

FY23 (HM22) Annual Action Plan Template - HOME

NOTE: THE ANNUAL ACTION PLAN CONTAINS TEXT RELATING TO EACH OF THE WESTMETRO COMMUNITIES. THE DRAFT BELOW ONLY RELATES TO WATERTOWN. THE YELLOW HIGHLIGHT IS THE TEMPLATE; THE DRAFT IS A REDLINE OF THE FY22 ANNUAL ACTION PLAN.

AP-10 Consultation

1. **In the provided excel file**, update agencies, groups and organizations who participated in the process. **Please include your Conservation Commission if they have been consulted about upcoming HOME projects.**
2. **In the provided excel file**, update local/regional/state/federal efforts considered when preparing the AAP.

AP-12 Participation

1. **Update your community's citizen participation process narrative below.**

In Watertown, the Watertown Housing Partnership serves as the City's policy body, whose volunteer members are appointed by the city manager to oversee the development and preservation of affordable housing in Watertown. The Partnership uses email to announce its meetings, as well as agenda postings. The Partnership approved the Watertown components of the FY23 (FFY22) Annual Action Plan.

1. **In the provided excel file**, update your community's citizen participation outreach and efforts.

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 FY2022 narrative below

Watertown opened its initial Community Preservation Act (CPA) funding round in fall 2021. The first awards will be made in spring 2022. The City enacted a two percent surcharge, and has created the property assessment and taxation infrastructure to collect and sequester these funds. It presently has over \$ 10 million in the CPA reserve and the expected annual revenue stream is over \$2 million. The CPA funds can be used for future projects, thereby leveraging federal HOME funds. In addition, the City has approximately \$269,000 in its Affordable Housing Trust Fund generated by cash-in-lieu payments for affordable Inclusionary Zoning units.

1. **If appropriate, describe publically owned land or property located within the**

jurisdiction that may be used to address the needs identified in the plan

Please update the FY2022 narrative below

AP-20 Annual Goals and Objectives

1. **In the provided excel document**, please update your community's annual goals and outcomes for FY23 (HM22).
2. Please include a brief narrative by updating or adding to the following information. Narrative under "Goal" refers to projects that will be complete and closed-out in IDIS in FY23 (this should match with the outcomes in the excel spreadsheet). "Ongoing progress" refers to projects that are advancing but will not be complete in FY23.

HOME Consortium Goals

Goal: Tenant Based Assistance for Rental Housing

Goal: Rehabilitation of Existing Units

Watertown amended its FY22 WestMetro HOME Consortium Annual Action Plan to authorize the allocation of \$145,897.85 of Watertown's FY19 HOME Program Income funds towards the necessary elevator replacement at St. Joseph's Hall/2 Rosary Drive, a senior affordable housing project, contingent on HUD approval of the project's request for "troubled project" status to allow further HOME funding.

Goal: Production of Affordable Units

Watertown does not have any pending HOME supported projects that will be completed in FY23 (FFY22) and expects to rely on its Inclusionary Zoning, the Affordable Housing Development Fund and Community Preservation Act funds to create additional affordable units. The City may seek to use HOME funds in FY23 to identify and evaluate potential affordable housing sites. In addition, an existing HOME-assisted development may apply in FY23 to use HOME funds for necessary capital improvements.

AP-50 Geographic Distribution

1. If your community has created a geographic target area for the allocation of HOME funds please describe the areas that will receive assistance.

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 FY2022 narrative below

The Watertown Housing Partnership approved a new five-year housing plan in December 2020 and the City Council adopted it 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 virtually all of the City’s new affordable units have been generated by its robust Inclusionary Zoning requirements and production of substantial amounts of multifamily housing. In November 2021, the Council approved formation of a municipal affordable housing trust to help create and preserve affordable housing. The city manager, who will be one of the seven trustees, must appoint the remaining trustees to complete the trust’s formation.

2. Complete the tables below:

NOTE: The following numbers should be based upon projects that are expected to be **CLOSED OUT IN IDIS** in FY23 (between July 1, 2022 and June 30, 2023). The first two rows in each table provide a sample.

One Year HOME Program Goals by Households					
Project Name	Rental Assistance	Production of New Units	Rehab of Existing Units	Acquisition of Existing Units	Total
<i>TBRA program</i>	<i>5 households</i>				
<i>14 Court Street</i>		<i>1 household</i>			

One Year HOME Program Goals by Households					
Project Name	Homeless	Non-homeless	Special Needs	Other	Total
<i>TBRA program</i>	<i>5 households</i>				
<i>14 Court Street</i>			<i>1 household</i>		

AP-60 Public Housing

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

Please update the FY2022 narrative below

The Watertown Housing Authority is working with HUD to “reposition” its 50 federal public housing units using Section 18 of the Federal Housing Act of 1937 (42 U.S.C. § 1437p). In October 2021, HUD approved converting these units into 50 Section 8 vouchers; the repositioning will likely become effective during the first half of 2022. During FY23, the WHA will continue planning for use of the new resources to provide long-term sustainability for this wing of the E. Joyce Munger Apartments and therefore benefit its tenants. The WHA received zoning approval in November 2021 for three building additions/site improvements to provide handicap-accessible living and community spaces in the McSherry Gardens 40-unit complex. The WHA will be working to advance this project during FY23. Finally, the WHA applied to the City’s Community Preservation Committee for up to \$1.5 million to create special needs housing units on vacant land at 103 Nichols Avenue. If the WHA is able to obtain a CPA award, it will be able to advance this project in the next fiscal year.

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

Please update the FY2022 narrative below

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 plans and operational issues to all the resident groups. The Authority will be completing a new state-of-the-art Learning Center for its family residents in 2022, with a price tag of close to \$900k. The Learning Center will provide programming for children while also training adults to lower their debt, improve their credit score, and increase overall household income with the goal of helping families move-out of public housing.

3. If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

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:

- 1. Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

Please update or add to the FY2022 narrative below

- 2. Addressing the emergency shelter and transitional housing needs of homeless persons**

Please update or add to the FY2022 narrative below

- 3. Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

Please update or add to the FY2022 narrative below

- 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 FY2022 narrative below

The Watertown Housing Partnership (WHP) launched an emergency rental assistance program in September 2020. The program seeks to avoid evictions and prevent homelessness. The WHP initially committed \$175,000 to assist Watertown residents struggling to pay rent because of economic loss related to COVID-19. Eligible households were required to have incomes below 80% of area median income and were not eligible if they had another form of public rental assistance. Households could receive assistance for up to 3 months, with the amount of money varying by bedroom configuration. The WHP voted in December 2020 to commit a further \$100,000 to this program and amended program guidelines to include recipients of other forms of public rental assistance and allow tenants to renew for a further three months. HOME resources were not used for this program. While program funding ran out in December 2021, the Watertown Community Foundation is currently using a state grant to fill this gap. The City is reviewing options for 2022.

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 FY2022 narrative below

The five-year housing plan approved by the Watertown City Council in March 2021 recommends that the City continue to consider changing zoning that might serve as a barrier to affordable housing. In the last five years, Watertown has created new opportunities for mixed use development (including multifamily housing) along two major corridors (Pleasant Street and Arsenal Street) and substantially reduced parking requirements for multifamily projects. The new plan suggested that Watertown consider developer incentives to create units with lower rents, encourage more development in close proximity to high-frequency bus lines and local retail employment, and pass an accessory dwelling unit ordinance. The WHP has been working on language to allow ADUs by right in single- and two-family structures.

AP-85 Other Actions

1. Please update your community's planned actions to foster and maintain affordable housing (FY22 narrative below)
2. Please update your community's planned actions to reduce the number of poverty-level families (FY22 narrative below)
3. Please update your community's planned actions to reduce lead-paint hazards (FY22 narrative below)

Watertown's social services coordinator 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.

1. Please update your community's planned actions to develop institutional structure (FY22 narrative below)

As discussed earlier, Watertown's City Council authorized formation of a municipal affordable housing trust in November 2021. Forming such a trust will increase the Town's capacity to create and preserve affordable housing by adding an entity with the authority to engage in real estate activities.

POTENTIAL HOUSING PRIORITIES FOR ARPA FUNDING

For discussion purposes only 2/15/22

Id	Housing Priority	Strategy	Specific Example	Potential Cost	Timeline
1	Production of new affordable units	2A	Allocation to affordable housing trust for pre-development activities, with condition that funds support units at/below 65% AMI	\$1M or more	Commitment in 2022, use by 12/31/2026
2	Deepening affordability of new affordable units	2C	Work with developer to shift inclusionary units from 80% to 65% AMI thresholds	\$200,000-300,000 per unit	Commitment and use by 12/31/2024
3	Critical capital improvements for public housing	2B	WHA needs funding for critical building and site improvements at McSherry Gardens	Phase 1: \$643,000 Stormwater: \$250,000 Phase 2: \$1.5M+	Commitment in 2022, use by 12/31/2026
4	Critical capital improvements for other affordable developments	5C	Marshall Place needs funding for critical building improvements, e.g. for elevator replacement and accessibility	\$225,000 or more	Commitment and use by 12/31/2024
5	Rental assistance	5D	Program targeted at below 65% AMI	\$600,000 over 3 years	Commitment in 2022, use by 12/31/2024
6	Counselling to promote housing stability	5D	Case worker to assist tenants, e.g. by identifying resources and developing realistic plan	\$150,00-180,000 over 3 years	Commitment in 2022, use by 12/31/2024

ARPA Funding

WATERTOWN HOUSING PARTNERSHIP MEETING

JANUARY 18, 2022

What is ARPA?

The American Rescue Plan Act (ARPA) includes funding for state, county & local governments responding to the COVID emergency

ARPA money must be committed by the end of 2024 and spent by the end of 2026





What will Watertown receive?

- Municipal allocation: \$10.74M
- This includes the Middlesex County re-allocation (based on population) but not State or HOME ARP funding
- This compares to \$88M for Cambridge, \$77.5M for Somerville, \$63.6 for Newton, \$35.2M for Arlington, \$34.95 for Waltham, \$34.2 for Brookline, and \$7.8M for Belmont

HOME-ARP funding

The WestMetro HOME Consortium must propose an allocation plan for the \$5.4M

HOME-ARP funds can be used for four eligible activities:

- Production or Preservation of Affordable Housing
- Tenant-Based Rental Assistance
- Supportive Services, Homeless Prevention Services, and Housing Counseling
- Purchase and Development of Non-Congregate Shelter



Eligible Uses—statutory categories

Responding to public health emergency or its negative impacts

Providing pay or grants to essential workers

Providing public services impacted by lost revenue

Investments in water, sewer & broadband

*These 4 categories include seven “summary expenditure categories”: public health, negative economic impacts, services to disproportionately impacted communities, premium pay, infrastructure, revenue replacement and administrative.



Final Rule: Overview

The U.S. Treasury Rule creates presumptions to avoid detailed local fact-finding as to whether certain populations & communities are “impacted” or “disproportionately impacted” by COVID:

- “Impacted” include households below 65% AMI and those that experienced unemployment
- “Disproportionately impacted” populations include households below 40% AMI and those qualifying for certain benefits
- “Disproportionately impacted” communities include “qualified census tracts”

Eligible Uses include...

US Treasury has provided examples of housing-related expenditures that would be eligible if they aim to benefit “impacted” and/or “disproportionately impacted” households:

- Rent or mortgage assistance
- Eviction prevention
- Supportive housing and other services for those experiencing homelessness
- Residential counseling or housing navigation assistance to promote moves to neighborhoods with greater economic opportunity
- Development of affordable housing

Also, administrative costs related to eligible uses, such as project management, are included

What nearby communities are doing

- Arlington adopted a funding “framework” 10/26/21 including \$4M for affordable housing, \$2.8M for Housing Authority projects, \$1.1M for “deepening affordability,” \$1M for rental assistance and \$.9M for homelessness
- Cambridge staff proposed \$2.3M for shelters and housing “navigators” to minimize housing instability & the City authorized \$470K in that category so far
- Newton allocated \$1M on 10/7/21 for a new emergency housing and utility assistance program for renters/owners and \$2.45M on 10/29/21 to buy land for affordable housing
- Somerville committed \$1M to rental assistance 12/31/21
- Waltham approved a major sewer project 11/9/21, but has not announced any \$\$ for housing
- It appears that Belmont and Brookline have not made any allocation decisions yet

Options

WHP could:

- propose specific housing priorities for Council's consideration
- urge the Council to include housing priorities without specific recommendations
- wait for the Council to ask for advice on funding needs