

Watertown Affordable Housing Trust
Strategic Plan for 2024 2025

Watertown’s Housing Plan (2021-25) contains six goals and 25 strategies. In order to establish its priorities, this strategic plan identifies the Watertown Affordable Housing Trust’s primary initiatives for the coming year:

(1) The Trust’s highest priority continues to be promoting a pipeline of projects eligible for federal/state funding. This will require identification of feasible sites, affordable development partners, and local funding sources. These projects may be 100% affordable or be sufficiently mixed income to qualify for federal/state funding.

(2) The Trust will assist the Department of Community Development and Planning on a consultant-conducted study to assess and propose incentives to increase/deepen affordable housing production.

(2)(3) The Trust will continue the Housing Partnership’s work in developing and propos~~e~~ing a draft zoning amendment ordinance allowing accessory dwelling units.

~~In keeping with the City’s current effort to assess Watertown Square zoning and comply with the MBTA Communities law, the Trust will develop and propose ways that zoning changes can promote the creation of affordable housing in this area.~~

(3)(4) The Trust will develop a Housing Plan for 2026-2030).

The Trust’s work in 2025~~4~~ will also include continuing responsibilities, such as reviewing project proposals that include inclusionary zoning units, Watertown’s participation in the WestMetro HOME Consortium, consideration of ways to support affordable housing projects by others (e.g., the Watertown Housing Authority), and additional policy recommendations as needed.

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DRAFT HOME ANNUAL ACTION PLAN FY25

Watertown Components

WestMetro Prompts Highlighted Draft language for FY26 Highlighted

Public Participation:

1. Update local approval meeting.

Community	Type of Outreach	Summary of Response	Summary of Comments	Summary of Comments not accepted
Watertown	Public Meeting	Meeting of the Watertown Affordable Housing Trust on { January 21, 2025 }	Housing Trust reviewed and approved the FY26 (FFY25) Annual Action Plan	

2. Please make any necessary updates to the local citizen participation process for HOME.

The Watertown Affordable Housing Trust uses email to announce its meetings and agendas. The Watertown components of the FY26 (FFY25) Annual Action Plan were reviewed and approved by the Trust on January 21, 2025.

AP-15 Expected Resources

1. Explain how federal funds will leverage additional resources (private, state, and local funds), including a description of how matching requirements will be satisfied.

Please update the FY2025 narrative below

FY25:

The City of Watertown is trying to identify a site for an affordable housing development and expects that it will use both local and HOME resources to leverage state and private funds. The City's Affordable Housing Trust has relatively limited funds under its control at the present time, making its HOME allocation and program income a key element in any local match. The Trust can also apply for Community Preservation Act funding to assist with a local match.

DRAFT FY26

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making its HOME allocation and program income a key element in any local match. The Trust (or project applicant) can also apply for Community Preservation Act funding to assist with a local match.

AP-35 Projects

FY25: No projects listed.

DRAFT FY26

Watertown Projects / Programs	\$ 110,585.00
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Watertown expects to commit its projects/programs funding in FY26 to one or more of the following projects and may issue a competitive call for project proposals: 1) 1060 Belmont Street as part of recapitalization of an existing 18-unit project with HOME-assisted units; 2) Willow Park redevelopment, creating 178 affordable units; and 3) 103 Nichols Avenue, creation of a group home for five individuals with disabilities.

AP-55 Affordable Housing

1. Update your community's efforts to support the development and preservation of affordable housing. (Please be concise – IDIS has a character count limit)

Please update the FY2025 narrative below

FY25:

The Watertown City Council adopted a five-year housing plan in March 2021. The plan contains goals and strategies to create and preserve affordable housing for various income levels (below 80% area median income and below 60% area median income) and for seniors and individuals with a disability. One of the plan's themes is creating a pipeline of 100% affordable or mixed-income projects since nearly all the City's new affordable units have been generated by its Inclusionary Zoning requirements and production of substantial amounts of multifamily housing. Since September 2022, when Affordable Housing Trust officially replaced the Housing Partnership, its focus has been on creating the pipeline of affordable or mixed-income projects. The Trust has been in contact with the owners of several potential sites and is continuing to look for its first affordable housing site.

Watertown adopted an affordable housing "linkage fee" on new commercial development in April 2023. However, since payments are made when buildings are ready for occupancy, the benefit of this funding will be realized in future fiscal years.

DRAFT FY26:

Since September 2022, when the Watertown Affordable Housing Trust officially replaced the Housing Partnership, its focus has been on creating the pipeline of affordable or mixed-income projects. The Trust has been in contact with the owners of several potential sites and is continuing to look for its first affordable housing site. Meanwhile, the Watertown Housing Authority, in partnership with Preservation of Affordable Housing, has made significant progress on its redevelopment plans for Willow Park. The Affordable Housing Trust has granted \$400,000 for pre-development activities and the Watertown Community Preservation Committee has recommended a \$ 4 million grant for construction costs to the City Council.

AP-75 Barriers to affordable housing

1. Update your community's plans to remove or ameliorate public policies that serve as barriers to affordable housing (these include land use controls, tax policies, zoning ordinances, building codes, fees and charges, growth limitations).

Please update the FY2025 narrative below

FY25:

The five-year housing plan approved by the Watertown City Council in March 2021 recommended that the City continue to consider changing zoning that might serve as a barrier to affordable housing. The City began a planning process for Watertown Square in September 2023; the consultant team is expected to recommend zoning changes (including by right multifamily zoning that complies with the State's MBTA Communities law). The 2021 plan also included the creation of an accessory dwelling unit (ADU) ordinance. During 2022, the Watertown Housing Partnership worked on language to allow ADUs by right in single and two-family structures. The Affordable Housing Trust will likely revisit this discussion in FY25.

DRAFT FY26:

Watertown approved new zoning for Watertown Square in November 2024. The zoning changes included a by right multifamily zoning district exceeding required compliance with the State's MBTA Communities law, as well as incentives for affordable developments. The incentives include additional height and lower parking requirements for affordable developments (defined as developments with 50% or more deed-restricted affordable units at/below 80% of AMI).

During the second half of FY25 and the first half of FY26, Watertown will commence and complete a consultant-led study of affordable housing incentives. This study will include city-wide incentives for affordable development and incentives for more and deeper affordability in

market rate developments. Separately, Watertown will be developing a new accessory dwelling unit (ADU) ordinance.

AP-85 Other Actions

1. Please update your community's planned actions to foster and maintain affordable housing (FY25 narrative below)

FY25:

In December 2023, the City of Watertown approved use of \$84,428 to assist an elevator replacement project for Marshall Place, with 11 elderly housing units. The replacement is likely to be completed in FY25.

DRAFT FY26

Watertown expects to develop its Housing Plan for 2026-2030 during FY26.

2. Please update your community's planned actions to reduce lead-paint hazards (FY25 narrative below)

FY25:

The City of Watertown and local nonprofit Metro West Collaborative Development provide information about lead based paint to households as requested. All HOME assisted units are certified lead-free.

DRAFT FY26:

Same.

3. Please update your community's planned actions to develop institutional structure (FY25 narrative below)

FY25:

The City's new Affordable Housing Trust began operation in September 2022. The Trust has increased the City's capacity to create and preserve affordable housing by adding an entity with the authority to engage in real estate activities.

DRAFT FY26:

Watertown's Affordable Housing Trust began operation in September 2022. The Trust has increased the City's capacity to create and preserve affordable housing by adding an entity with

the authority to engage in real estate activities. In addition, the City Council is planning to increase the institutional structure for human services, with implementation likely in FY26.

AP-60 Public Housing

1. Update actions planned during the next year to address the needs of public housing.

Please update the FY25 narrative below

FY25:

The Watertown Housing Authority is in the midst of a two-phase project to make major building additions/site improvements to the McSherry Gardens 40-unit complex. Construction relating to Phase I started in July 2023. Building improvements include providing handicap-accessible living and community spaces and new kitchens and floors in one building (eight units). Site improvements include underground utilities, grading, paving, landscaping, site lighting and stormwater management. The total development cost is estimated to be around \$5 million. In December 2023, the WHA received an ARPA award from the City (\$1.6 million) for Phase II. This phase, which would replace the kitchens and floors in the remaining 32, will start in FY25. With rising construction costs, the WHA may require additional funds for this phase.

The WHA expects to complete predevelopment work on a 5-bedroom group home affordable at 60% Area Median Income for individuals with developmental disabilities. \$175,000 in CPA funds were awarded last year for engineering and architectural design to produce construction and bid documents. To facilitate this development, the land (now vacant) was conveyed in November 2023 to the 103 Nichols LLC (the WHA is sole shareholder).

The WHA also expects to be undertaking predevelopment work on a major revitalization of Willow Park, which consists of 60 units in 6 three-story buildings. The WHA issued an RFP in November 2023 for a development partner to help 1) plan/design/finance the project , and 2) lead a zoning/construction and delivery strategy. The project's intent is to replace the 60 existing units at the same affordability levels (with tenants having a right to return and receiving assistance with temporary relocation) and add units.

DRAFT FY26:

The Watertown Housing Authority is expected to start Phase II of its plan to make major building additions/site improvements to the McSherry Gardens 40-unit complex. Phase I included handicap-accessible living and community spaces and new kitchens and floors in one building (eight units), as well as site improvements. In December 2023, the WHA received an ARPA award from the City (\$1.6 million) for Phase II. This phase, which would replace the kitchens and floors in the remaining 32, is expected to start in late FY25 or FY26.

The WHA obtained zoning approval in January 2025 for a 5-bedroom group home affordable at 60% Area Median Income for individuals with developmental disabilities. The WHA expects to apply for CPA and possibly state funding in FY26.

The WHA hopes to obtain zoning approval of a major redevelopment of Willow Park in the second half of FY25 and state funding approval in FY26. The existing complex consists of 60 units in 6 three-story buildings. The project will replace the 60 existing units at the same affordability levels (with tenants having a right to return and receiving assistance with temporary relocation) and add 78 affordable units.

2. Update actions to encourage public housing residents to become more involved in management and participate in homeownership.

Please update the FY2025 narrative below

FY25:

The Watertown Housing Authority has an active Local Tenant Association (LTO) and Resident Advisory Boards (RABs) in the family and elderly developments. The Authority communicates all capital needs and operational issues to all the resident groups. In 2022, the Authority completed a state-of-the-art learning center located at Lexington Gardens for its family residents. During FY25, the WHA will continue to use the learning center to help families move-out of public housing. Programming will continue to include enrichment for children and training for adults to lower their debt, improve their credit score, and increase overall household income.

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The Watertown Housing Authority has an active Local Tenant Association (LTO) and Resident Advisory Boards (RABs) in the family and elderly developments. The Authority communicates all capital needs and operational issues to all the resident groups. In 2022, the Authority completed a state-of-the-art learning center located at Lexington Gardens for its family residents. During FY26, the WHA will continue to use the learning center to help families move-out of public housing. Programming will continue to include enrichment for children and training for adults to lower their debt, improve their credit score, and increase overall household income. The Willow Park redevelopment plans also include a new learning center.

AP-65 Homeless and Other Special Needs Activities - 91.420, 91.220(i)

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including:

4. Helping low-income individuals and families avoid becoming homeless, especially

extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

Please update or add to the FY2025 narrative below

FY25:

The City of Watertown approved use of \$233,750 in ARPA funding for a Direct Assistance program led by Metro West Collaborative. The program will provide one-time rental and other cash assistance to households at/below 60% of area median income; it estimates that 80 households can receive \$1,000/person (with a \$3,000 cap per household). Applicants would provide documentation of their bills and directly receive the required assistance. The City also approved use of \$317,466 in ARPA funding for a full-time Social Service Resource Specialist for three years to assist clients with mental health, housing, and homelessness issues.

DRAFT FY26

In 2023, the City of Watertown approved use of \$317,466 in ARPA funding, to hire a full-time social service resource specialist for three years, to assist clients with mental health, housing, and homelessness issues.

If the City is planning on changes to Watertown's guidelines for resale or recapture of HOME funds when used for homebuyer activities, please notify me. Otherwise, Newton will continue to use guidelines that were in place last year.

FY26: Below are non-substantive changes (highlighted in green)

Watertown, on any new projects using HOME funds, through the Watertown Affordable Housing Trust, uses the Commonwealth of Massachusetts Capital Improvements Policy and Procedures. Watertown uses a recapture provision which requires the HOME loan recipient to repay the loan, and, in some cases, a pre-payment penalty and a share in the appreciation in the project from the proceeds of the sale. The Period of Affordability Chart identified in the beginning of Section 1 will apply.