing if other such housing units within the community remain unbuilt or unsold or if the age-restricted units are unresponsive to the need for family housing within the context of other recent local housing efforts.

There are two types of LIP projects, those using the comprehensive permit process, the so-called "friendly" 40B's, and Local Action Units, units where affordability is a result of some local action such as inclusionary zoning, Community Preservation funding, other regulatory requirements, etc.

Specific LIP requirements include the following by category:

Income and Assets

- Must be affordable to those earning at or below 80% of area median income adjusted by family size and annually by HUD. Applicants for affordable units must meet the program income limits in effect at the time they apply for the unit and must continue to meet income limits in effect when they actually purchase a unit.
- For homeownership units, the household may not have owned a home within the past three years except for age-restricted "over 55" housing.
- For homeownership projects, assets may not be greater than $75,000 except for age-restricted housing where the net equity from the ownership of a previous house cannot be more than $200,000.
- Income and asset limits determine eligibility for lottery participation.

Allowable Sales Prices and Rents[52]

- Rents are calculated at what is affordable to a household earning 80% of area median income adjusted for family size, assuming they pay no more than 30% of their income on housing. Housing costs include rent and payments for heat, hot water, cooking fuel, and electric. If there is no municipal trash collection a trash removal allowance should be included. If utilities are separately metered and payed by the tenant, the LIP rent is reduced based on the area's utility allowance. Indicate on the DHCD application whether the proposed rent has been determined with the use of utility allowances for some or all utilities.
- Sales prices of LIP units are set so a household earning 70% of area median income would have to pay no more than 30% of their income for housing. Housing costs include mortgage principal and interest on a 30-year fixed term mortgage at 95% of purchase price, property taxes, condo fees[53], private mortgage insurance (if putting less than 20% of purchase price down), and hazard insurance.

[52] DHCD has an electronic mechanism for calculating maximum sales prices on its website at www.mass.gov/dhcd.
[53] DHCD will review condo fee estimates and approve a maximum condo fee as part of the calculation of maximum sales price. The percentage interests assigned to the condo must conform to the approved condo fees and require a lower percentage interest assigned to the affordable units as opposed to the market rate ones. DHCD must review the Schedule of Beneficial Interests in the Master Deed to confirm that LIP units have been assigned percentage interests that correspond to the condo fees.

- The initial maximum sales price or rent is calculated as affordable to a household with a number of household members equal to the number of bedrooms plus one (for example a two-bedroom unit would be priced based on what a three-person household could afford).

Allowable Financing and Costs

- Allowable development costs include the "as is" value of the property based on existing zoning at the time of application for a project eligibility letter (initial application to DHCD). Carrying costs (i.e., property taxes, property insurance, interest payments on acquisitions financing, etc.) can be no more than 20% of the "as is" market value unless the carrying period exceeds 24 months. Reasonable carrying costs must be verified by the submission of documentation not within the exclusive control of the applicant.
- Appraisals are required except for small projects of 20 units or less at the request of the Board of Selectmen where the applicant for the LIP comprehensive permit submits satisfactory evidence of value.

- Profits are limited to no more than 20% of total allowable development costs in homeownership projects.
- In regard to rental developments, payment of fees and profits are limited to no more than 10% of total development costs net of profits and fees and any working capital or reserves intended for property operations. Beginning upon initial occupancy and then proceeding on an annual basis, annual dividend distributions will be limited to no more than 10% of the owner's equity in the project. Owner's equity is the difference between the appraised as-built value and the sum of any public equity and secured debt on the property.
- For LIP comprehensive permit projects, DHCD requires all developers to post a bond (or a letter of credit) with the municipality to guarantee the developer's obligations to provide a satisfactory cost certification upon completion of construction and to have any excess profits, beyond what is allowed, revert back to the municipality. The bond is discharged after DHCD has determined that the developer has appropriately complied with the profit limitations.
- No third party mortgages are allowed for homeownership units.

Marketing and Outreach

- Marketing and outreach, including lottery administration must adhere to all Fair Housing laws and the state's Affirmative Fair Housing Marketing Plan Guidelines.
- LIP requires that the lottery draw and rank households by size.
- If there are proportionately less minority applicants in the community preference pool than the proportion in the region, a preliminary lottery must be held to boost, if possible, the proportion of minority applicants to this regional level.
- A maximum of up to 70% of the units may be local preference units for those who have a connection to the community as defined by the state under Section III.C of the Comprehensive Permit Guidelines.
    - The Marketing Plan must affirmatively provide outreach to area minority communities to notify them about availability of the unit(s) and must demonstrate the need for local preference as well as insure that there will be no discriminatory impacts as a result of using local preference criteria.
    - Marketing materials must be available/application process open for a period of at least 60 days.

- Marketing should begin about six (6) months before occupancy.
- Lottery must be held unless there are no more qualified applicants than units available.

Regulatory Requirements

- The affordable units design, type, size, etc. must be the same as the market units and dispersed throughout the development.
- Units developed through LIP as affordable must be undistinguishable from market units as viewed from the exterior (unless the project has a DHCD-approved alternative development plan that is only granted under exceptional circumstances) and contain complete living facilities.
- For over 55 projects, only one household member must be 55 or older.
- Household size relationship to unit size is based on “households” = number of bedrooms plus one – i.e., a four-person household in a three-bedroom unit (important also for calculating purchase prices of the affordable units for which LIP has a formula as noted above).
- Must have deed restrictions in effect in perpetuity unless the applicant or municipality can justify a shorter term to DHCD.
- For at least 15 years for housing rehabilitation.
- All affordable units for families must have at least two or more bedrooms and meet state sanitary codes and these minimum requirements –

1 bedroom – 700 square feet/1 bath
2 bedrooms – 900 square feet/1 bath
3 bedrooms – 1,200 square feet/ 1 ½ baths
4 bedrooms – 1,400 square feet/2 baths

- Appraisals may take into account the probability of obtaining a variance, special permit or other zoning relief but must exclude any value relating to the possible issuance of a comprehensive permit.

The process that is required for using LIP for 40B developments – “friendly” comprehensive permit projects – is largely developer driven. It is based on the understanding that the developer and Town are working together on a project that meets community needs. Minimum requirements include:

1. Written support of the municipality’s chief elected official, the Board of Selectmen in the case of towns, and the local housing partnership, trust or other designated local housing entity, if applicable. The chief executive officer is in fact required to submit the application to DHCD.
2. At least 25% of the units must be affordable and occupied by households earning at or below 80% of area median income or at least 20% of units restricted to households at or below 50% of area median income.
3. Affordability restrictions must be in effect in perpetuity, to be monitored by DHCD through a recorded regulatory agreement.
4. Project sponsors must prepare and execute an affirmative fair marketing plan that must be approved by DHCD.

5. Developer's profits are restricted per Chapter 40B requirements.

The process that is required for using LIP for 40B developments – "friendly" comprehensive permit projects – is as follows:

1. Application process
- Developer meets with Town
- Developer and Town agree to proposal
- Town chief elected officer submits application to DHCD with developer's input

2. DHCD review involves the consideration of:
- Sustainable development criteria (redevelop first, concentrate development, be fair, restore and enhance the environment, conserve natural resources, expand housing opportunities, provide transportation choice, increase job opportunities, foster sustainable businesses, and plan regionally),
- Number and type of units,
- Pricing of units to be affordable to households earning no more than 70% of area median income,
- Affirmative marketing plan,
- Financing, and
- Site visit.

3. DHCD issues site eligibility letter that enables the developer to bring the proposal to the ZBA for processing the comprehensive permit.

4. Zoning Board of Appeals holds hearing
- Developer and Town sign regulatory agreement to guarantee production of affordable units that includes the price of units and deed restriction in the case of homeownership and limits on rent increases if a rental project. The deed restriction limits the profit upon resale and requires that the units be sold to another buyer meeting affordability criteria.
- Developer forms a limited dividend corporation that limits profits.
- The developer and Town sign a regulatory agreement.

5. Marketing
- Marketing plan must provide outreach to area minority communities to notify them about availability of the unit(s).
- Local preference is limited to those who live/work in the community with a maximum of 70% of the affordable units.
- Marketing materials must be available/application process open for a period of at least 60 days.
- Lottery must be held.

6. DHCD approval must include
- Marketing plan, lottery application, and lottery explanatory materials
- Regulatory agreement (DHCD is a signatory)
- Deed rider (Use standard LIP document)
- Purchase arrangements for each buyer including signed mortgage commitment, signed purchase and sale agreement and contact information of purchaser's closing attorney.

As mentioned above, in addition to being used for "friendly" 40B projects, LIP can be used for counting those affordable units as part of a Town's Subsidized Housing Inventory that are created as a result of some local action. Following occupancy of the units, a Local Action Units application must be submitted to DHCD for the units to be counted as affordable. This application is on DHCD's web site.

The contact person at DHCD is Janice Lesniak of the LIP staff (phone: 617-573-1309; fax: 617-573-1330; email: janice.lesniak@state.ma.us). For legal questions contact Elsa Campbell, Housing Specialist (phone: 617-573-1321; fax: 617-573-1330; email: elsa.campbell@state.ma.us).

E. MassWorks Infrastructure Program

The MassWorks Infrastructure Program provides a one-stop shop for municipalities and other eligible public entities seeking public infrastructure funding to support economic development and job creation. The Program represents an administrative consolidation of six former grant programs:

- Public Works Economic Development (PWED)
- Community Development Action Grant (CDAG)
- Growth Districts Initiative (GDI) Grant Program
- Massachusetts Opportunity Relocation and Expansion Program (MORE)
- Small Town Rural Assistance Program (STRAP)
- Transit Oriented Development (TOD) Program

The MassWorks Infrastructure Program provides a one-stop shop for municipalities and other eligible public entities seeking public infrastructure funding to support:

- Economic development and job creation and retention
- Housing development at density of at least 4 units to the acre (both market and affordable units)
- Transportation improvements to enhancing safety in small, rural communities

The MassWorks Infrastructure Program is administered by the Executive Office of Housing and Economic Development, in cooperation with the Department of Transportation and Executive Office for Administration & Finance.

II. SUMMARY OF HOUSING RESOURCES

Those programs that may be most appropriate to development activity in Wakefield are described below.[54]

A. Technical Assistance

1. Planning Assistance Toward Housing (PATH)

A relatively new state-funded initiative, the Planning Assistance Toward Housing (PATH) Program, provides planning assistance to municipalities for housing production. The state has made $600,000 in planning grants available through the program to support locally initiated planning for municipally owned sites, changes to land use and zoning, and other strategies that directly contribute to housing production. This program replaces the Priority Development Fund that was introduced by the state in 2004.

2. Peer-to-Peer Technical Assistance

This state program utilizes the expertise and experience of local officials from one community to provide assistance to officials in another comparable community to share skills and knowledge on short-term problem solving or technical assistance projects related to community development and capacity building. Funding is provided through the Community Development Block Grant Program and is limited to grants of no more than $1,000, providing up to 30 hours of technical assistance. (Contact is Karl McLaurin at DHCD.)

Applications are accepted on a continuous basis, but funding is limited. To apply, a municipality must provide DHCD with a brief written description of the problem or issue, the technical assistance needed and documentation of a vote of the Board of Selectmen or letter from the Town Administrator supporting the request for a peer. Communities may propose a local official from another community to serve as the peer or ask DHCD for a referral. If DHCD approves the request and once the peer is recruited, DHCD will enter into a contract for services with the municipality. When the work is completed to the municipality's satisfaction, the Town must prepare a final report, submit it to DHCD, and request reimbursement for the peer.

3. MHP Intensive Community Support Team

The Massachusetts Housing Partnership Fund is a quasi-public agency that offers a wide range of technical and financial resources to support affordable housing. The Intensive Community Support Team provides sustained, in-depth assistance to support the development of affordable housing. Focusing on housing production, the Team helps local advocates move a project from the conceptual phase through construction, bringing expertise and shared lessons from other parts of the state. The team can also provide guidance on project finance. Those communities, which are interested in this initiative, should contact the MHP Fund directly for more information. (Contact MHP's Community Housing Initiatives Team at 617-330-9944 ext. 227.)

4. MHP Chapter 40B Technical Assistance Program

Working with DHCD, MHP launched this program in 1999 to provide technical assistance to those communities needing assistance in reviewing comprehensive permit applications. The Program offers up to $10,000 in third-party technical assistance to enable communities to hire consultants to help them

[54] Program information was gathered through agency brochures, agency program guidelines and application materials as well as the following resources: Verrilli, Ann. Housing Guidebook for Massachusetts, Produced by the Citizen's Housing and Planning Association, June 1999.

review Chapter 40B applications. Those communities that are interested in this initiative should contact the MHP Fund directly for more information.

MHP recently announced new guidelines to help cities and towns review housing development proposals under Chapter 40B including:

- State housing agencies will now appraise and establish the land value of 40B sites before issuing project eligibility letters.
- State will put standards in place for determining when permit conditions make a 40B development "uneconomic".
- There will be set guidelines on determining related-party transactions, i.e., when a developer may also have a role as contractor or realtor.
- Advice on how to identify the most important issues early and communicate them to the developer, how informal work sessions can be effective, and how to make decisions that are unlikely to be overturned in court.

(Contact MHP's Community Housing Initiatives Team at 617-330-9944 ext. 227.)

B. Housing Development

While comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units in fact subsidize the affordable ones, communities are finding that they also require public subsidies to cover the costs of affordable or mixed-income residential development and need to access a range of programs through the state and federal government and other financial institutions to accomplish their objectives and meet affordable housing goals. Because the costs of development are typically significantly higher than the rents or purchase prices that low- and moderate-income tenants can afford, multiple layers of subsidies are often required to fill the gaps. Sometimes even Chapter 40B developments are finding it useful to apply for external subsidies to increase the numbers of affordable units, to target units to lower income or special needs populations, or to fill gaps that market rates cannot fully cover.

The state requires applicants to submit a One Stop Application for most of its housing subsidy programs in an effort to standardize the application process across agencies and programs. A Notice of Funding Availability (NOFA) is issued by the state usually twice annually for its rental programs and homeownership initiatives. Using the One Stop Application, applicants can apply to several programs simultaneously to support the funding needs of a particular project.

1. HOME Program

HUD created the HOME Program in 1990 to provide grants to states, larger cities and consortia of smaller cities and towns to do the following:

- Produce rental housing;
- Provide rehabilitation loans and grants, including lead paint removal and accessibility modifications, for rental and owner-occupied properties;
- Offer tenant-based rental assistance (two-year subsidies); and/or
- Assist first-time homeowners.

The HOME Program funding is targeted to homebuyers or homeowners earning no more than 80% of median income and to rental units where at least 90% of the units must be affordable and occupied by households earning no more than 60% of median income, the balance to those earning within 80% of median. Moreover, for those rental projects with five or more units, at least 20% of the units must be reserved for households earning less than 50% of median income. In addition to income guidelines, the HOME Program specifies the need for deed restrictions, resale requirements, and maximum sales prices or rentals.

The HOME Rental Program is targeted to the acquisition and rehabilitation of multi-family distressed properties or new construction of multi-family rental housing from five to fifty units. Once again, the maximum subsidy per project is $750,000 and the maximum subsidy per unit in localities that receive HOME or CDBG funds directly from HUD is $50,000 (these communities should also include a commitment of local funds in the project). Subsidies are in the form of deferred loans at 0% interest for 30 years. State HOME funding cannot be combined with another state subsidy program with several exceptions including the Low Income Housing Tax Credits, HIF and the ONE Mortgage Program.

2. Community Development Block Grant Program (CDBG)

In addition to funding for the Peer-to-Peer Program mentioned in the above section, there are other housing resources supported by federal CDBG funds that are distributed by formula to Massachusetts.

The **Massachusetts Small Cities Program** that has a set-aside of Community Development Block Grant (CDBG) funds to support a range of eligible activities including housing development. However, at least 70% of the money must provide benefits to households earning within 80% of median income. This money is for those nonentitlement localities that do not receive CDBG funds directly from HUD. Funds are awarded on a competitive basis through Notices of Funding Availability with specific due dates or through applications reviewed on a rolling basis throughout the year, depending on the specific program. This funding supports a variety of specific programs.

There are other programs funded through the Community Development Block Grant Small Cities Program for both homeownership and rental projects. A number of the special initiatives are directed to communities with high "statistical community-wide needs", however, the **Community Development Fund II** is targeted to communities with lower needs scores that have not received CDBG funds in recent years. Wakefield received such funding over a period of years for a Housing Rehabilitation Program that provided deferred payment loans to 19 qualifying property owners.
DHCD also has a **Reserve Fund** for CDBG-eligible projects that did not receive funding from other CDBG funded programs or for innovative projects.

3. Housing Stabilization Fund (HSF)

The state's Housing Stabilization Fund (HSF) was established in 1993 through a Housing Bond bill to support housing rehabilitation through a variety of housing activities including homeownership (most of this funding has been allocated for the MHP Soft Second Program, now the ONE Mortgage Program) and rental project development. The state subsequently issued additional bond bills to provide more funding. The HSF Rehabilitation Initiative is targeted to households with incomes within 80% of median income, with resale or subsequent tenancy for households within 100% of median income. The funds can be used for grants or loans through state and local agencies, housing authorities and community development corporations with the ability to subcontract to other entities. The funds have been used to match local HOME program funding, to fund demolition, and to support the acquisition and rehabilitation of affordable housing. In addition to a program directed to the rehabilitation of abandoned, distressed or foreclosed properties, the HSF provides funds to municipalities for local revitalization programs directed to the creation or preservation of rental projects. As with HOME, the maximum amount available per project is $750,000 and the maximum per unit is $65,000 for communities that do not receive HOME or CDBG funds directly from HUD, and $50,000 for those that do. Communities can apply for HSF funding biannually through the One Stop Application.

4. Low Income Housing Tax Credit Program

The Low Income Housing Tax Credit Program was created in 1986 by the Federal Government to offer tax credits to investors in housing development projects that include some low-income units. The tax credit program is often the centerpiece program in any affordable rental project because it brings in valuable equity funds. Tax credits are either for 4% or 9% of the development or rehab costs for each affordable unit for a ten-year period. The 4% credits have a present value of 30% of the development costs, except for the costs of land, and the 9% credit have a present value equal to 70% of the costs of developing the affordable units, with the exception of land. Both the 4% and 9% credits can be sold to investors for close to their present values.

The Federal Government limits the 9% credits and consequently there is some competition for them, nevertheless, most tax credit projects in Massachusetts are financed through the 9% credit. Private investors, such as banks or corporations, purchase the tax credits for about 80 cents on the dollar, and their money serves as equity in a project, reducing the amount of the debt service and consequently the rents. The program mandates that at least 20% of the units must be made affordable to households earning within 50% of median income or 40% of the units must be affordable to households earning up to 60% of median income. Those projects that receive the 9% tax credits must produce much higher percentages of affordable units.

The Massachusetts Legislature has enacted a comparable state tax credit program, modeled after the federal tax credit program. The One Stop Application is also used to apply for this source of funding.

5. Affordable Housing Trust Fund

The Affordable Housing Trust Fund (AHTF) was established by an act of the State Legislature and is codified under Chapter 121-D of the Massachusetts General Laws. The AHTF operates out of DHCD and is administered by MassHousing with guidance provided by an Advisory Committee of housing advocates. The purpose of the fund is to support the creation/preservation of housing that is affordable to people with incomes that do not exceed 110% of the area median income. The AHTF can be used to support the acquisition, development and/or preservation of affordable housing units. AHTF assistance can include:

- Deferred payment loans, low/no-interest amortizing loans.
- Down payment and closing cost assistance for first-time homebuyers.
- Credit enhancements and mortgage insurance guarantees.
- Matching funds for municipalities that sponsor affordable housing projects.
- Matching funds for employer-based housing and capital grants for public housing.

Funds can be used to build or renovate new affordable housing, preserve the affordability of subsidized expiring use housing, and renovate public housing. While the fund has the flexibility of serving households with incomes up to 110%, preferences for funding will be directed to projects involving the production of new affordable units for families earning below 80% of median income. The program also includes a set-aside for projects that serve homeless households or those earning below 30% of median income. Once again, the One Stop Application is used to apply for funding, typically through the availability of two funding rounds per year.

6. Housing Innovations Fund (HIF)

The state also administers the Housing Innovations Fund (HIF) that was created by a 1987 bond bill and expanded under two subsequent bond bills to provide a 5% deferred loan to non-profit organizations for no more than $500,000 per project or up to 30% of the costs associated with developing alternative forms of housing including limited equity coops, mutual housing, single-room occupancy housing, special needs housing, transitional housing, domestic violence shelters and congregate housing. At least 25% of the units must be reserved for households earning less than 80% of median income and another 25% for those earning within 50% of area median income. HIF can also be used with other state subsidy programs including HOME, HSF and Low Income Housing Tax Credits. The Community Economic Development Assistance Corporation (CEDAC) administers this program. Applicants are required to complete the One-Stop Application.

7. Federal Home Loan Bank Board's Affordable Housing Program (AHP)

Another potential source of funding for both homeownership and rental projects is the Federal Home Loan Bank Board's Affordable Housing Program (AHP) that provides subsidies to projects targeted to households earning between 50% and 80% of median income, with up to $300,000 available per project. This funding is directed to filling existing financial gaps in low- and moderate-income affordable housing projects. There are typically two competitive funding rounds per year for this program.

8. MHP Permanent Rental Financing Program

The state also provides several financing programs for rental projects through the Massachusetts Housing Partnership Fund. The Permanent Rental Financing Program provides long-term, fixed-rate permanent financing for rental projects of five or more units from $100,000 loans to amounts of $2 million. At least 20% of the units must be affordable to households earning less than 50% of median income or at least 40% of the units must be affordable to households earning less than 60% of median income or at least 50% of the units must be affordable to households earning less than 80% of median income. MHP also administers the Permanent Plus Program targeted to multi-family housing or SRO properties with five or more units where at least 20% of the units are affordable to households earning less than 50% of median income. The program combines MHP's permanent financing with a 0% deferred loan of up to $40,000 per affordable unit up to a maximum of $500,000 per project. No other subsidy funds are allowed in this program. The Bridge Financing Program offers bridge loans of up to eight years ranging from $250,000 to $5 million to projects involving Low Income Housing Tax Credits. Applicants should contact MHP directly to obtain additional information on the program and how to apply.

9. OneSource Program

The Massachusetts Housing Investment Corporation (MHIC) is a private, non-profit corporation that since 1991 has provided financing for affordable housing developments and equity for projects that involve the federal Low Income Housing Tax Credit Program. MHIC raises money from area banks to fund its loan pool and invest in the tax credits. In order to qualify for MHIC's OneSource financing, the project must include a significant number of affordable units, such that 20% to 25% of the units are affordable to households earning within 80% of median income. Interest rates are typically one point over prime and there is a 1% commitment fee. MHIC loans range from $250,000 to several million, with a minimum project size of six units. Financing can be used for both rental and homeownership projects, for rehab and new construction, also covering acquisition costs with quick turn-around times for applications of less than a month (an appraisal is required). The MHIC and MHP work closely together to coordinate MHIC's construction financing with MHP's permanent take-out through the OneSource Program, making their forms compatible and utilizing the same attorneys to expedite and reduce costs associated with producing affordable housing.

10. Section 8 Rental Assistance

An important low-income housing resource is the Section 8 Program that provides rental assistance to help low- and moderate-income households pay their rent.   In addition to the federal Section 8 Program, the state also provides rental subsidies through the Massachusetts Rental Voucher Program as well as three smaller programs directed to those with special needs. These rental subsidy programs are administered by the state or through local housing authorities and regional non-profit housing organizations. Rent subsidies take two basic forms – either granted directly to tenants or committed to specific projects through special Project-based rental assistance. Most programs require households to pay a minimum percentage of their adjusted income (typically 30%) for housing (rent and utilities) with the government paying the difference between the household's contribution and the actual rent.

11. District Improvement Financing Program (DIF)

The District Improvement Financing Program (DIF) is administered by the state's Office of Business Development to enable municipalities to finance public works and infrastructure by pledging future incremental taxes resulting from growth within a designated area to service financing obligations. This Program, in combination with others, can be helpful in developing or redeveloping target areas of a community, including the promotion of mixed-uses and smart growth. Municipalities submit a standard application and follow a prescribed application process directed by the Office of Business Development in coordination with the Economic Assistance Coordinating Council.

12. Urban Center Housing Tax Increment Financing Zone (UCH-TIF)

The Urban Center Housing Tax Increment Financing Zone Program (UCH-TIF) is a relatively new state initiative designed to give cities and towns the ability to promote residential and commercial development in commercial centers through tax increment financing that provides a real estate tax exemption on all or part of the increased value (the "increment") of the improved real estate. The development must be primarily residential and this program can be combined with grants and loans from other local, state and federal development programs. An important purpose of the program is to increase the amount of affordable housing for households earning at or below 80% of area median income and requires that 25% of new housing to be built in the zone be affordable, although the Department of Housing and Community Development may approve a lesser percentage where necessary to insure financial feasibility. In order to take advantage of the program, a municipality needs to adopt a detailed UCH-TIF Plan and submit it to DHCD for approval.

13. Community Based Housing Program

The Community Based Housing Program provides loans to nonprofit agencies for the development or redevelopment of integrated housing for people with disabilities in institutions or nursing facilities or at risk of institutionalization. The Program provides permanent, deferred payment loans for a term of 30 years, and CBH funds may cover up to 50% of a CHA unit's Total Development Costs up to a maximum of $750,000 per project.

14. Compact Neighborhoods Program

DHCD recently announced "Compact Neighborhoods" that provides additional incentives to municipalities that adopt zoning districts for working families of all incomes as well as smart growth development. Similar to 40R, the program requires new zoning that must:

- Allow a minimum number of "future zoned units" in the Compact Neighborhood, which is generally 1% of the year-round housing in the community;
- Allow one or more densities as-of-right in the zone of at least eight (8) units per acre on developable land for multi-family housing and at least four (4) units per acre for single-family use;
- Provide not less than 10% of units be affordable within projects of more than 12 units; and
- Not impose any restrictions to age or other occupancy limitations within the Compact Neighborhood zone although projects within the zone may be targeted to the elderly, persons with disabilities, etc.

Financial assistance through the Priority Development Fund is available to communities that are adopting Compact Neighborhoods zoning, giving priority to the creation of mixed-use development beyond the bounds of a single project. The state also promotes projects that meet the definition of smart growth under 40R, encourage housing that is priced to meet the needs of households across a broad range of incomes and needs.

The process for implementing a Compact Neighborhoods Zone includes:

- Identify an "as-of-right" base or overlay district (the Compact Neighborhood);
- Request and receive a Letter of Eligibility from DHCD; and
- Adopt the Compact Neighborhood Zoning.

15. DHCD Project-Based Homeownership Program

DHCD recently announced a first round of funding for its Project-Based Homeownership Program with two (2) funding categories:

- *Areas of Opportunity*
  Funds are being awarded for new construction of family housing projects for first-time homebuyers in neighborhoods or communities that provide access to opportunities that include but are not limited to jobs, transportation, education, and public amenities. The minimum project size is ten (10 units) for up to $500,000 in funding for a single project and no more than $75,000 per affordable unit. The maximum total development cost for affordable units is $300,000 and the maximum developer overhead and fee is 15% of total development costs. Localities must provide matching funds at least equal to the amount of the DHCD subsidy request.

- *Gateway Cities*
  A limited amount of funding will be made available to Gateway Cities or other smaller communities with well-defined Neighborhood Redevelopment Plans for the acquisition and rehabilitation or new construction of single-family or duplex units or triple deckers (rehab only). The development of single sites is preferred but scattered-site projects are

permissible. The minimum project size is six (6 units) for up to $500,000 in funding for a single project and no more than $75,000 per affordable unit. The maximum total development cost for affordable units is $250,000 and the maximum developer overhead and fee is 15% of total development costs. Localities must provide matching funds at least equal to one-half the amount of the DHCD subsidy request.

Sponsors/developers must have hard letters of interest from construction lenders and mortgage loan originators, follow prescribed design/scope guidelines, submit sound market data at the time of pre-application, and have zoning approvals in place. Interested sponsors/developers must submit a pre-application for funding and following its review, DHCD review will invite certain sponsor/developers to submit full applications.

C. Homebuyer Financing and Counseling

1. *ONE Mortgage Program*

The Massachusetts Housing Partnership Fund, in coordination with the state's Department of Housing and Community Development, has recently introduced the ONE Mortgage Program, a new simplified version of the successful Soft Second Loan Program, which from 1991 to 2013 helped over 17,000 families purchase their first home. Like the Soft Second Program, ONE features low, fixed-rate financing and state-backed reserve that relieves homebuyers of the cost of purchasing private mortgage insurance.

2. *Homebuyer Counseling*

There are a number of programs, including the ONE Mortgage Program and MassHousing's Home Improvement Loan Program, as well as Chapter 40B homeownership projects that require purchasers to attend homebuyer workshops sponsored by organizations that are approved by the state, Citizens Housing and Planning Association (CHAPA) and/or HUD as a condition of occupancy. These sessions provide first-time homebuyers with a wide range of important information on homeownership finance and requirements. The organizations that offer these workshops in closest proximity to Wakefield include Medford Community Housing, the North Suburban Consortium, WATCH CDC, and Metropolitan Boston Housing Partnership (MBHP).

3. *Self-Help Housing.*

Self-Help programs involve sweat-equity by the homebuyer and volunteer labor of others to reduce construction costs. Some communities have donated building lots to Habitat for Humanity to construct affordable single housing units. Under the Habitat for Humanity program, homebuyers contribute between 300 and 500 hours of sweat equity while working with volunteers from the community to construct the home. The homeowner finances the home with a 20-year loan at 0% interest. As funds are paid back to Habitat for Humanity, they are used to fund future projects.

D. Home Improvement Financing

1. *MassHousing Home Improvement Loan Program (HLP)*

The MHFA Home Improvement Loan Program (HILP) is targeted to one- to four-unit, owner-occupied properties, including condominiums, with a minimum loan amount of $10,000 up to a maximum of $50,000. Loan terms range from five to 20 years based on the amount of the loan and the borrower's income and debt. MassHousing services the loans. Income limits are $92,000 for households of one or two persons and $104,000 for families of three or more persons. To apply for a loan, applicants must contact a participating lender.

2. Get the Lead Out Program

MassHousing's Get the Lead Out Program has been offering financing for lead paint removal on excellent terms. Based on uncertain future legislative appropriations, some changes in program requirements were made to insure that eligible homeowners with lead poisoned children would have funding available for a longer period. All income eligible families who are under court order to delead or who have a child under case management with the Commonwealth's Lead Paint Prevention Program, will continue to receive 0% deferred loans. Owners wanting to delead their homes for preventive purposes must qualify for an amortizing loan with a 3% interest rate if earning within 80% of area median income, 5% interest if earning over 80% AMI and up to the program maximum. Applicants must contact a local rehabilitation agency to apply for the loan.

3. Septic Repair Program

Through a partnership with the Massachusetts Department of Environmental Protection and Revenue, MassHousing offers loans to repair or replace failed or inadequate septic systems for qualifying applicants. The interest rates vary according to the borrower's income with 0% loans available to one and two-person households earning up to $23,000 and three or more person households earning up to $26,000 annually. There are 3% loans available for those one or two person households earning up to $46,000 and three or more persons earning up to $52,000. Additionally, one to four-family dwellings and condominiums are eligible for loan amounts of up to $25,000 and can be repaid in as little as three years or over a longer period of up to 20 years. To apply for a loan, applicants must contact a participating lender.

4 Home Modification Program

This state-funded program provides financial and technical assistance to those who require modifications to their homes to make them handicapped accessible. The area's regional non-profit organization, the Metropolitan Boston Housing Partnership (MBHP), administers these funds for the state.

LIST OF ILLUSTRATIONS

VII. Visual Representations of Housing Strategies

INTRODUCTION

The Town of Wakefield has fabulous attributes that make it a highly attractive 'bedroom suburb:' A historic downtown bordered by two scenic lakes, beautiful neighborhoods, open green space, and both commuter rail and major highway access. Because it is so attractive, it is also fully built out, with only unbuildable steep ledge or wetlands remaining as private open space. New development including new housing will almost exclusively come in the form of redevelopment.

The choice of where to redevelop (generally) is fairly straightforward based on three factors. First, most of the land area is built-out as mature residential neighborhoods that are beautiful, sought after, successful. Second, much of the commercial and downtown areas of the Town and along the rail corridor and rail spur line are less resolved and successful, providing opportunities for economic development and civic improvement. Finally these opportunity areas coincide with transit access: they are generally within a short walk of the two commuter rail stations, a possible new station at 128, and easy access to the highway.

For Wakefield, affordable housing does not need to be an end in itself, necessary as it is. Developed in conjunction with smart growth and transit-oriented objectives, affordable housing will be a key component and driver of the much needed economic development that is essential to Wakefield's continuing prosperity.

Three areas of Wakefield, all along the commuter rail corridor, have been identified as most desirable for transit-oriented, smart growth, economic, mixed use and housing development.

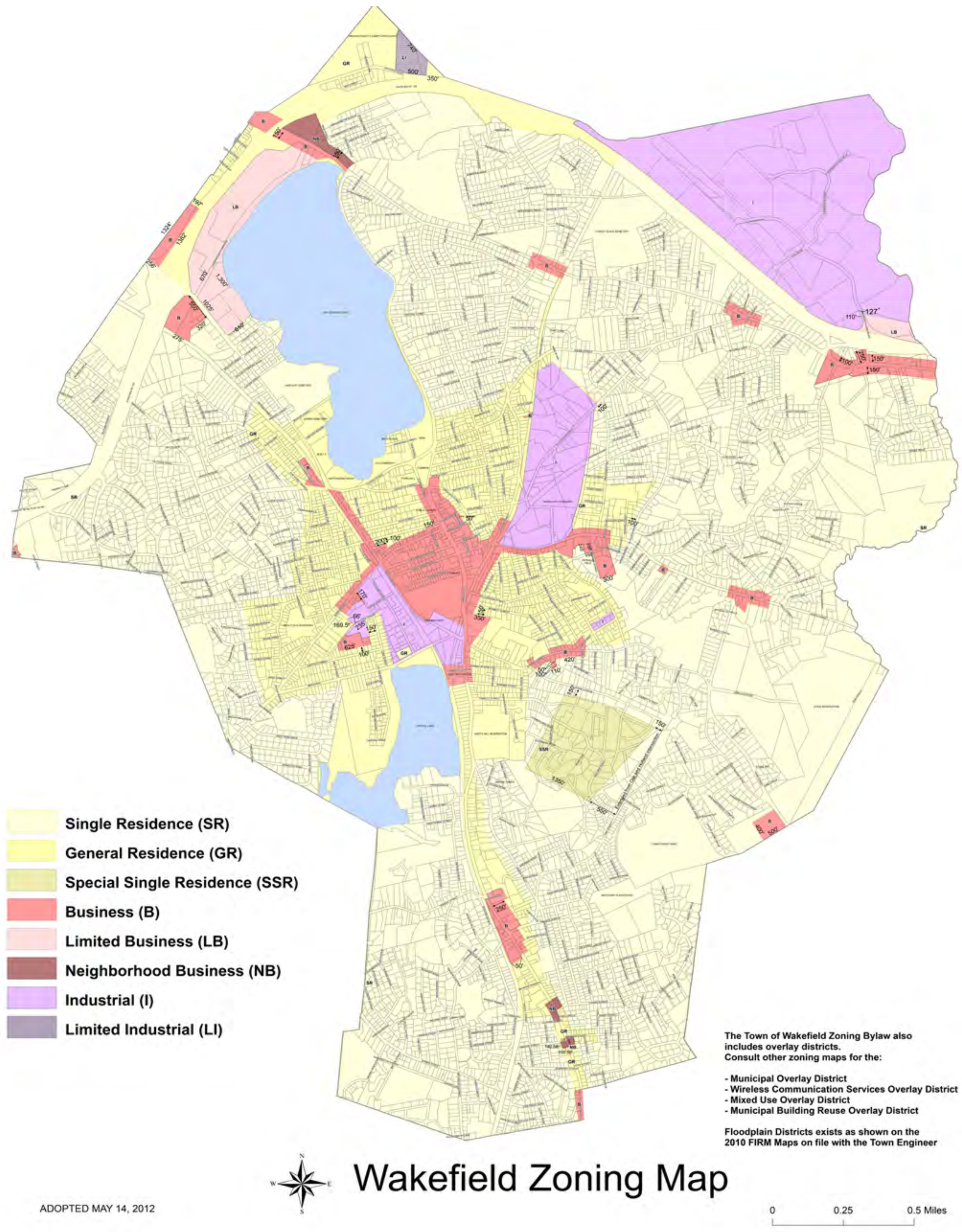
Wakefield's downtown between the lakes including Main Street, Albion Street and North Avenue as well as the Foundry Street and Junction districts all afford many dynamic development opportunity sites.

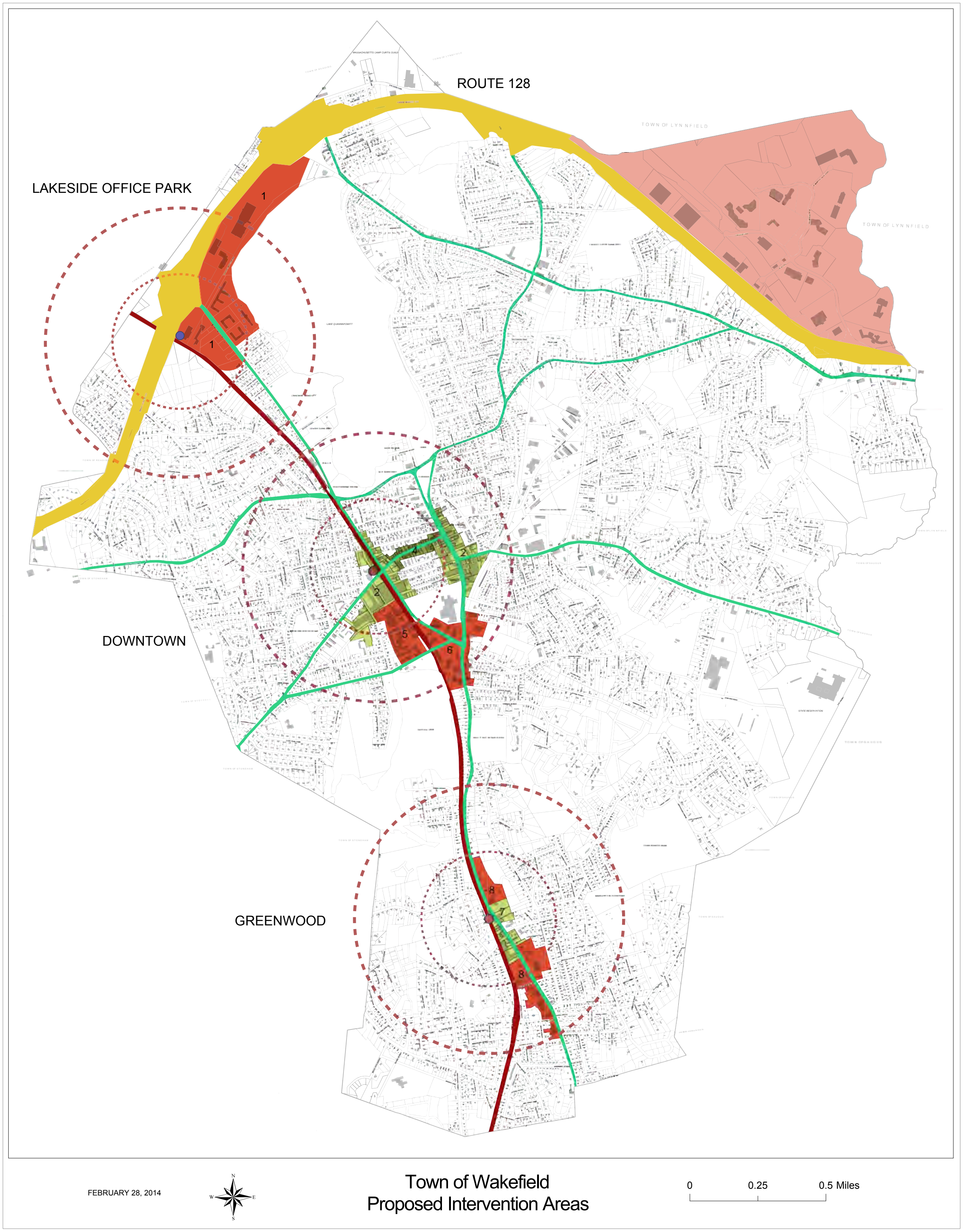
Greenwood, already densely developed, is none-the-less a prime area for economic, mixed use and housing development because of the centrally located commuter rail station.

The intersection of North Avenue and 128, adjacent to the commuter rail line, is an ideal location for dense, transit-oriented development including housing. Almost exactly halfway between the North Avenue and Reading/Haven Street commuter rail stops, this would be an excellent location for an additional rail stop and parking facility in conjunction with new smart-growth development.

Finding solutions to manage the demand for parking in conjunction with dense development is a critical component at each of these sites. Commuter rail stations adjacent to high density mixed use neighborhoods provide a dynamic opportunity for the financing and development of shared parking facilities. Parking fees from commuters who work in Boston and would prefer to ride the train can share the cost burden with apartment dwellers who use the same parking spaces at night and on weekends. Tight sites and the desirability of ground level commercial development (rather than plinth parking under housing) mean that on-site parking can be difficult to provide. A central parking facility can accommodate those vehicles and allow for more successful neighborhood development.

CONTEXT MAP FOR SMART GROWTH ZONING 1.2




ROUTE 128
LAKESIDE OFFICE PARK
DOWNTOWN
GREENWOOD
FEBRUARY 28, 2014
Town of Wakefield
Proposed Intervention Areas
0
0.25
0.5 Miles

- Edgewater Office Park
- Transit-Oriented Development Opportunity Areas
- Proposed Mixed Use Overlay District Connector
- Existing Mixed Use Overlay District
- Major Municipal Traffic Arteries
- State Route 128 / Interstate 95
- Commuter Line to Haverhill
- Commuter Rail Station
- Possible Commuter Rail Station Site
- Walking Distance from Transit Node (5 minutes / 1/4 mile,10 minutes / 1/2 mile)

North Avenue at Route 128:

1 Lakeside Transit Oriented Development District

Downtown Proposed Overlay Districts:

2 Existing Mixed Use Overlay District
4 Albion Street Proposed Mixed Use Overlay District Connector
5 Foundry Street Overlay District
6 Junction Station Overlay District

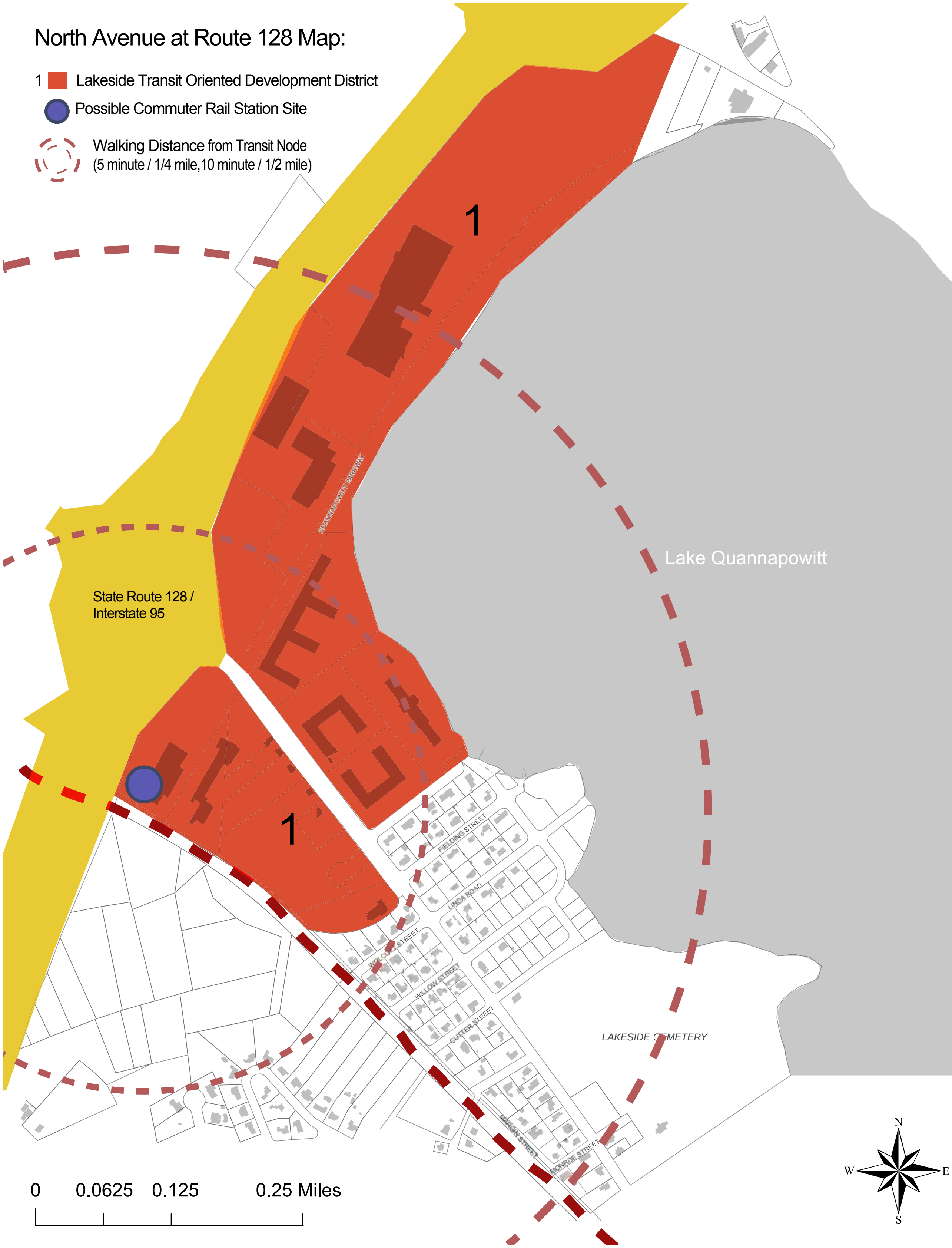
Greenwood Proposed Overlay Districts:

7 Existing Mixed Use Overlay District
8 Proposed Intervention Overlay Districts

T.O.D. OPPORTUNITY: NORTH AVE AT ROUTE 128 1.2

Lakeside Office Park, adjacent to Route 128, North Avenue and the commuter rail, is a dynamic opportunity site for transit-oriented smart growth development. With immediate access to the highway without causing congestion on town streets, and the possibility of a commuter rail stop, land use density could be dramatically increased. An entire mixed-use lakeside development is an exciting possibility with jobs, restaurants and both affordable and market-rate housing. Much of this district is removed from the lakeside neighborhood and could accommodate mid-rise or even low high-rise building.

A new commuter rail station could be located either north or south of the highway, possibly even in Reading, depending on site availability, traffic planning, wetlands, and other considerations.


North Avenue at Route 128 Map:
1 Lakeside Transit Oriented Development District
Possible Commuter Rail Station Site
Walking Distance from Transit Node
(5 minute / 1/4 mile,10 minute / 1/2 mile)
1
1
State Route 128 /
Interstate 95
Lake Quannapowitt
LAKESIDE CEMETERY
0 0.0625 0.125 0.25 Miles
N
S
W
E

Wakefield has identified and rezoned Downtown Main Street and North Avenue around the commuter rail stop as a Mixed-use Overlay District. All of the parcels on both sides of the section of Albion Street connecting these areas should be added to create a contiguous Downtown overlay district. New mixed-use development along Albion Street will strengthen the connection between Main Street Downtown and the rail station and is a critical component of the Town' s economic development plan.

All of these lots along Albion Street are small, and cannot meet all of the demands placed upon them – ground floor retail, housing, green space and parking. The parking relief provided in the Mixed-use Overlay zoning bylaw provides some relief, but not enough to realize the vision of a vibrant traditional downtown street. The required parking would leave too many spaces between and around the buildings and would displace needed shop space. To get the buildings close together – like along Main Street – it is essential that Wakefield plan for a shared parking facility. One possible site for such a parking facility might be the large auto-use area at the southeast corner of Albion and North Avenue. This is an ideal location for day/night parking sharing by commuters to Boston during the day, local residents at nights and on weekends, and shoppers and local workers as demand arises.

Foundry Street and the Junction are part of the North Avenue commuter rail station smart growth area, both falling completely with the 10 minute/half mile walking radius.

With the Harvard Mills and Wakefield Crossing developments leading the way, the Foundry Street district presents a dynamic opportunity for high density residential development. Mid-rise height and density should be considered for this area to provide strong economic development along with a mix of market rate and affordable family and elderly housing.

The Junction is a high traffic area right at the center of town. Current land uses are of relatively low value, so there is enormous upside potential to redevelopment. At the same time, there are many challenges. A strong master plan for this area, along with municipal support, perhaps backed up by state and/or federal infrastructure improvement funding, has great potential for Wakefield. Supportive overlay district zoning would be an excellent first step.

Downtown Proposed Overlay Districts Map:

The Greenwood Center Mixed Use Overlay District extends for about two blocks along Main Street, encompassing the commuter rail station and the Greenwood Plaza retail center. This district should be expanded to both the north and south along Main Street to provide more opportunity sites for transit-oriented development including the Subaru dealership site (illustrated in more detail elsewhere in this report).

Reduced parking requirements should be put in place for transit-oriented multi-family housing in close proximity to the commuter rail stop. A structured parking facility near the train station could be economically supported by a combination of daytime commuter parking and resident and shopping/restaurant-going parking on nights and weekends.

Greenwood Proposed Overlay Districts Map:

Downtown Wakefield is an excellent location for transit-oriented, higher density mixed use and residential multi-family development. The entire area is within easy walking distance of shops and restaurants, schools, churches, civic building and recreation, and the commuter rail. Downtown is in need of revitalization and new housing will support local business.

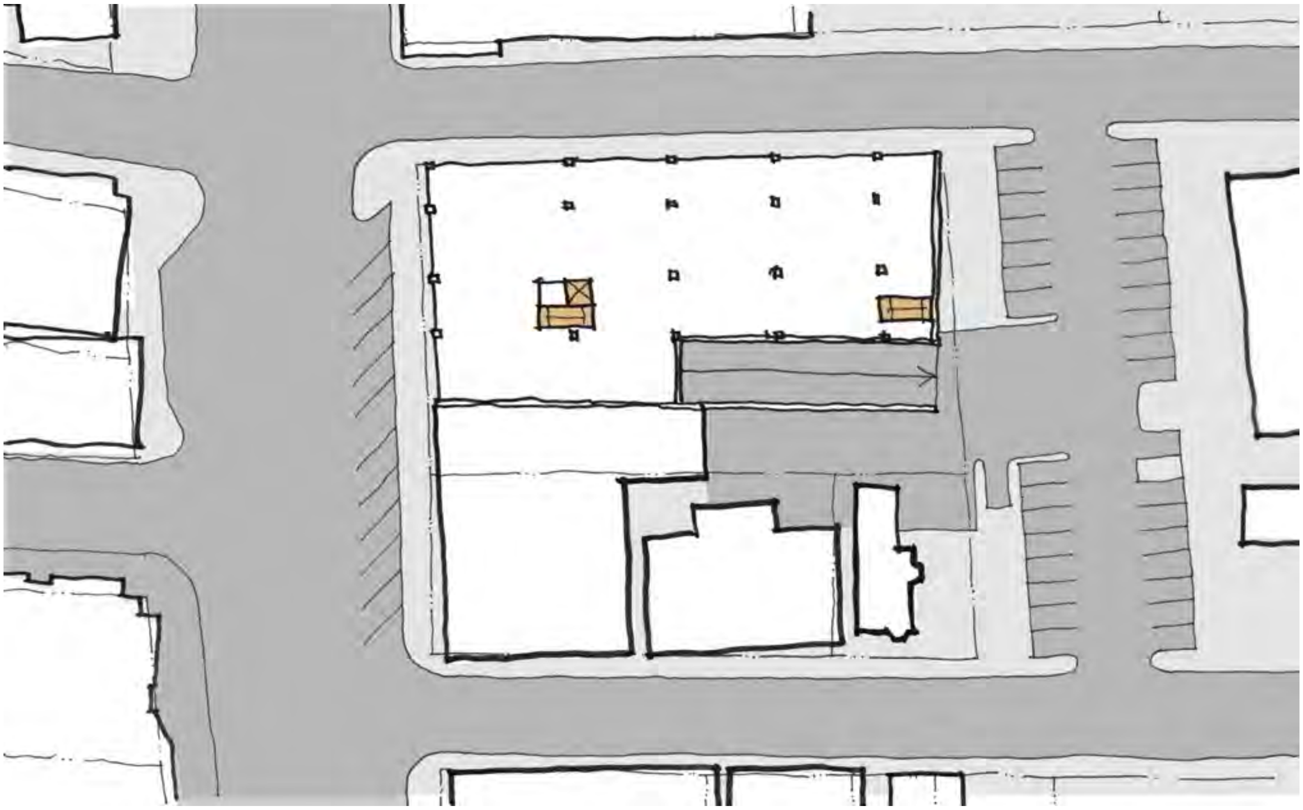
Wakefield Downtown Building 1919

Main Street, looking south, 1932, Wakefield Downtown

DOWNTOWN MAIN STREET INFILL - CVS SITE 2.3

New mixed-use multi-story buildings downtown, particularly along Main Street, will also restore the historic look and feel of the town center. As an example, a redevelopment proposal for the CVS site at the corner of Center Street and Main Street is illustrated here. Similar buildings could be developed at many similar sites along Main Street, North Avenue, and Albion Street.

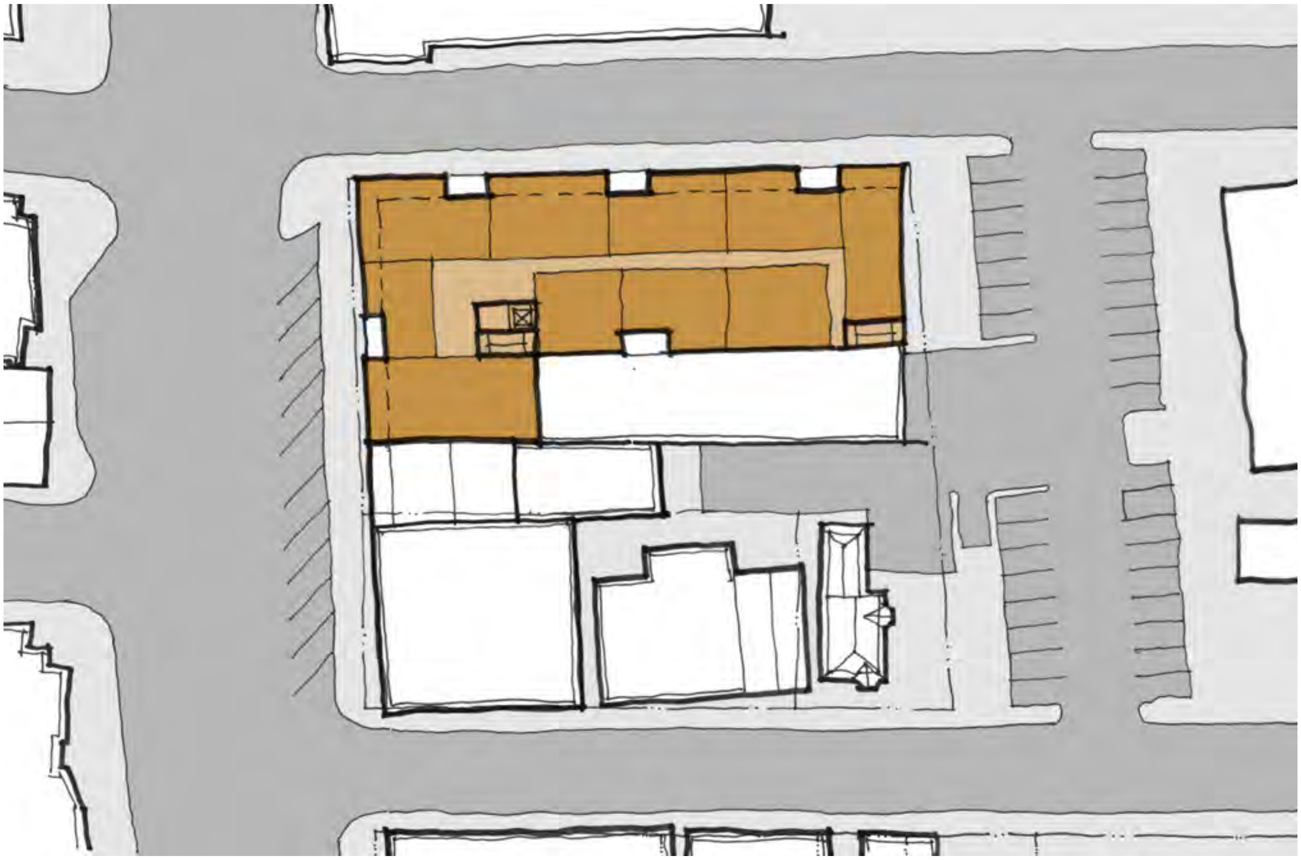

Bookstore
Cafe



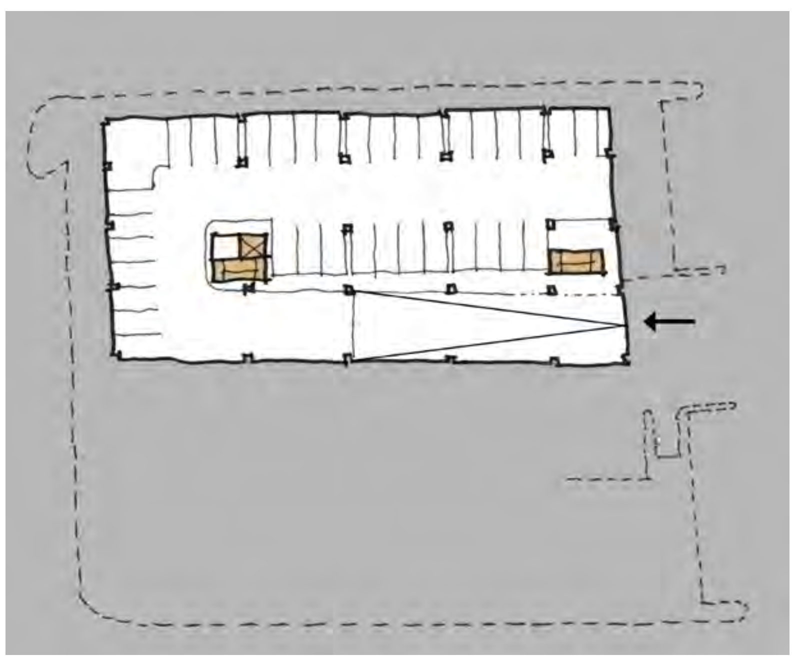
STREET LEVEL PLAN (RETAIL)

HOUSING	39,900 SF - 30 UNITS
RETAIL	15,000 SF
PARKING	35 SPACES

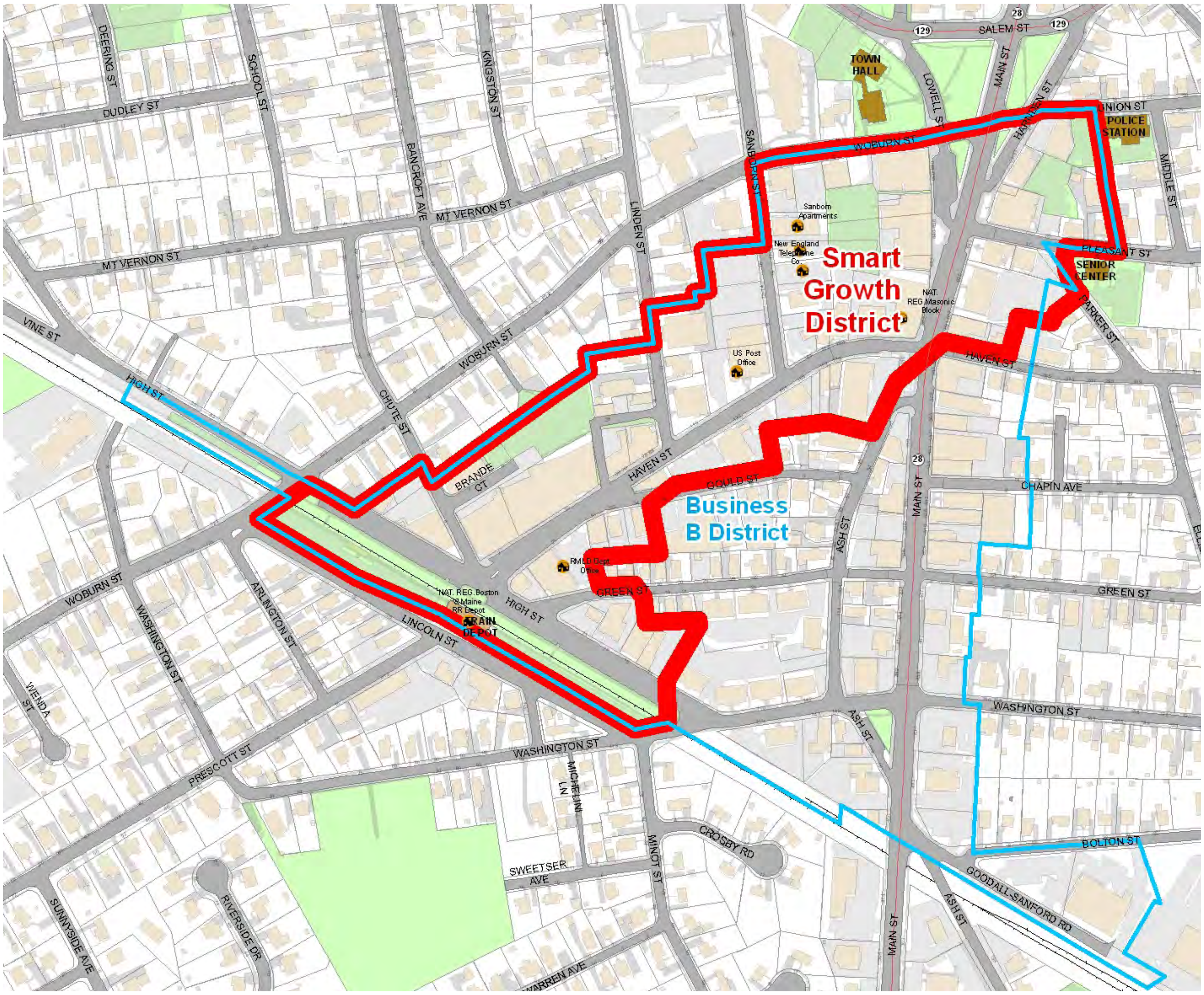
A four-story building with underground parking is shown. At grade on Main Street the ground floor shows approximately 15,000 gross square feet of retail space. Parking is shown on the lower level, accessed by a ramp from the municipal parking lot at the rear. Because the lot is several feet lower than Main Street the ramp is shortened and more parking can be accommodated. Three levels of apartment flats are shown, with two floors built out to the lot line and the top floor set back with outdoor terraces. The illustrated building could include about 30 apartments, 15,000 gsf of retail and about 35 parking spaces.



UPPER LEVEL PLAN (APARTMENTS)



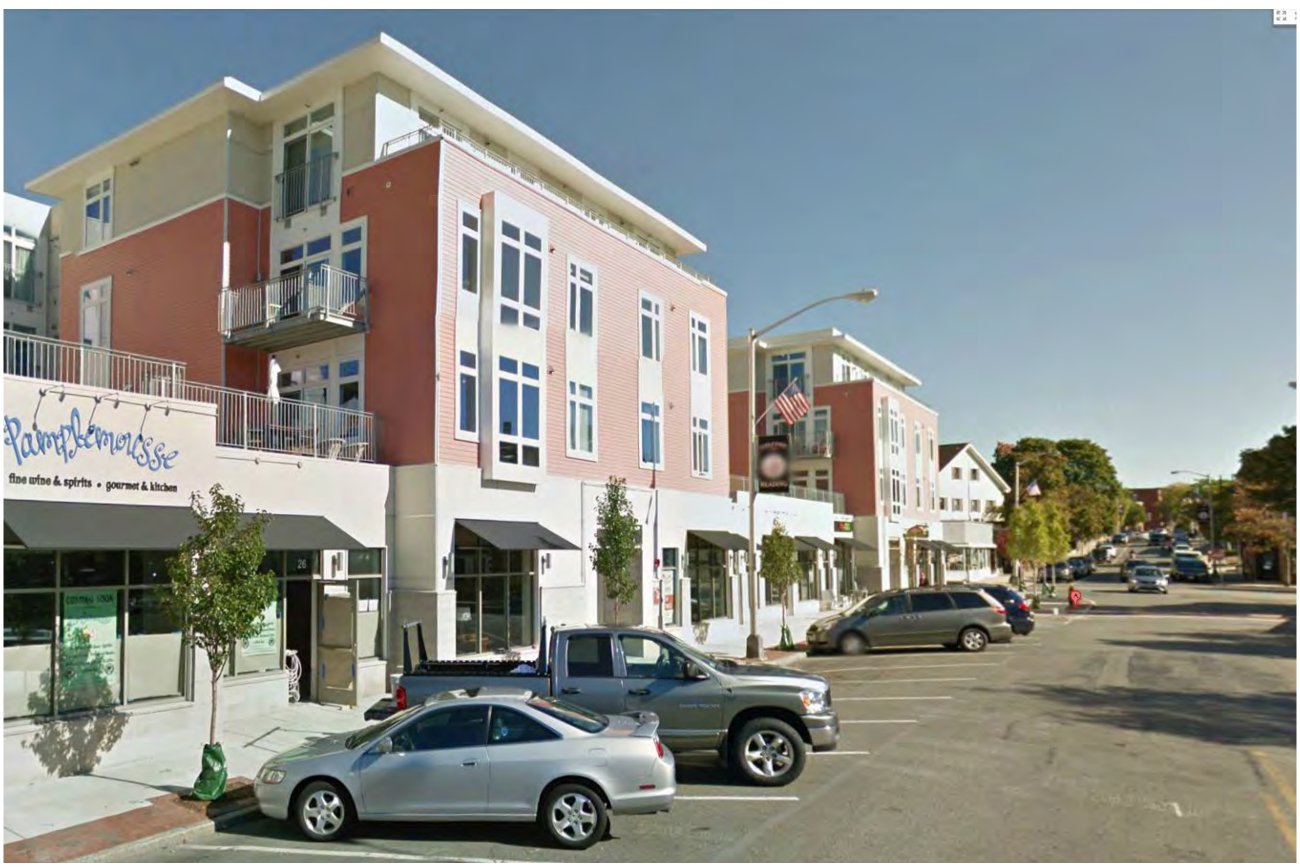
LOWER LEVEL PLAN (PARKING)



SMART GROWTH DISTRICT SITE PLAN, READING, MA

This mixed-use residential building by Oaktree Development on Haven Street in Reading is a good example of how making a transit-oriented community incorporate a 40R smart growth district can impact the community in a positive way. Reading has an MBTA commuter rail station as well as direct access to Route 128/I-95 and I-93. The new mixed-use residential building on 30 Haven Street includes 53 one and two bedroom units, 11 of which are affordable. There are 75 underground parking spaces, and 22,000 SF of ground floor retail.

RENDERING OF PROPOSED 30 HAVEN STREET APARTMENTS



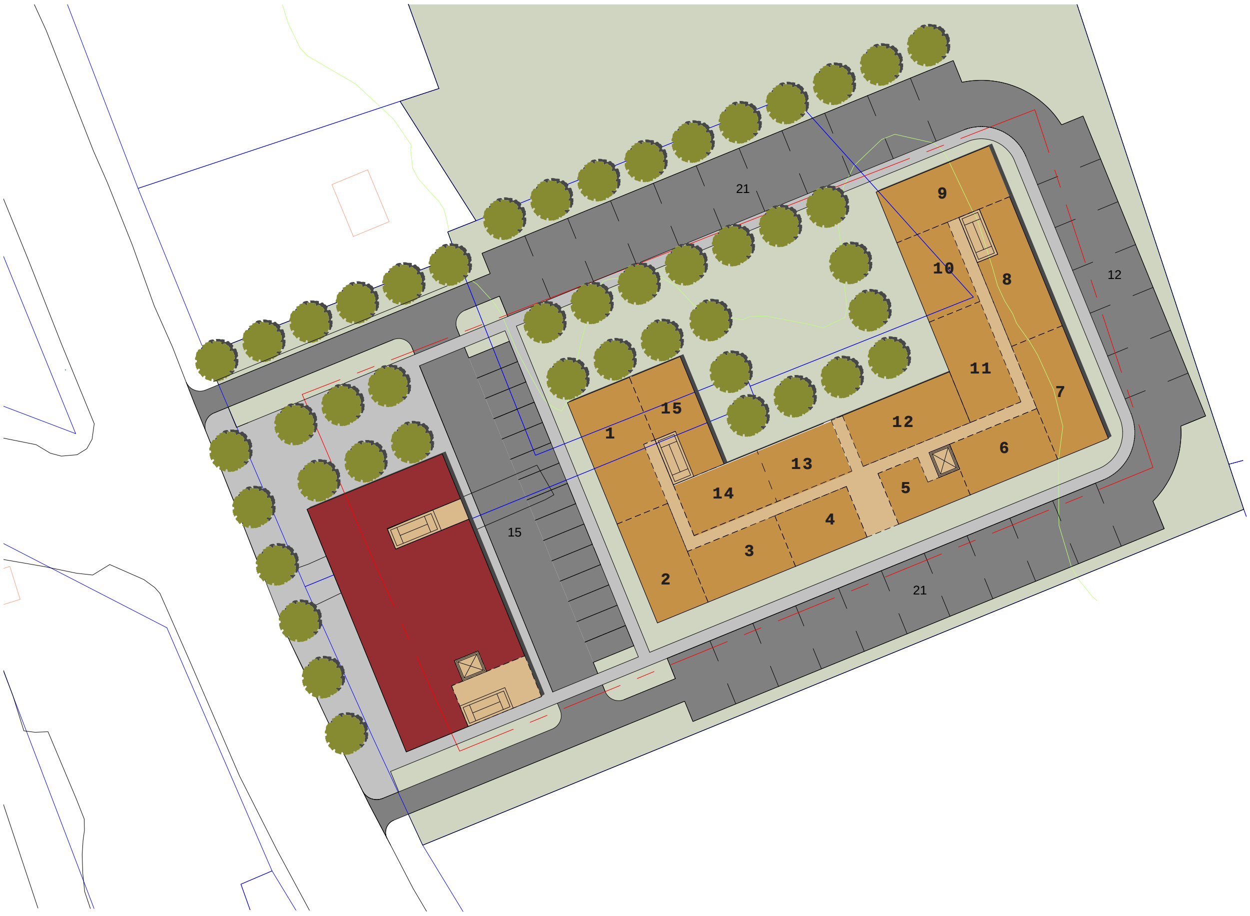
STREET VIEW OF COMPLETED 30 HAVEN STREET APARTMENTS

HOUSING	60,500 SF - 60 UNITS
RETAIL	6,450 SF
PARKING	69 SPACES

Midway between downtown Wakefield and downtown Melrose, Greenwood Main Street has enormous potential as a transit-oriented neighborhood center full of shops, restaurants, and multi-family housing. The Subaru dealership site is almost across the street from the commuter rail station and offers and ideal opportunity for transit-oriented mixed-use development.

The project illustrated here is intended to demonstrate a range of 'smart growth' principals. Two buildings are proposed. A mixed-use three story building sits on Main Street and provides a public presence scaled to the neighborhood. Set back just enough to make a wide sidewalk that could accommodate dining tables, the building also provides a dining plaza next to it at one end. Two stories of walk-up flats provide about 12 apartments.


Cafe

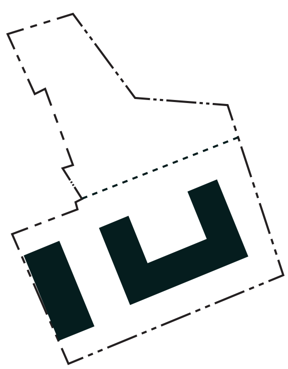


GROUND LEVEL PLAN

A U-shaped residential building occupies the back of the site, looking into a green courtyard and surrounded by woods on two and a half sides. Served by an elevator, the building is flats on the lower two floors and townhouses at the top, and would provide about 48 apartments.

On-site parking is provided primarily along a one-way private drive wrapping around the site, with additional parking in a small lot behind the mixed-use building.

TYPICAL FLOOR PLAN



TOTAL LOT AREA:	**130,440 SF**
USED LOT AREA:	**84,667 SF**
FOOTPRINT:	**22,300 SF**
GSF:	**66,950 SF**
TOTAL LOT FAR	**0.5**
USED LOT FAR	**0.8**

FRONT BUILDING
RETAIL - 6,450 SF
RESIDENTIAL(2FL) - 12,900 SF
(6,450 SF/FLOOR)
12 UNITS

BACK BUILDING
RESIDENTIAL(3FL) - 47,570 SF
(17,950 SF/FLOOR)
48 UNITS

TOTALS

PARKING SPACES	69
DWELLING UNITS	60
COMMERICIAL	6,450 SF
RESIDENTIAL	60,500 SF
GROSS AREA	66,950 SF

ALBION STREET INFILL - MAP AND PLANNING CONSIDERATIONS 2.3

Redevelopment along the Albion Street connector between North Avenue and Main Street will be a critical component of Wakefield's downtown revitalization, bringing together the downtown commercial core and making the commuter rail station feel much more like its 'just off' Main Street. This goal will be supported by adding Albion Street to the Mixed Use Overlay District.

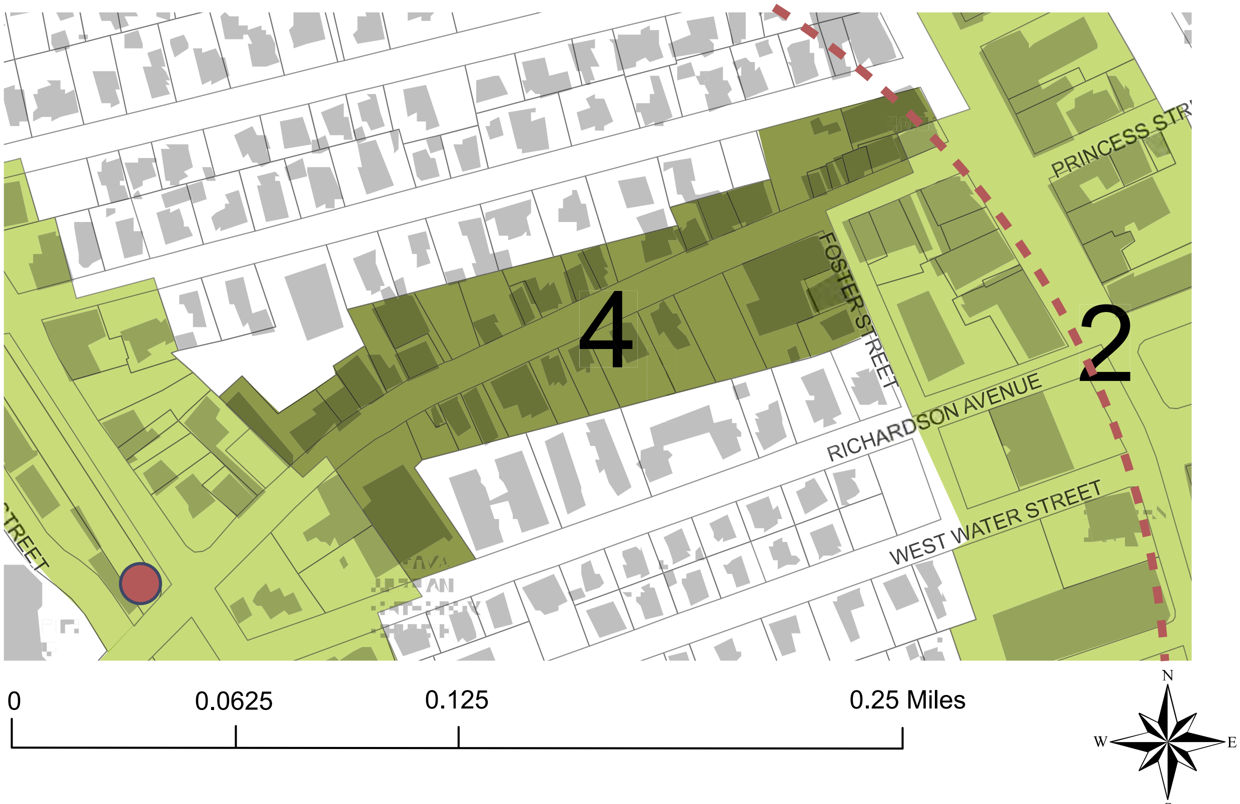
Most of the lots along Albion Street are small and have very limited depth, making mixed-use redevelopment challenging. In short, competition is steep for ground level use with retail, parking and green/open space all wanting the same square footage. While limited on-site parking can be included on some parcels, many have no room for cars if they are to include commercial space and, hopefully some green space as well. While this reality goes against the requirements of most zoning (including Wakefield's Mixed-use Overlay zoning which still generally requires some on-site parking), it is typical of the kind of downtown street that Wakefield needs along Albion – a street like Main Street with ground level commercial lining the sidewalks and providing a vibrant and engaging streetscape.

In order to accomplish this provision for additional parking will need to be addressed on a district basis, and incentives for transit-oriented living without cars should also be considered. As suggested elsewhere, a parking facility at the North Avenue end of Albion Street could be an ideal solution, supporting and supported by commuters, shoppers, restaurant goers and residents on a 24 hour basis.

Mixed-Use Building, Cambridge, MA

Albion Street Proposed Overlay Districts Map:

2 Existing Mixed Use Overlay District
4 Albion Street Proposed Mixed Use Overlay District Connector
Commuter Rail Station
Walking Distance from Transit Node
(5 minute / 1/4 mile)




Mixed-Use Building in Winchester, MA

Older buildings of many kinds have been successfully adapted for housing throughout Massachusetts, including municipal buildings, mills, and other commercial buildings. Older school buildings, because of their large windows, high ceilings, and relatively small footprints (compared with many commercial buildings) make wonderful apartment buildings. The projects shown here are all conversions of school buildings to family and elderly housing designed by Abacus Architects + Planners.

The Residences at Franklin School, Medford, MA

Peter Bulkeley Terrace, Concord, MA

Edwards Harborview, Beverly, MA

SMALL SCALE / SITE AND NEIGHBORHOOD STRATEGIES 3.1

In addition to the larger scale strategies outlined previously, there are significant smaller scale strategies for infill development that can dramatically improve Wakefield's affordable housing stock. These strategies include new renovation, addition and new construction, and all depend on well crafted zoning requirements and good architecture to be successful.

Most of Wakefield is built out with mature, attractive neighborhoods. Within this well established framework, there are opportunities to provide affordable housing through multi-family solutions that blend in with their surroundings, accessory apartments, and the development of small/substandard lots with affordability restrictions.

'THE BIG HOUSE' - FITTING MULTI-FAMILY BUILDINGS INTO TRADITIONAL NEIGHBORHOOD SETTINGS

The Big House solution has always been a part of the New England neighborhood fabric, even in the basic forms of the duplex, side-by-side, or triple-decker. In other examples the individual identity of the separate units is suppressed in favor of presenting a more single-family look to the community.

One way that this is often accomplished is by simply renovating a big single-family house into two, three, or more apartments. In Wakefield's neighborhoods where multi-family use is not allowed as-of-right zoning could be amended to allow multi-family for affordable housing uses – either in whole or as a requirement for the additional units.

This can also be accomplished with new multi-family construction designed to look like a single house. These buildings can house up to six apartments and good examples of this approach can be found throughout New England.

Single family home converted into multiple units, Brookline, MA

'THE BIG HOUSE' - FITTING MULTI-FAMILY BUILDINGS INTO TRADITIONAL NEIGHBORHOOD SETTINGS

Multi-family "Big House" with parking beneath in a neighborhood setting

Single family massing and detailing can include as many as six apartments.

'THE BIG HOUSE' - FITTING MULTI-FAMILY BUILDINGS INTO TRADITIONAL NEIGHBORHOOD SETTINGS

Multi-family "Big House" in a neighborhood setting - Four units, Brookline, MA

Side-by-side duplex

Accessory apartments have also been a fundamental part of New England's historic approach to affordable house – whether as a way to accommodate children, aging parents and hired help, for supplemental income, or in more formal ways that can qualify for Wakefield's Subsidized Housing Inventory.

Accessory apartments can be incorporated into traditional carriage houses or, as in these examples, in small flats on top of two-car garages.

They can also be built out in walk-out basements, attics, or as free-standing buildings (sometimes called 'granny flats' in back yards.)

Accessory unit above garage, in Greenwood Wakefield, MA

Accessory unit at lower level, Prospect, Colorado

Two family: Main house with accessory flat over garage, East Beach, VA

Three family: Two flat main house with accessory flat over garage, East Beach, VA

SMALL / SUBSTANDARD LOTS

While there is virtually no available undeveloped land to build on in Wakefield, there are 'unbuildable' lots that do not meet minimum zoning requirements. Zoning could be created that would allow development of these lots for affordable housing that could be eligible for inclusion on the Subsidized Housing Inventory. House size would be scaled to the lot area so that buildings are appropriate to their settings.

Small lot infill homes


Small lot infill homes

Small lot infill townhouse

Small lot infill
neighborhood house

The small house approach and the cluster subdivision concept can effectively be combined to provide quality affordable housing on constrained parcels, thereby meeting both the economic demands of development and the community's need for affordable housing. There are excellent examples of these small multi-family projects that provide quality open space and build community through careful building design, planning and site organization.

Small lot cluster subdivision in Winston-Salem, North Carolina

Small lot cluster subdivision in Kirkland, Washington