During the past decade Wakefield's median household income increased by an estimated 29%, but the median price of a single-family home increased by more than twice that, 67%.

Historically a community that attracted first-time homebuyers and young families, Wakefield has 25% fewer 20-34 year olds today than it had in 1980 and 1990.

Housing production continues to fall further behind demand. The rate of new construction has declined steadily since the 1950s. Affordable rental units have been converted to condominium ownership. Much of what is being built is at the top of the market and no new affordable rental housing is being built.

Most of the citizens of Wakefield can no longer afford to buy a house in Wakefield if they don't already own one. More than a third can't afford to rent at today's prices.

INTRODUCTION

The evaluation of housing need that follows was prepared by Bonnie Heudorfer, Housing and Community Development Consultant.

Although anecdotal evidence and well publicized analyses of regional housing trends have led to a broad recognition that affordable housing is in short supply, the following analysis quantifies the degree to which needed housing is not available and available housing does not meet a full range of needs.

Recent housing development in Wakefield has tended toward large houses on large lots, meeting the needs of some, but by no means all, of those people who would like to move to or remain in the town. Demographic projections based on the 2000 census suggest that this problem will only become more acute over the next decade.

This section ends with specific recommendations on policy changes and program development that would help create more affordable housing, keep current housing affordable, or make existing housing more affordable.

The development of more affordable housing should be a Wakefield priority in order to maintain the diversity of the community. It is essential to the well being of the town that its school teachers, police officers, office workers and building trades people, not just its CEO's and professionals, be able to afford housing.

An additional benefit of affordable housing creation is that it helps Wakefield satisfy Chapter 40B, which allows developers to override local zoning if towns have less than 10% affordable housing. To this extent, affordability and preservation of town character go hand in hand. Wakefield's plans for meeting 40B requirements are illustrated on pages 2.25 through 2.27.

Wakefield has traditionally provided a diverse, relatively affordable range of housing options. A mature suburb, conveniently located with ample public amenities, its housing inventory includes modest five and six room Capes and bungalows, two-family homes and apartments and attractive larger homes dating from different periods in the town's rich history. Recent construction has added about forty new single family homes per year. This variety of housing has enabled the community to attract and maintain a population diverse in income, age and lifestyle.

Like the rest of the region, Wakefield experienced a run-up in housing prices during the mid-to-late 1980s, followed by a slump during the early 1990s. Still mirroring the regional trend, prices have been on the rise since 1995. The combination of rising home prices, a shrinking supply of affordable rental units, an aging housing stock, and a large elderly population—many of them homeowners—has created tremendous challenges for the community, a situation that is aggravated, not alleviated, by the fact that housing prices are even higher—and options more limited—elsewhere in the region. The escalating cost of both rental and ownership housing in Wakefield was cited as the #1 housing issue by the community as it began the process of updating its Master Plan.

PURPOSE OF HOUSING NEEDS ASSESSMENT

The development and implementation of an affordable housing strategy is a two-step process. It includes a needs assessment and an action plan. The needs assessment examines current conditions and trends. It identifies and prioritizes the most critical housing needs, and provides a framework for determining what strategies are appropriate. The action plan details how the community will address its needs. This section examines Wakefield's current and projected housing needs and the town's ability to meet those needs. It is based on an analysis of, among other information:

- Previous plans and surveys;
- Supply and demand influences: demographic characteristics, housing stock, cost, etc.;
- Recent and projected trends in housing development, local and regional
- Qualifying income necessary to rent or purchase housing in town compared to the income distribution of existing residents;
- Relevant by-laws, regulatory and permitting procedures;
- Building and land inventories;
- Special considerations: constraints or opportunities unique to Wakefield.

ORGANIZATION OF SECTION 2

This section of the Housing Masterplan is divided into five parts, in addition to the introduction and the executive summary:

- **An Affordable Housing Primer**: what it is, who is it for, who the players are in Wakefield, and what they have done;
- **Wakefield's Housing Context:** A look at the regional influences that shape Wakefield's housing market;
- **Housing Market Conditions in Wakefield**: An examination of market conditions in Wakefield: the town's existing population, its housing profile, recent trends and their impact, and a look at who can "buy into" the community today;
- **Housing Needs:** An assessment of the town's housing needs: affordability and other considerations.
- **Housing Strategies:** A housing plan for Wakefield.

AN AFFORDABLE HOUSING PRIMER

THE FEDERAL DEFINITION OF AFFORDABLE HOUSING

There are many ways to define affordable housing, but the most widely accepted definition is that used by the federal government. The U.S. Department of Housing and Urban Development (HUD) calls housing costs—rent plus basic utilities or mortgage, tax and insurance payments—affordable when they consume no more than 30% of a household's income. Under HUD definitions, households are deemed to have an affordability problem, or cost burden, if they pay more than 30% of income for housing; those paying over 50% of income are said to have a severe cost burden. Under these definitions:

- A family earning Wakefield's estimated 2000 median income—$65,724—can afford to spend about $1650 a month on housing, far short of what would be required to purchase the median priced house, which was $275,000 in 2000 and $300,000 through the first six months of 2003.
- An estimated 37% of Wakefield's families earn less than 80% of the median income for a family of four in greater Boston, making them potentially eligible—depending on family size—for housing assistance under most state and federal programs.
- A quarter of Wakefield's homeowners and more than a third of its renters are cost burdened, spending in excess of 30% of income on housing. While the situation is growing worse as rent levels and home prices continue to rise, affordability has persisted as a problem in town, especially for low-income households, for more than two decades.
- A family of three on Transitional Assistance to Families with Dependent Children (TAFDC) receives about $7,000/year and a full-time worker earning the minimum wage earns about $11,000. These households can "afford" to pay only $174 and $273/month in rent, respectively. Not only have they been long since priced out of Wakefield, but there is no place in greater Boston where they could find rental accommodations in that price range in the private market.

THE MASSACHUSETTS DEFINITION OF AFFORDABLE HOUSING

"Affordable housing" also has a specific regulatory meaning in Massachusetts, which, more than 30 years ago, enacted its Comprehensive Permit Law (Chapter 40B) to facilitate the development of low- and moderate-income housing, particularly in the suburbs.[1] This statute established an affordable housing goal of 10% for every community in the Commonwealth. The State defines affordable, or low- or moderate-income housing, for purposes of determining whether a community has met the 10% standard, as housing developed with a state or federal subsidy or financing mechanism, in which at least 25% of the units are reserved for households with incomes not exceeding 80% of the area median *and* which restricts rents or home prices for a specific period of time (generally at least 30 years for new construction and 15 years for rehabilitation). In rental projects all units count, even if not affordable; in homeownership projects only the affordable units count. The State's Department of Housing and Community Development (DHCD) maintains an inventory of all subsidized units by community:

- 4.4% of Wakefield's existing housing stock—some 440 units in 11 developments—was considered affordable under this standard on the 2001 inventory, but the town has made considerable progress since that time.
- Having set for itself an aggressive goal of getting to 10% within 3-5 years, Wakefield has recently increased its subsidized housing count to 5.7% (including 66 existing units/beds in group homes that provide long-term housing for individuals who are mentally ill or mentally retarded).[2]

INCOME ELIGIBILITY

For some time, the issue of affordability has exceeded substandard conditions, overcrowding, and other deficiencies, as the nation's most widespread housing problem, and this is no less true in Wakefield. Less than ½ of 1% of the housing stock—only 23 units—is overcrowded, i.e., occupied by more than one person per room, and only 45 units lack kitchen and/or bath facilities.[3] An array of public policies and programs has been developed to address the problem of affordability. In no state is there a wider assortment of resources or a more well established network of public, private and non-profit affordable housing practitioners than in Massachusetts. Income eligibility varies by program, depending on their specific programmatic goals, and often changes over time. While most housing assistance is targeted to the poorest households, in high cost areas—such as greater Boston, where the median income for a family of four is $80,800—some public resources can be used to benefit households earning up to 120%, or even 150%, of the area median. *Most* programs use the following categories to define need, but even these definitions have shifted over time[4]:

Extremely low-income —— income at or below 30% of median
Very low-income —— income between 30% and 50% of median
Low-income —— income between 50% and 80% of median
Moderate-income —— income between 80% and 95% of median

In general, rent subsidy programs *target* those with incomes below 50%, though they can go up to 80%; homeownership programs *target* those earning 80% or less, though eligibility limits are usually higher. Throughout this report the abbreviation "LMI" will be used for low- and moderate-income (80% of median or less). Table 1 shows the current income guidelines for the Boston metropolitan area (including Wakefield) for most major housing programs.

Table 1
Commonly Targeted Income Levels for Affordable Housing Programs in Greater Boston

Household	Homeownership		Median	Rental		
Size	MHFA	MHP	Income	80%	50%	30%
1	$80,800	$52,400	$56,600	$43,850	$28,300	$16,950
2	80,800	52,400	64,600	50,100	32,300	19,400
3	92,900	56,400	72,700	56,400	36,350	21,800
4	92,900	62,650	80,800	62,650	40,400	24,250
5	92,900	67,650	87,300	67,650	43,650	26,200
6	92,900	72,650	93,700	72,650	46,850	28,100

In addition, maximum sales prices and fair market rents (FMRs) have been established to ensure that the targeted income groups are not overly cost burdened. The current monthly FMRs for greater Boston (including heat), as well as the maximum sales prices for the two major homebuyer programs, are shown below:

Monthly Fair Market Rent for Greater Boston (incl. Heat)					
Efficiency	1 Br.	2 Br.	3 Br.	4 Br.	5 Br.
$953	$1,074	$1,343	$1,680	$1,972	$2,268

Maximum Sale Prices for Major First Time Homebuyer Programs				
Program	1 Family*	2 Family	3 Family	4 Family
MHP Soft 2nd**	$180,000	$225,000	$270,000	
MHFA 1st Time	$311,000	$350,100	$423,800	$492,900
* includes condominiums				
**may go higher in some communities, including Wakefield				

AFFORDABLE HOUSING IN WAKEFIELD: A BRIEF HISTORY

For many years, Wakefield offered a wide range of affordable housing opportunities within its private housing stock. While the town remains relatively more diverse and affordable than many other Boston area communities, the privately owned affordable inventory is being eroded on a number of fronts.

The development and management of the town's publicly assisted affordable housing programs and services has been the primary responsibility of three entities: the Wakefield Housing Authority (WHA), the Town's Community Development Department, and the regional non-profit Community Service Network, Inc. (CSN). WHA is a public housing agency established to administer housing programs for low- and moderate-income families and individuals. It owns and operates nearly 200 units of public housing on six sites and administers rent voucher (the Federal Section 8 and Massachusetts Rental Voucher) programs for another 300 households.

The town's Community Development Department applies for grants and other funding for a range of community needs, and administers the programs associated with this funding. For the past several years, Wakefield has outsourced this role to a consulting firm specializing in community development and grants administration, Community Opportunities Group (COG).

CSN is a certified regional community housing development organization (CHDO), formed originally by the towns of Wakefield, Stoneham, Woburn, and Reading to administer home repair and first-time homebuyer programs in those communities. CSN provides a broad range of other services as well, including homelessness prevention, landlord/tenant mediation, advocacy, and case management. Its expanded service area now includes Burlington, Lexington, Melrose, North Reading, Wilmington, and Winchester.

More recently, Wakefield added two new housing entities: a local housing partnership, charged by the selectmen with promoting "affordable housing that enhances the community," and the nonprofit Wakefield Affordable Housing LLC, a partnership formed between the Housing Authority and Mystic Valley Elder Services for the purpose of developing government subsidized, supportive housing for the elderly. An application to HUD for funding of 50 units under the Section 202 program was not funded, but the following year approval was granted for 23 units.

Wakefield has trailed many of its neighbors in expanding its subsidized housing inventory, but with 124 additional units expected to qualify for inclusion on the 2003 inventory, 5.7% of the town's housing stock will be subsidized. This represents a healthy 30% increase over the 2001 level.

Wakefield also houses a number of low-income mentally ill and mentally retarded residents in group homes. In addition, in its request for FY2001 housing certification under Executive Order 418, the town reported that it produced more “affordable homeownership” units—defined as those assessed for less than $300,000, whether subsidized or not—than all but two of its neighbors. (See **Appendix 1** at the end of this section, A Regional Affordable Housing Report Card, for Wakefield’s performance relative to its abutters and the cities and towns that abut them.)

WAKEFIELD’S HOUSING CONTEXT

THE REGION’S HOUSING CHALLENGES

To understand the pressures that Wakefield faces, and to realistically determine which of those the town can control or influence, it is important to understand what is happening in the larger marketplace. Throughout eastern Massachusetts, high and rapidly rising house prices and rent levels, slower growth of household income, and low levels of new construction have combined to create a crisis in housing affordability.[5] The growth of the Boston area economy over the past five years fueled a surge in regional housing demand, but residential construction has not kept pace and is estimated to be little more than half of what is needed to meet the regional demand.

The economy of the region grew from 1992 through 2000. While the first four years of growth were essentially “catching up” for the job losses that occurred during the recession of 1988-1992, job growth since 1996 has attracted new residents to the area. The population of metro Boston registered a 5% increase in the 2000 census. As the economy flourished, housing costs skyrocketed. Yet, even as price increases led the nation, housing production fell further behind.

The Executive Office of Administration and Finance noted in its October 2000 study, *Bringing Down the Barriers: Changing Housing Supply Dynamics in Massachusetts*, that the problem is not that Massachusetts spends less than other states on housing. In fact, the Commonwealth subsidizes considerably more housing than most states. The difference is that the private sector here produces less than in other parts of the country, especially less multi-family housing. This is due to a number of factors, including the high cost and relative scarcity of land available for residential development, higher production costs associated with the development of more marginal sites, and a complex maze of restrictive local zoning and subdivision controls. Massachusetts ranked 47th in the nation in 1999 and 46th in 2000 in number of building permits issued per capita, producing multi-family housing at about one third the per capita rate of the nation as a whole. Wakefield exemplifies the problem:

- Only three multi-family rental developments (52 units) have been built in the town in the past decade.
- No multi-family rental housing has been built since 1995.

While the average house price in Massachusetts was increasing by nearly 50 %—the highest rate of growth in the country—between 1995 and 2000, household incomes increased by only a fraction of that amount. The state’s median household income is about 9% above the nation’s, but its cost-of-living is 10-26% higher, fueled by home prices that are more than double the national average.[6] Such high housing costs make it difficult for people to live in the communities in which they grew up or currently work, and hurt the economic competitiveness of the state. During the 1990s, Massachusetts lost population in the important young worker group (20 to 34 year-olds) at a rate more than triple the nation as a whole and, correspondingly, saw its wage and salary employment grow at only a third of the national rate. [7] Wakefield's own experience again reflects these trends:

- Historically a community that attracted first-time homebuyers and young families, Wakefield has 25% fewer 20-34 year olds today than it had in 1980 and 1990.

- Wakefield's median household income increased by an estimated 29% during the past decade, but the median price of a single-family home increased by more than twice that, 67%.

- Starting salaries for many town employees, including teachers, police and firefighters—typically in the mid $30s to low $40s—are insufficient to enable them to purchase in Wakefield. Fewer than 20 single-family houses sold in 2000 for less than $225,000, the approximate amount affordable for someone earning the townwide median household income of $66,117. (Median *family* income, significantly higher—$77,834 in 1999—boosts the maximum "affordable" level to about $275,000, and the 2000 affordable inventory to some fifty homes, but even this represents less than 20% of all single family sales transactions.)

Other factors, too, have exacerbated the housing squeeze: diminishing state and federal resources for affordable housing; tax law changes; loss of low-rent units due to market forces—disinvestment on the one end and gentrification on the other; loss of older subsidized inventory as developments come to the end of their required, "affordable" lock-in periods; the end of rent controls and regulations in Boston, Cambridge and Brookline; and the increase in demand fueled by in-migration to the area from other regions and especially other countries. Here, too, the impact of these pressures can be seen in Wakefield:

- More than 350 rental units were converted to condominiums—usually at a higher cost—over the past decade.

- When apartments change hands, even if the new owner maintains the units as rentals, rents typically go up reflecting the new financing and market realities. Sixty-three percent of Wakefield's renters live in 1-4 family structures, and this inventory is extremely susceptible to price increases as long-term owners are replaced by recent purchasers.

- The continued affordability of one of the town's major housing resources—the 176 unit Colonial Point—was jeopardized when its "use restrictions" expired in 2001. Its owner could have elected to withdraw from the subsidy program and convert all of the units to market rate. The Housing Authority and Housing Partnership, among others, lobbied successfully for its preservation as affordable housing. (While only forty-four of these units are so-called "project-based Section 8s," in which an income-eligible tenant pays 30% of income toward rent and the federal government subsidizes the difference between that and the "fair market rent," it is estimated that many more of Colonial Point's long term residents are also low- and moderate-income.) The town is now negotiating with the owner to construct a second subsidized building on the adjacent site.

GROWTH IN THE NORTH SUBURBAN PLANNING COUNCIL (NSPC) REGION

Wakefield is one of 101 member communities of the Metropolitan Area Planning Council (MAPC). MAPC is a regional planning agency created by the Legislature nearly forty years ago to address planning related issues of regional importance. Its jurisdiction extends roughly from Boston to Interstate 495, and includes most, but not all, of the Boston primary metropolitan statistical area (PMSA). With neighboring Reading, North Reading, Lynnfield, Burlington, Wilmington, Woburn, Stoneham, and Winchester, Wakefield constitutes MAPC's North Suburban Planning Council (NYSCP), one of eight such subregions that are linked by common concerns and market dynamics. Understanding how these communities have changed over the past decade provides additional context for understanding Wakefield's housing market, and the forces that influence it.

In some respects Wakefield mirrors the regional market, but in others it marches to its own drummer. ***Tables 2*** and ***3*** summarize the similarities and differences between Wakefield and its neighbors. Like the other communities in the NSPC region, Wakefield experienced a number of trends during the past decade that have altered, or put pressure on, its housing market:

- Household and family size has decreased, and the number of people living alone has increased (mirroring state and national trends).
- There are more housing units and a higher rate of occupancy, both indicators of increased demand.
- The additional units were overwhelmingly for homeownership.
- The drop in number of 20-34 year-olds in the NSPC towns was greater than that experienced in the region, state or country (28% versus 16%, 18%, and 5% respectively; Wakefield's drop was 25%).
- Like the rest of the country, the population over the age of 85 is the fastest growing segment of the population.

Trends that set Wakefield apart from the other NSPC communities include:

- Wakefield's population has remained essentially unchanged for forty years. Its growth spurt was well under way when construction was completed in 1951 on Route 128 from Wakefield to Wellesley, spurring growth in the other NSPC communities.
- Notwithstanding the *absolute* drop in its young adult population, Wakefield registered a much greater *increase* in the number of 25-34 year olds—the prime age for first time homebuying—than would have been expected had its own (1990) population simply aged in place (16%). By comparison, the NSPC communities in total registered only a 3% increase in this age group over what would have been expected, suggesting that Wakefield continues to draw younger householders.

- Non-family households increased as a percent of all households in most of the country, but Wakefield experienced an actual *decline* in the number of families.
- Unlike the other communities in the planning sub-region, Wakefield lost population in the "under 5" age group as well and saw its public school enrollment drop since 1993.
- Wakefield's population had been, and remains, older than the other communities in the NSPC, but the other communities are now catching up. Unlike the other communities—and most of the rest of the state and nation—Wakefield *lost* population also in the "65+" age group between 1990-2000.

Table 2
Wakefield in Its Regional Context: Demographic Shifts and Housing Supply

Trend: Percentage Change	Wakefield	NSPC	MAPC
Change in Population, 1990-2000	-0.1%	4.4%	4.9%
% Population < 5 years	6.4%	6.7%	6.1%
Change, 1990-2000	-2.6%	7.7%	0.5%
% Population 5-18 years	16.2%	17.3%	16.0%
Change, 1990-2000	8.1%	16.1%	19.8%
% Population 20-34 years	18.7%	17.4%	23.1%
Change, 1990-2000	-25.4%	-27.7%	-15.8%
% Population 35-54 years	33.1%	32.5%	30.3%
Change, 1990-2000	-25.9%	-24.2%	-24.1%
% Population 65+	15.1%	14.8%	13.3%
Change, 1990-2000	-2.9%	21.7%	5.0%
% Population 85+	2.1%	1.9%	1.8%
Change, 1990-2000	33.7%	48.0%	24.2%
Median Age	38.9	38.5	36.1
Change, 1990-2000	9.2%	9.4%	9.8%
% Minority*	3.6%	7.0%	21.4%
Change, 1990-2000, in # Households	4.9%	9.5%	7.7%
Change, 1990-2000, in # Family Households	-1.2%	5.3%	3.5%
Change, 1990-2000, in # Non-family Households	20.5%	22.0%	15.2%
Change in # Housing Units, 1990-2000	4.4%	8.5%	5.0%
Change, 1990-2000, in # Occupied Units	4.9%	9.5%	7.7%
Change, 1990-2000, in # Vacant Units	-15.2%	-24.1%	-37.8%
Rental vacancy rate	1.8%	na	na
Change, 1990-2000	-55.6%	na	na
Renter Occ Units/All Occ Units	28.0%	23.5%	42.5%
* excludes "white alone, not Hispanic"			

Table 3 Trends in the North Suburban Planning Council Communities									
Trend	Burlington	Lynnfield	N Reading	Reading	Stoneham	Wakefield	Wilmington	Winchester	Woburn
Median Household Income	$75,240	$80,626	$76,962	$77,059	$56,605	$66,117	$70,652	$94,049	$54,897
Population change 90-00	-1.83%	4.46%	15.29%	5.19%	0.70%	-0.80%	21.03%	2.68%	3.66%
Population change 70-00	4.08%	6.61%	22.84%	5.19%	7.21%	-2.35%	24.92%	-6.55%	-0.40%
Single family home value, FY2001	$237,110	$313,268	$244,635	$280,965	$219,813	$208,513	$220,281	$424,857	$204,268
Appreciation since 1995*	41%	39%	39%	55%	29%	25%	45%	51%	44%
Average single family tax bill FY2001	$2,276	$4,304	$3,782	$3,796	$3,381	$2,928	$2,679	$5,570	$2,078
Increase since 1995	13%	29%	32%	21%	24%	19%	43%	31%	43%
Avg annual chg in school enroll. since ‘93	1.64%	1.79%	3.68%	3.04%	0.79%	-0.13%	2.55%	1.90%	0.79%

* Based on average assessed values of single family properties, FY 1995 to FY2001

Source: Commonwealth sources as quoted in Your Town, Boston Globe Electronic Publishing, 2001

WAKEFIELD’S ECONOMIC PROFILE

The preceding sections highlighted some of the demographic and market forces that are influencing Wakefield’s housing market, but it is important to take a closer look at the economic influences as well. *Household* [8] income in Wakefield increased by roughly 50% over the past decade, more than the 43% increase experienced by the larger metro area.

Year	Metro Area[9] Median Household Income	Wakefield Median Household Income
1990	$38,530	$43,960
2000	$55,234	$66,117

Wakefield's median *family* income also increased by 50%, from $51,815 to $77,834. Fifty-four percent of Wakefield's families had two wage earners in 2000, up from less than half in 1990; another 16% had three or more workers. The impact on a family's financial well-being of additional workers is striking: families with two wage earners earned 40% more than those with only one in 1990, and a similar pattern is expected to hold when this level of detail is released by the Census for 2000.

Wakefield's household income is somewhat lower than that of the North Suburban Planning Council communities in total, (Table 3) but by most measures its population is fairly well off, generally in the top third of the state's cities and towns. Even so, an estimated 37% of the town's families earn less than 80% of the median income for a family of four in greater Boston, making them potentially eligible—depending on family size—for housing assistance under most state and federal programs. About 8% earn less than $15,000 per year, putting them at or near the federal poverty level.

Table 4
Total Household Income
2000 Income by Age (estimate)
Wakefield, Massachusetts

Age of Head of Household	Median Income
15-24	$38,463
25-30	$50,771
30-35	$56,799
35-40	$59,051
40-45	$67,895
45-50	$78,146
50-55	$78,755
55-60	$76,716
60-65	$56,576
65-70	$36,007
70-75	$34,952
75-80	$25,140
80-85	$19,333
85+	$19,102

Source: CACI Marketing Systems

Table 4 shows the estimated distribution of household income by age of head of household. As is true in most places, heads of household in their mid-forties to late-fifties have considerably higher incomes than do younger and older heads of household, and the drop-off in income is quite dramatic for those over age seventy-five.

HOUSING MARKET CONDITIONS IN WAKEFIELD

Even though Wakefield remains relatively more diverse and affordable than many other towns, its supply of affordable housing—as noted—is being eroded on a number of fronts, and any comprehensive housing strategy will need to have as a key focus the preservation and improvement of the existing inventory:

- The housing stock is aging. Over half the town's housing is more than 50 years old. Many units need repairs, often major systems replacements. Lead paint is a problem.
- Much of the older stock is owned by elderly homeowners, who have neither the resources nor desire to upgrade. Many of these long-term residents would like to remain in town, in more appropriate accommodations. Since few such opportunities are available, they stay put—over-housed but under-maintaining their homes.
- Affordable rentals have been converted to condominium ownership, with resulting higher carrying costs. No new affordable rental housing is being built.
- Prices here, as elsewhere in the region, are rising. New construction has been predominantly targeted to the high end of the market.

HOUSING CHARACTERISTICS – EXISTING INVENTORY

The following is a snapshot of the 9,937 units of housing that the Census enumerated at the millennium:

Distribution of Housing Types -- Wakefield, Massachusetts	
Structure Type	**% of Units**
Single family (including more than 500 condos)	66%
2 family	15%
3-4 units	7%
5 or more units	13%

- Single-family homes comprise the majority of units throughout the town. There is no single district where multi-family structures predominate.
- 72% of all units are owner occupied, up from 71.1% in 1990 and 70.7% in 1980.
- 52% of Wakefield's housing units were built prior to 1950 (**Table 5**), and more than 40% are over 60 years old. The average annual growth rate has been a comparatively modest one half of one percent for twenty years[10].
- The rate of new construction has declined steadily since the 1950s.
- The town, historically, has enjoyed low vacancy rates. The 2000 vacancy rate for homeowners, 0.4%, was an increase over the 0.3% rate posted in 1990 and 1980, but still considered negligible. The rental vacancy rate was reported to be an extremely low 1.8% in 2000, down from 4.1% in 1990 and 2.8% in 1980.
- 11% of the units have one bedroom or less; 20% are two-bedroom; 33% three-bedroom; and 36% have four or more bedrooms, an extremely well balanced mix.

- The average unit size is six rooms, unchanged in thirty years, even as the average household size has dropped from 3.3 persons in 1970 to 2.52 in 2000.
- Of roughly 300 subsidized rental units, two thirds are restricted to elderly and/or special needs; only 83 of the remaining units have 2 or more bedrooms.

Table 5
Age of Wakefield's Housing Stock and Growth Rate

Year Built	Number of Units	Percent of Total	10 Year Growth Rate	Average Annual Rate
1990-2000	611	6.1%	6.6%	0.4%
1980-1989	657	6.6%	7.6%	0.7%
1970-1979	1009	10.2%	13.2%	1.3%
1960-1969	782	7.9%	11.4%	1.4%
1950-1959	1706	17.2%	33.0%	3.1%
1940-1949	1216	12.2%	30.7%	2.7%
1939 and earlier	3956	39.8%		

Wakefield has a high percentage of long-term residents, particularly homeowners. As **Table 6** indicates, over 38% of the town's homeowners in 2000 had lived in their current homes for more than twenty years, and nearly a quarter had been in the same residence for more than thirty years.

Table 6
Wakefield, Massachusetts - Length of Time in Current Home

Homeowners who lived in their current homes for:	1980 Census	1990 Census	2000 Census
15 months or less	7.80%	5.50%	7.40%
More than 15 months but less than 10 years	31.50%	29.50%	32.00%
10-20 years	23.50%	21.60%	22.40%
20-30 years	37.3%*	19.10%	14.20%
30+ years		24.40%	24.00%

* 1980 Census combined all 20+ year residents

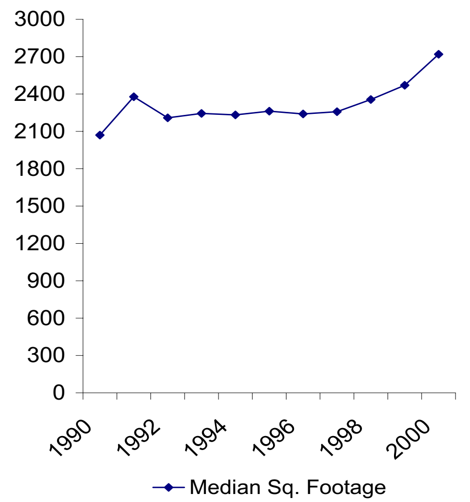
NEW CONSTRUCTION

New construction during the decade of the nineties was overwhelmingly single family and condominium ownership. The Assessing Department identified 587 units added between 1990 and 2000:

- 399 units in single family, detached structures
- 126 units in single family, attached structures (16 condominium developments ranging in size from 2 units to 26 units)
- 10 units in 5 two-family structures (though not specified as such, most likely condominiums)
- 52 units in 3 multi-family structures

While newly constructed single-family homes are increasingly larger (**Figure 1**), they have been complemented by the construction of smaller condominium units so that the overall inventory remains diverse in terms of size, as **Table 7** demonstrates.

Figure 1
Wakefield, Massachusetts
Median Size of New Single Family Homes



The new single-family development has resulted from a combination of small-scale subdivisions—generally of fewer than a dozen homes—and individual owner-built units, both constructed on vacant parcels in established neighborhoods. Some twenty-five sub-divisions were built between 1990 and 2000, ranging in size from five to forty units. Nearly 80% of the past decade's new single-family homes were sited on one quarter- to one half-acre lots, corresponding to a loss of open space: the number of parcels of vacant land in town declined by more than 30% during the same period. Recent condominium construction has also been of a relatively small scale, with half the decade's new developments containing only two units. In an earlier era, these duplex structures would have provided one rental unit with each owner occupied unit created.

Both trends—the construction of larger, higher-priced single-family homes on sites that had been passed over by previous developers, and the condominiumizing of new two-family homes—reflect market realities: high acquisition and site preparation costs limit what gets built to what will cover these expenses. The higher home prices go, the more feasible costly and difficult sites are to develop. Building lots have been selling for more than $150,000 for some time, and more recently, $200,000 listings have become the norm. That the pace of new construction in Wakefield has been much *slower* than in the region as a whole has been overshadowed by the fact that what does get built often appears overwhelming and out of character with its surroundings. This is attributable not to the size or numbers of the dwellings being created, however, but to the jarring visual impact that results when they are inharmonious with the town's traditional development patterns and/or built on marginal, but geographically prominent, sites.

Table 7 Wakefield, Massachusetts - Size of Housing Units				
Number of Rooms	1980 Census	1990 Census	New Construction Since 1990	2000 Census
1	0.8%	0.9%	0.0%	0.8%
2	2.5%	3.7%	0.0%	2.4%
3	7.4%	7.8%	0.2%	8.3%
4	15.3%	13.0%	3.3%	12.4%
5	16.2%	14.3%	9.4%	13.5%
6	25.7%	20.8%	38.7%	20.5%
7	16.7%	17.5%	29.3%	20.1%
8 or more	15.5%	22.0%	19.1%	21.8%

Three condominium developments were permitted in recent years under the State's comprehensive permit statute: Meadow View, Heron Pond and Millbrook Estates. Meadow View and Heron Pond were both approved as Local Initiative Projects, meaning their comprehensive permits were supported by the Board of Selectmen. While Meadow View resulted in the addition of seven permanently affordable homeownership units as part of a larger twenty-eight-unit development, Heron Pond moved into construction on the market-rate units but deferred construction of the affordable units. The original developer encountered financial problems and the project was foreclosed, casting in doubt its future as an affordable housing resource. A new owner has since taken over and is negotiating affordability options with the Town. The recently completed forty unit Millbrook Estates yielded ten affordable homeownership units. The lottery for these ten units drew more than 200 families.

OTHER STRENGTHS, WEAKNESSES, THREATS, AND OPPORTUNITIES AFFECTING HOUSING SUPPLY

Market forces have already contributed to a reduction in the inventory of permanent rental housing.[11] During the past decade, some 20 rental properties, containing 350 units, were converted to condominium ownership. In addition, another 25-30 two- and three-family homes were converted to condominium ownership. While no record was kept of the number of existing tenants who purchased units, anecdotal evidence suggests that only a small minority did so. During the same period, a number of rental properties changed hands. Again no records of "before and after" rents are available, but often a sale triggers an increase in rent levels. Only a handful of homes were demolished and not rebuilt during the past decade. A more common and recent phenomenon that has resulted in the loss of affordable units is the razing of older, smaller homes, and their replacement by larger ones. Six single-family and a couple of two-unit structures were created on the sites of such "tear downs."

Conversely, investment in and rehabilitation of the existing stock, or creation of new housing through the adaptive reuse of non-residential properties, as well as the addition of accessory apartments can expand housing opportunities. The town does have an accessory apartment by-law, but it has significant restrictions and it is estimated that only about a dozen homeowners have taken advantage of this ordinance to create additional units in their homes for family members. In 1999 and 2000 the Housing Authority made upgrades and renovations to its existing stock, but there is no state funding to add to that inventory. The recently announced award of twenty-three units under the highly competitive HUD Section 202 program is likely to represent the last such funding for some time.

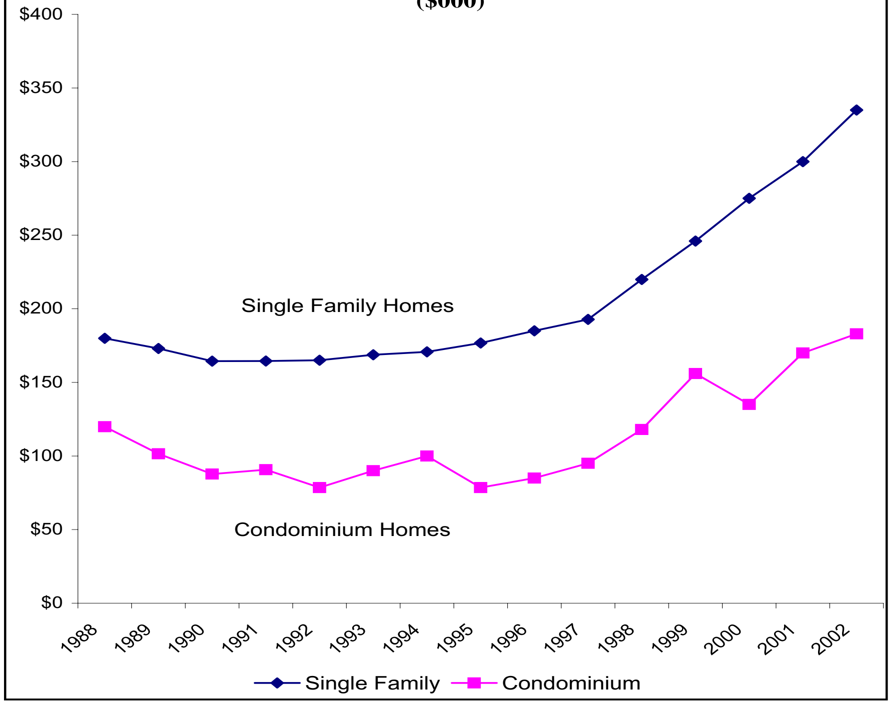
The Town-owned Montrose School, currently housing the Police Department while the new public safety facility is under construction, has been identified as a potential site for housing. Reuse options are being formulated as part of the master planning process. Additional opportunities may exist to create housing in underutilized spaces within the commercial district and through the adaptive reuse of industrial and commercial properties.

HOUSING COSTS: HOMEOWNERSHIP

Figure 2 tells the story of what has happened to home prices in Wakefield over the past ten years. The median house price has increased by more than 50% in just 4 years. The steep rise in house prices with new construction leading the market is a regional phenomenon.

Wakefield has been—and continues to be—in the middle of the pack in terms of the affordability of its single-family housing relative to neighboring communities (**Figure 3**). Median condo prices, in all communities, show much greater variation year-to-year, influenced by whether the available inventory in a given year is high-end new construction, moderately priced conversion of older rentals, etc. In general, though, Wakefield's condominium stock has been relatively more affordable than that of other communities (**Figure 4**).

Figure 2
Price Trends: Single Family and Condominium Homes in Wakefield ($000)



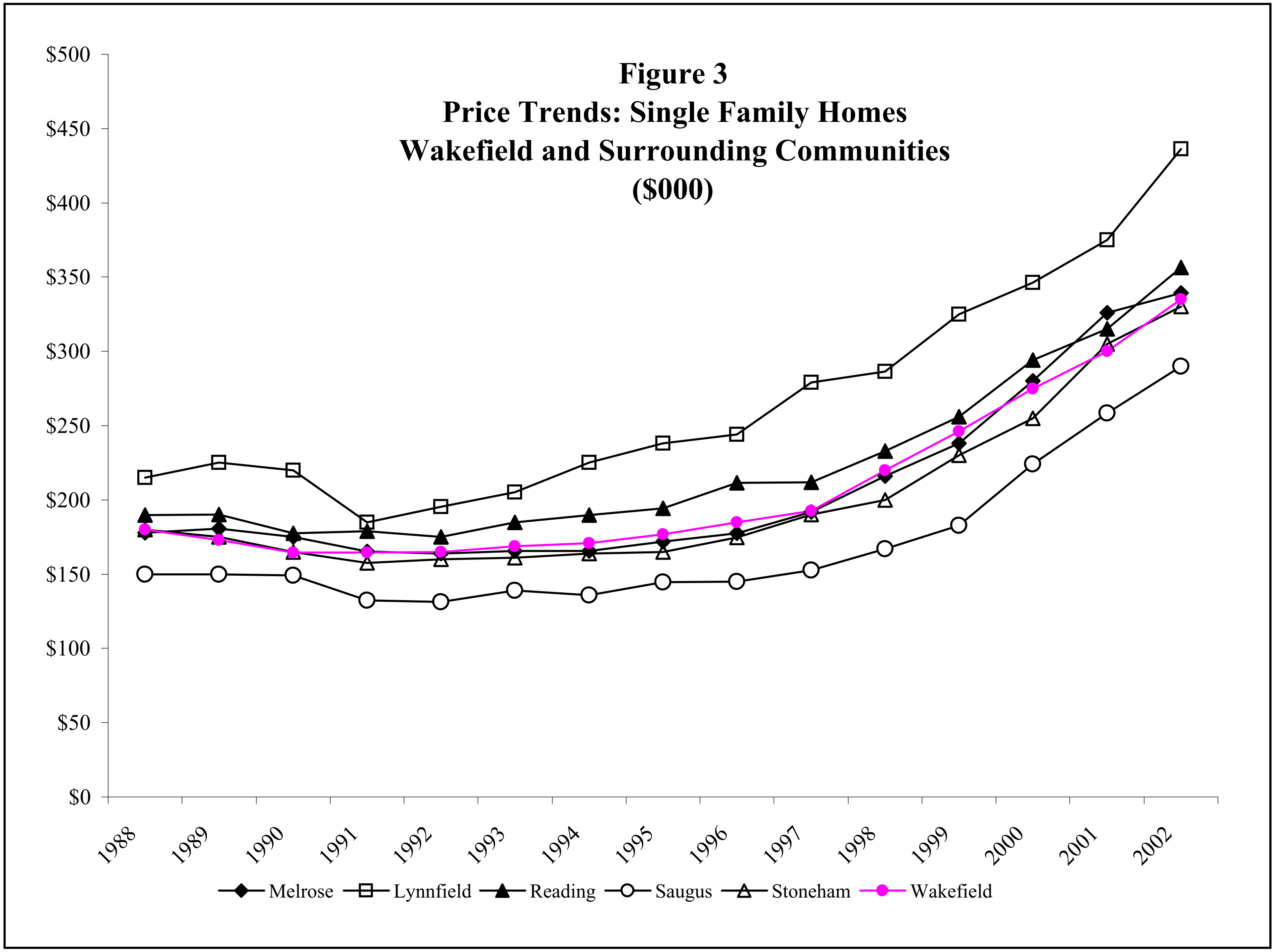


Figure 3
Price Trends: Single Family Homes
Wakefield and Surrounding Communities
($000)
$500
$450
$400
$350
$300
$250
$200
$150
$100
$50
$0
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
Melrose
Lynnfield
Reading
Saugus
Stoneham
Wakefield

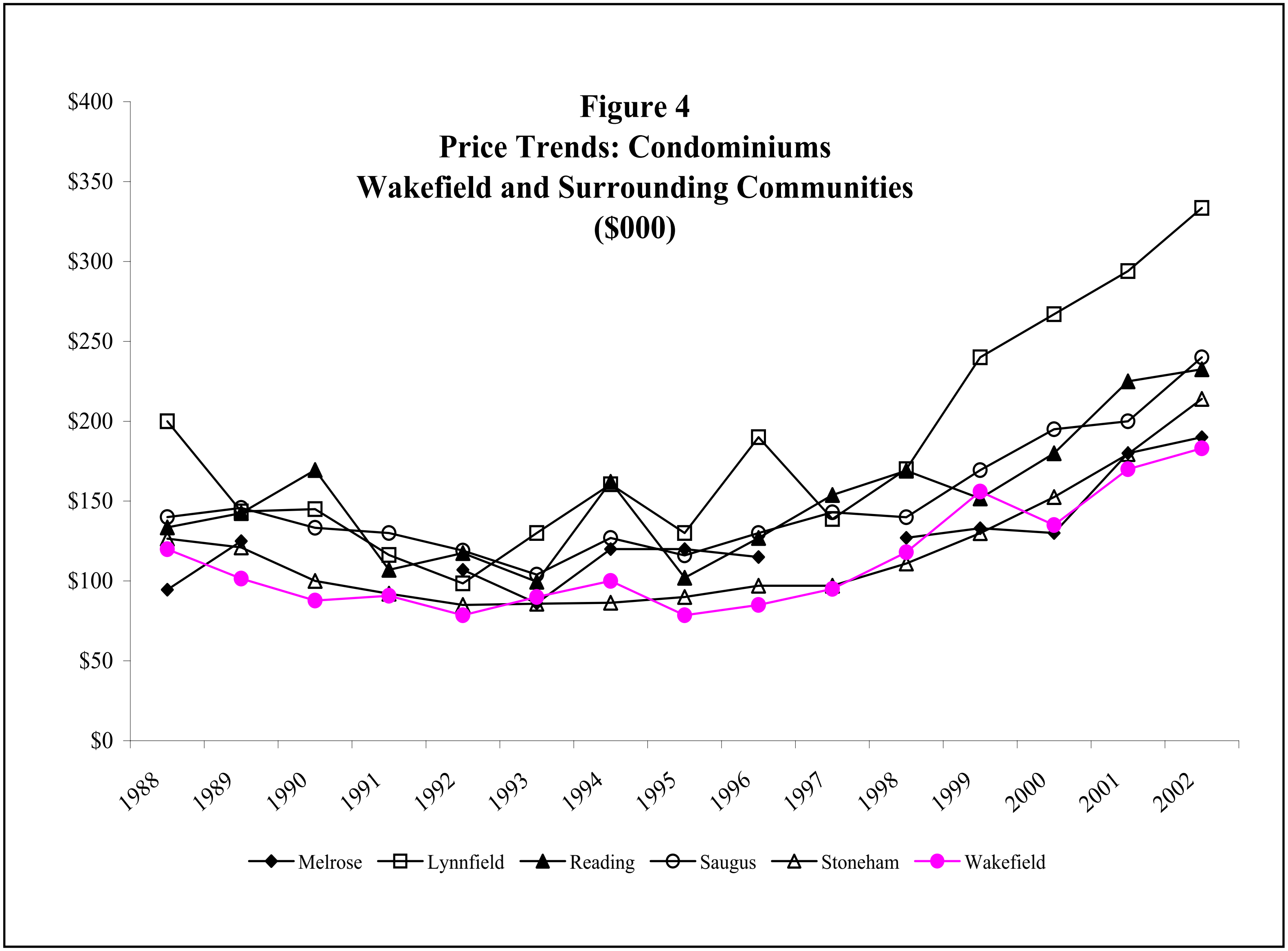


Figure 4
Price Trends: Condominiums
Wakefield and Surrounding Communities
($000)
$400
$350
$300
$250
$200
$150
$100
$50
$0
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
Melrose
Lynnfield
Reading
Saugus
Stoneham
Wakefield

Table 8 shows the price distribution of homes sold in 2000, along with the approximate incomes required to purchase. The "affordability gap" is discussed in more detail in the later section entitled "Housing Needs", but it is clear that a Wakefield family earning the town median — $77,834 — in 2000 would have had limited options. The situation has deteriorated in the years since. Declining interest rates have been offset by escalating prices: the median single family home price in 2002 reached $335,000, and would have required an income to purchase of nearly $100,000. Turnover is low: less than 4% per year for single-family homes and only 3% for 2 and 3 family homes. There is little room for negotiation; properties sell at or near (within 1-2% of) asking price.

Table 8
Wakefield, Massachusetts
Distribution of Single Family Homes Sold in 2000

Price	% of Sales in Range	Cumulative % of All Sales	Income Required to Purchase*	% of Wakefield Households with Required Income
<$100K	0.0%	0.0%	NA - $32,500	85%
$100M-149.9	0.4%	0.4%	$32,500 - $47,500	75%
$150M-199.9	6.6%	7.0%	$47,500 - $62,500	67%
$200M-249.9	25.6%	32.6%	$62,500 - $75,000	50%
$250M-299.9	31.8%	64.3%	$75,000 - $97,500	40%
$300M-349.9	15.9%	80.2%	$97,500 - $110,000	25%
$350M-399.9	8.9%	89.1%	$110,000 - $130,000	17%
$400M-449.9	6.6%	95.7%	$130,000 - $142,500	10%
$450-499.9	2.3%	98.1%	$142,500 - $160,000	7%
$500M-549.9	0.8%	98.8%	$160,000 - $172,500	5%
>$550K	1.2%	100.0%	$172,000 -	4%

*Assumes a fixed rate 30 year mortgage, 0 points, for 90% of the purchase price, including private mortgage insurance, and allowing 30% of income for PITI

HOUSING COSTS- RENTAL

Renters face an even more acute shortage of affordable options. Units are scarce, and those who have a place often stay put. More than half of all renters lease units in two- and three-family structures, most of which are owner-occupied. Historically, this form of tenancy has benefited both the landlord—often a moderate-income, or first-time homeowner—and the tenant, who frequently pays a very favorable rent and enjoys a good rapport with the landlord.

Many tenants in this situation today are long-term residents,[12] paying rents significantly below what the market now commands. When these properties sell, at prices of $290,000 and $350,000 (the median for two- and three-unit properties sold through the Multiple Listing Service in 2000 and 2001), their rental units disappear from the affordable inventory. The same holds true when larger apartment buildings change hands. **Table 9** dramatically illustrates the phenomena of the town's shrinking supply and escalating cost of rental housing.

Table 9
Wakefield, Massachusetts
Advertised Rents, 1991-2001*

Year	# Units Advertised for Rent	Average Price	
		1BR	2BR
1991	22	$600	$700
1992	18	$600	$700
1993	15	$615	$725
1994	10	$625	$750
1995	8	$650	$800
1996	6	$675	$825
1997	5	$750	$850
1998	3	$750	$900
1999	3	$775	$1,100
2000	4	$850	$1,300
2001	3	$950	$1,350

* Number of Wakefield apartments advertised for rent in The Wakefield Item, second Wednesday in August. Advertised rents included both heated and unheated units. The rents shown here are typical of those that do not include heat, but they are not necessarily the true average.

HOUSING NEEDS

The well-being of a community's housing market depends on its ability to meet the housing needs, desires and budgets of its residents. A well-balanced housing supply can accommodate a cross-section of the population in terms of age, income and tenure. This section on housing needs assesses the affordability of Wakefield's housing stock and also whether it adequately meets local and regional needs—needs which vary, depending on a household's income and characteristics. Clearly, some groups have fared worse than others in this tight housing market:

- Generally, the need for greater affordability is most acute among the poorest households renting in the private market. Often this group includes single parents and their children, large families and/or people with disabilities or special needs.
- Some fixed-income elderly are house-rich and cash poor (if homeowners) or are priced out of the market (if renters). Frequently, they are in need of supportive services. The number requiring assistance with daily living is growing exponentially as the population ages.
- Low-income homeowners are increasingly unable to maintain or make necessary repairs to their homes; some, who bought recently and are highly leveraged, are only a layoff or hospital visit away from default.
- Young adults and families are often unable to accumulate the necessary savings to purchase a home because of high rent payments. Many, who in prior years would have purchased, are precluded from doing so now because of high prices.

Some of these households simply need help with affordability, but others may also need help with:

- *Structurally adapting housing for accessibility*: Some elders and people with disabilities need accessible or adapted housing to live independently. Some families need financial assistance to adapt their current residence to meet the needs of a child, or other family member, with disabilities.
- *Support services*: Some households—including elders, people with cognitive or psychiatric disabilities, teen parents, recently homeless families, or people recovering from substance abuse—need support services to increase or maintain their capacity for independent living. Services can include access to medical or social service providers, home care, and counseling.
- *Access to homeownership*: Many households, including those whose members provide the services essential to maintaining a strong economy, cannot accumulate the down payment and closing costs, even if they can carry the monthly mortgage payment—which is often no greater than their current rent expense.
- *Home repairs and lead paint abatement*: Low-income homeowners and landlords often need financial help to maintain their units; remove lead paint, asbestos, or other toxins; and comply with housing codes.

AFFORDABLE HOUSING NEEDS OVERVIEW

More than a quarter of Wakefield's homeowners and renters were cost burdened in 2000. As would be expected, the lower the household's income, the more likely it is to be cost burdened[13] (**Tables 10 and 11**). A number of factors contribute to the affordability squeeze, including:

- The cost of housing—both rental and ownership—has increased faster than incomes.
- Increases in income have not been evenly realized across different demographic groups.
- Recent homebuyers are spending a higher percent of their incomes on housing (and also significantly more on non-housing debt).

Table 10
Wakefield, Massachusetts
Cost Burdened Households, 1980-2000

Income Level	1980		1990		2000	
	Own	Rent	Own	Rent	Own	Rent
<$10M	93.30%	73.80%	100.00%	65.90%	92.10%	70.50%
$10-19.9M	41.10%	28.70%	58.70%	86.80%	75.10%	74.60%
$20M+	7.60%	2.20%	17.90%	21.00%	18.40%	16.60%
All Households	24.60%	35.00%	24.90%	36.20%	22.40%	28.10%

Most cost burdened renters are non-elderly (under age 65); however, elderly renters are *disproportionately* cost burdened: about a third of the non-elderly renter households compared to more than half of the elderly were paying more than 30% of income for rent in 1990. In the case of homeowners, older and younger households were equally likely to be cost burdened, with about a quarter of each group paying more than 30%. This is most likely a reflection of the fact that, while the elderly have lower incomes, of which taxes and insurance consume a disproportionate amount, they are less likely to have mortgages outstanding. Younger homeowners, who have higher incomes, are more likely to be highly leveraged, and 27.7% of homeowners with a mortgage were cost burdened.

Table 11
Wakefield, Massachusetts
Cost Burdened Low- and Moderate-Income Households*

Income Level	Population	Renters	Owners	Total
< 30%	elderly	213	243	456
	non-elderly	189	119	308
	total	402	361	763
31-50%	elderly	50	139	189
	non-elderly	104	96	200
	total	154	235	389
51-80%	elderly	6	53	59
	non-elderly	179	151	330
	total	185	204	389
81-95%	elderly	49	0	49
	non-elderly	82	144	226
	total	131	144	276
Total LMI HHs (0-95% MFI) w/ cost burden	elderly	318	434	753
	non-elderly	554	510	1,064
	total	872	945	1,817

* Source: Wakefield CHAS, Table 1C

GOALS FOR AFFORDABLE HOMEOWNERSHIP

Wakefield's "housing affordability gap" was illustrated in Table 8, which showed what percent of Wakefield's *existing* households could afford to "buy in" at 2000 prices. **Table 12** narrows the impact to municipal employees, and demonstrates that most could not afford to purchase a home in Wakefield or its neighboring towns, an important consideration for emergency service providers.

Table 12 Wakefield's Home Prices vs Income Required			
2000 Home Price	% of Sales	Income Required*	Town Employees
Under $150,000	0.4%	$45,000	Examples: teachers, highway foreman, firefighters, etc.
$150-250,000	32.2%	$45,000 - $73,000	Examples: teacher with PhD, police lieut, depty fire chief
$250-350,000	47.7%	$73,000 - $102,000	Examples: Fire Chief, DPW Director, School Principal
$350-450,000	15.5%	$102,000 - $130,000	Example: School Superintendent
$450-550,000	3.1%	$130,000 - $159,000	None
Over $550,000	1.2%	$159,000+	None

* The example used in this illustration is that of a borrower with a 10% downpayment, allowed to spend 30% of income on principal, of income on principal, interest, taxes, and insurance (PITI); 30 year fixed rate mortgage @ 7.125% including pmi. A borrower making a larger downpayment, of course, will enjoy a lower monthly payment and greater affordablity. On the other hand, a borrower with significant non-housing debt (student or auto loans, credit cards) may be held to 28% of income for housing expenses, reducing affordability. The table below demonstrates the impact of such differing assumptions, underscoring the difference that flexible underwriting, homebuyer education and first-time homeowner programs can make in expanding affordability. The fact remains, however, that homeownership in Wakefield is increasingly beyond the means of many of its municipal workers and others who aspire to live there.

Income Required to Purchase a Home		
House Price	*With 28% of income allowed and 10% downpayment*	*With 33% of income allowed and 20% downpayment*
Under $150,000	$52,000	$36,000
$150-250,000	$52,000 - $86,000	$36,000 - $59,000
$250-350,000	$86,000 - $120,000	$59,000 - $82,000
$350-450,000	$120,000 - $154,000	$82,000 - $104,000
$450-550,000	$154,000 - $188,000	$104,000 - $127,000
Over $550,000	$188,000+	$127,000+

A recent study of housing costs statewide by Citizens' Housing and Planning Association (CHAPA) presented the dimensions of the affordability gap in a different way. Instead of focusing on the income required to carry the average house, it calculated the amount by which current prices exceeded the ability of a community's residents to pay.[14] In Wakefield's case, the typical (median priced) single family home in 2001 was priced more than $75,000 above what the town's typical family (one earning the median of $77,834) could afford to pay. The CHAPA study cautioned that:

"Prices in many communities are now so far beyond the means of even middle-income families to afford that a market downturn will do little to help those with low- and moderate incomes become homeowners. On the other hand, a market downturn could create real hardship for those who just recently bought and/or overextended to do so."

Perhaps the most compelling evidence of the demand for more affordable homeownership options is the 200+ families who signed up for the ten affordable housing units at the recently completed Millbrook Estates development. The Wakefield Housing Partnership assisted in the lottery, and CHAPA is the monitoring agent. CHAPA provided a ten-page deed rider restricting the maximum resale price and ensuring the units remain affordable for ninety-nine years. The process for Millbrook Estates is an effective model for all subsequent affordable housing developments.

As Long as there is a gap between regional home prices and the ability of Wakefield's residents to acquire housing, the Town of Wakefield will need a sustained effort to promote affordable housing and enforce use restrictions for the housing units that are created.

GOALS FOR AFFORDABLE RENTAL HOUSING

One indication of the need for housing for LMI individuals and families is the length of the waiting list for publicly assisted housing. Wakefield's supply of publicly assisted housing is in high demand, relatively new and in good condition. The Housing Authority owns only eight family units, however, and vacancies are rare. The estimated wait for family housing is 7-8 years, and the situation is similar in most of the surrounding communities. Local housing authority directors report that when they do have an opening it is filled with "priority" cases, e.g. households displaced by fire or natural disaster, demolition or public action, and other special categories of homeless or near homeless. Most say it has been years since they've been able to place a "working poor" family from their regular waitlist. The waiting period for elderly housing varies by development, from 1-2 years up to 7 years.

Wakefield's Housing Goals (see Projects Encouraged by the Master Plan on page 2.26) can be achieved by encouraging additional rental housing. Approvals for new developments should require the affordable units be maintained for the maximum term of years. The Town of Wakefield should monitor housing legislation and assist developers in locating programs to build and maintain affordable housing units.

HOUSING STRATEGIES FOR WAKEFIELD - GETTING TO 10%

Notwithstanding the affordability pressures and the fact that housing in Wakefield is increasingly out-of reach for its current residents and employees, the town remains one of the area's great housing opportunities, a fact that has recently drawn the attention of househunters who wish to "buy in." Wakefield is in an enviable position. The town has a number of tools, including its regulatory powers (zoning and subdivision), surplus land and buildings, the ability to apply for and receive grants, etc., that it is willing to leverage to expand affordable housing in ways that complement its other planning goals.

Wakefield has already initiated steps to address two of its most pressing housing needs—the preservation of existing affordable housing and the addition of housing with supportive services—with the extension of affordability restrictions at Colonial Point and the award of 23 units of Section 202 funding. Other initiatives involve:

- New mixed income rental housing
- First time homebuyer assistance programs: soft second mortgages, down payment assistance, purchase/rehab loans
- Expansion of home repair programs
- Additional new units for first time buyers (locally initiated or supported projects)
- Adaptive reuse of non-residential properties
- Mixed use in commercial districts
- Inclusionary zoning

Wakefield should also make every effort to have all of the Town's affordable units documented and counted by the Commonwealth toward the 10% objective. There are currently many accessory apartments, both documented and undocumented, that should be qualified as counting toward the 10% requirement.

GETTING TO 10%

The Town has embraced the goal of having 10% of its year round housing stock eligible for inclusion on the State's Subsidized Housing Inventory, the so-called 40B list. On the most recent inventory (dated April 24, 2002 and based on units qualified as of October 1, 2001) Wakefield was at 4.4%.

40B Goals for the Master Plan				
2000 Census: Housing Units in Wakefield		***9914***		
10% Requirement		***992***		
		Additional	**Cumulative**	
	Location	**# Units**	**# Units**	**% Affordable**
Existing Unit Count			440	4.44%
Existing Units that Could Be Counted				
	Millbrook Estates	10		
	Nahant Street	2		
	Water Street Lodging House by Caritas	26		
	Group Homes	66		
	Completed CD Funded Rehabs	20		
		124	564	5.69%
Proposed Projects Submitted for Reviews				
	Wakefield Crossing (11 Lake Street)	16		
	Parker Road Conversion	2		
	Housing Authority (202 Proposal)	23		
	CD Rehabs with FY2000 Funds	3		
	CD Rehabs with FY2003 Funds	11		
	Nahant St. Group Home (4 units funded by CD)	8		
		63	627	6.32%
Projects Encouraged by Master Plan				
	Colonial Point (2nd Building)	224		
	Hopkins Street (Granite Circle)	144		
		368	995	
Total Affordable (Units and Percentage)			995	10.04%

Note: Once Wakefield reaches 10%, the implementation of an inclusionary zoning bylaw will allow the Town to maintain the 10% affordable standard.

HOUSING STRATEGIES MAP

Hopkins Street/Granite Circle
Type D4
144 units new rental housing

Colonial Point
Type D4
224 units new rental housing

North Avenue
Type D3
200 units new rental housing

Housing Authority 202 Proposal
Type D2
23 units new rental housing

Wakefield Crossing
Type D4
134 units new condominium housing
16 affordable units

Appendix 1
Regional Affordable Housing Report Card

City/ Town	Total Year Round HUs	DHCD Subsidized Units(1)	% Subsidized Units	10% State Goal	Deficit	% of Subsid-ized units for <80% MFI(2)	# of Subsid-ized units for <80% MFI for families(3)	Population in Group	Executive Order 418 Year 1 Certification Results	
									New affd units/ all new units	# Proactive Steps
Lynn	34,569	4,323	12.5%	3,457	-866	84.6%	1,917	738	71/73HO, 20/ 20R(5)	18
Lynnfield	4,249	78	1.8%	425	347	100.0%	6	0	0/0	9
Malden	23,561	2,585	11.0%	2,356	-229	79.8%	893	379	46/64HO, 134/ 324R	11
Medford	22,631	1,586	7.0%	2,263	677	75.5%	592	536	2/2HO, 1/1R	9
Melrose	11,200	777	6.9%	1,120	343	100.0%	17	291	5/11HO	13
Middleton	2,337	125	5.3%	234	109	100.0%	12	1,357	Did not submit for certification	
North Reading	4,839	47	1.0%	484	437	100.0%	7	113	41/70HO	3
Peabody	18,838	1,278	6.8%	1,884	606	93.9%	117	535	0/0	18
Reading	8,811	387	4.4%	881	494	81.9%	10	146	0/0	8
Revere	20,102	1,798	8.9%	2,010	212	84.5%	534	255	31/32HO, 72/72R	17
Saugus	10,111	600	5.9%	1,011	411	100.0%	109	160	Did not submit for certification	
Stoneham	9,231	494	5.4%	923	429	100.0%	72	282	32/47HO	9
Wakefield	9,914	440	4.4%	991	551	70.0%	83	213	80/123HO	7
Wilmington	7,141	367	5.1%	714	347	58.3%	128	247	98/108HO	17
Winchester	7,860	141	1.8%	786	645	100.0%	11	370	0/0	10
Woburn	15,312	877	5.7%	1,531	654	70.0%	399	100	82/137HO	9
TOTAL	176,137	15,903	9.0%		1,711	84.0%	2,990	4,984		

Lynn and Malden account for:
43.4% of all DHCD subsidized units
Lynn alone accounts for:
27.2% of all DHCD subsidized units

(1) From preliminary 2001 DHCD inventory
(2) Update of 1999 inventory
(3) Market rate units in mixed income developments and 1 BR units excluded
(4) Those enumerated in 2000 Census as “institutionalized in group quarters”
(5) “HO” Home Ownership, “R” Rental

[1] The Comprehensive Permit Law (Chapter 774, or MGL Chapter 40B) provides two tools to facilitate the development of subsidized housing: 1.) it requires all communities to use a streamlined review process for such proposals, including requests for zoning and other local regulatory waivers, and 2.) if less than 10% of a community's year round housing stock meets the statute's definition of low- and moderate-income housing, a State Housing Appeals Committee can overrule an adverse local decision unless the proposed development presents serious health or safety concerns that cannot be mitigated. The types of housing programs and financing mechanisms that constitute a subsidy for purposes of determining whether a community has met the 10% threshold have been subject to modification over time.

[2] Another 62 units have been approved, or are before the Zoning Board of Appeals. As part of this master planning process, sites, funding sources and a timetable have been identified for the additional units required to bring the town to the 10% threshold.

[3] Most of these, it is believed are single room occupancies, with shared kitchen and bathroom facilities.

[4] Until 1998, all federal agencies adhered to these definitions of low- and moderate-income; 80-110% was considered middle-income. Since that time, however, HUD has begun to call 30% of median, extremely low-income; 50%, very low-income; 80%, low-income; and 95%, moderate-income. It now targets its resources to those with extremely low-incomes. For purposes of this report, the more widely accepted 80% LMI standard is used, unless otherwise noted.

[5] Andrew Sum, The Center for Labor Market Studies of Northeastern University, quoted in "The Story of Household Incomes in the 1990s," MassINC, March 2001.

[6] By comparison, right before the market began its 1989 freefall, Massachusetts' median housing price was almost 90% higher than that of the nation and its median household income was 25% higher.

[7] The overall drop in this age group was predictable, reflecting as it does the aging of the post-war generation. In 1990, this cohort included those born between 1956 and 1970; by 2000, it included those born between 1966 and 1980. The "baby boom generation" is typically considered those born between 1946 and 1964. What is problematic for the region is that it is increasingly disadvantaged relative to other areas of the country. The Rocky Mountain states, by comparison, gained workers in this age group during the same period—some 600,000, nearly the number the New England states lost—and those states saw overall payroll levels increase by 32%. Andrew Sum, The Center for Labor Market Studies of Northeastern University.

[8] A *Household* is defined as any group of people living in a single housing unit, and includes single persons living alone or in groups and multiple families living together as well as familes (the more limited category that is profiled under *Family Income)*.

[9] CACI calculates median household income at the Consolidated Metropolitan Statistical Area (CMSA) level. The Boston CMSA includes the Boston, Worcester, Lawrence, Lowell, and Brockton metropolitan areas.

[10] Source: Unless otherwise noted, data are from the 2000 Census.

[11] The modest 2% increase between 1990 and 2000 in number of renter-occupied units (versus a 6% increase in owner-occupied units) most likely represents renters living in investor-owned single family or condo units that may at any time be sold to liquidate the investment. In recent years, investor purchases represented between 15-30 transactions a year in town.

[12] More than 21% of Wakefield's renters had lived in the same unit for more than ten years at the time of the 2000 census, and only 26% were recent movers (fifteen months or less in their current location).

[13] Many housing analysts believe that the 30% yardstick by which the government measures housing affordability is inappropriate. They suggest that it is unrealistic to think that large families and/or those with the lowest incomes can meet basic non-housing needs at a minimum level of adequacy if 30% of their income is earmarked for housing. Conversely, they suggest that smaller, or more affluent households, can quite reasonably pay more than 30%, and still have adequate resources available for non-housing necessities. Michael Stone, a professor at the University of Massachusetts and a leading researcher on the subject, has devised an alternative sliding scale to measure "shelter poverty." According to this standard, the affordability gap in Wakefield—and throughout eastern Massachusetts—is much greater than represented here.

[14] Allowing 30% of income for principal, interest, taxes and insurance payments.