

FY24 (HM23) Annual Action Plan Template - HOME

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.**

Consortium Communities

In September 2022, the Watertown Affordable Housing Trust replaced the Housing Partnership as the City's body charged with the creation and preservation of affordable housing. The Trust's Board consists of the City Manager and six volunteer members appointed by the city manager and confirmed by the City Council. The Trust uses email to announce its meetings, as well as agenda postings. The Watertown components of the FY24 (FFY23) Annual Action Plan were reviewed and approved by the Trust.

2. **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 FY2023 narrative below

Watertown opened its initial Community Preservation Act (CPA) funding round in fall 2021; no awards were made in the affordable housing category. The second round is now underway, with one housing project under consideration. The City enacted a two percent surcharge, and created the property assessment and taxation infrastructure to collect and sequester these funds. It presently has over \$13 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. Finally, in December 2022 the Governor signed legislation authorizing the City to set an affordable housing linkage fee on new commercial development. Proceeds from this fee would go to the new Affordable Housing Trust to support affordable housing.

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 FY2023 narrative below

No Watertown public property listed.

AP-20 Annual Goals and Objectives

1. In the provided excel document, please update your community's annual goals and outcomes for FY24 (HM23).
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 FY24 (this should match with the outcomes in the excel spreadsheet). "Ongoing progress" refers to projects that are advancing but will not be complete in FY24.

HOME Consortium Goals

Goal: Tenant Based Assistance for Rental Housing

No City of Watertown rental assistance program since the end of 2021.

Goal: Rehabilitation of Existing Units

Ongoing progress

HOME funds were used in FY23 to replace the elevator and fund the relocation of elderly tenants at St. Joseph Hall in Watertown. The work was completed in fall 2022. Watertown used \$145,897.85 of its FY19 HOME Program Income funds and the WestMetro HOME Consortium \$223,779.75 in Consolidated Pool funds for this project.

Commented [LF1]: This is all retrospective--since there is no FY24 activity, should we be silent on all this?

Goal: Production of Affordable Units

Ongoing progress

No Watertown project at the present time.

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.

Not applicable for any of the communities.

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 FY2023 narrative below

Consortium Communities

The Watertown City Council adopted a new 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 virtually all of the City's new affordable units have been generated by its Inclusionary Zoning requirements and production of substantial amounts of multifamily housing. In September 2022, the municipal affordable housing trust proposed in the Housing Plan officially replaced the housing partnership. The Trust's initial focus will be on creating the pipeline of affordable or mixed-income projects by identifying sites, reaching out to affordable developers and expanding its funding sources.

As noted earlier, Watertown is now authorized to adopt an affordable housing "linkage fee" on new commercial development. The ordinance is likely to be in force before FY24 begins. However, since payments are made when buildings are ready for occupancy, the benefit of this funding will be felt in future fiscal years.

2. Complete the tables below:

NOTE: The following numbers should be based upon projects that are expected to be **CLOSED OUT IN IDIS** in FY24 (between July 1, 2023 and June 30, 2024). The first two rows in each table provide a sample.

St Joseph Hall may be in this category.

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

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

AP-60 Public Housing

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

Please update the FY23 narrative below

Consortium Communities

In December 2021, the Watertown Housing Authority (WHA) received zoning approval for three building additions/site improvements to provide handicap-accessible living and community spaces in the McSherry Gardens 40-unit complex. The WHA expects to start construction of this phase in FY24. Meanwhile, the WHA is marshalling funds for Phase 2 – which is 32 kitchens and floors for senior housing/veterans post at a cost estimate of \$1.5 million.

In June 2022, the WHA received a highly competitive American Rescue Plan Act (ARPA) award to address the 72 federal pacific panels and zoned fire alarm system at Munger Apartments. The project was awarded \$681,000. The Authority also received \$704,000 in ARPA funds for state modernization, which the WHA intends to leverage for state emergency funds to address the wet basements and mold issues at the Lexington Gardens development.

Finally, the WHA hopes to continue planning for special needs housing units on vacant land at 103 Nichols Avenue. The WHA has applied for \$175,000 in CPA funds for pre-development work in FY24.

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

Please update the FY2023 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. In 2022, the Authority substantially completed a state-of-the-art learning center located at Lexington Gardens for its family residents. During FY24, the WHA will focus on using the learning center (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:

Only Framingham and Waltham have programs in these categories.

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

Please update or add to the FY2023 narrative below

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

Please update or add to the FY2023 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 FY2023 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 FY2023 narrative below

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 FY2023 narrative below

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. In the last five years, Watertown has created new opportunities for mixed use development (including multi-family housing) along two major corridors (Pleasant Street and Arsenal Street) and substantially reduced parking requirements for multi-family projects. The new plan included a recommendation for Watertown to consider developer incentives that create units with lower rents, and encourage more development in close proximity to high-frequency bus lines and local retail employment. The plan also prioritized 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 new Affordable Housing Trust is likely to revisit this issue in FY24.

Commented [LF2]: Should we have a common paragraph about the parking study with MAPC? And potential efforts to followup with changes in parking requirements?

AP-85 Other Actions

1. Please update your community's planned actions to foster and maintain affordable housing (FY23 narrative below)

[Common statement] Many of the Consortium communities will continue to work with staff, developers, consultants, and property owners to look for affordable housing development opportunities.

2. Please update your community's planned actions to reduce the number of poverty-level families (FY23 narrative below)

No Watertown program.

3. Please update your community's planned actions to reduce lead-paint hazards (FY23 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 (FY23 narrative below)

[Common statement] For many of the Consortium communities, the biggest gap in institutional structure results from limited departmental capacity due to larger workloads, staff turnover, and small numbers of staff.

Watertown's City Council authorized the 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.

REQUEST FOR WRITTEN QUOTE—“On Call” Professionals to Assist Watertown Affordable Housing Trust in evaluating potential sites

The Watertown Affordable Housing Trust wishes to secure “on call” consultant services to assist with evaluating potential sites for affordable housing development. The Trust, through city staff, is requesting that your firm provide a written quote that is responsive to the scope of work set forth below.

Purpose of Site Evaluation

The Trust’s mission is to create and preserve affordable housing in Watertown. The Trust is particularly focused on identifying and promoting potential developments that would qualify for federal and state tax credits, grants, and loans along with a local contribution. The Trust anticipates that from time to time it will become aware of a site that may be suitable for affordable housing. In these instances, the Trust may have a short time to evaluate whether (1) to pursue possible acquisition, and/or (2) support an affordable housing developer considering such an acquisition. Site evaluation at this stage would be preliminary and not equivalent to the full evaluation necessary before a site is acquired for development.

Scope of Work and Timeline

The scope of work and timeline would differ depending on whether the consultant is a Licensed Site Professional (LSP) or a Licensed Architect.

A. Licensed Site Professional

Upon request, the LSP would conduct one of the following:

- 1) A Phase 1 environmental site assessment designed to determine whether the site has been used for potentially hazardous purposes. The LSP would review relevant records, visually inspect the property and adjoining properties and conduct interviews with persons who are likely to have knowledge of the property’s past use.
- 2) A preliminary screening of relevant records to assist the Trust in determining to expand the scope into a Phase I environmental site assessment.

If the Trust’s request is for a preliminary screening, the LSP will complete the screening within five (5) business days. At the Trust’s option, the LSP will either provide a one-page summary of the screening or proceed to a Phase I site assessment and written report with a mutually agreeable deadline.

B. Licensed Architect

Upon request, the licensed architect will provide the Trust with an as-of-right preliminary development concept for an identified site, including an estimated unit yield. The estimated unit yield shall include at least two (2) options varying bedroom configurations and unit square footage. The yield shall include on-site parking consistent with zoning, including any reductions available through the permitting process. The architect will provide a concept plan showing the projected units and parking on the site.

The architect must provide the concept plan within five (5) business days of receiving the request.

Availability

Consultants must be “on call” starting on ____, 2023 and ending on ____, 2026. Consultants must be able to perform the required work when requested. Written quotes may address your firm’s ability to be available “on call” as well as any suggestions that you may have regarding the scope, deadlines or contract term.

Written Quotes

All quotes must be received by the Trust via e-mail no later than 5:00 p.m. on ____, 2023. Quotes are to be addressed to Larry Field, Senior Planner, at lfield@watertown-ma.gov

WATERTOWN HOUSING PARTNERSHIP: HOUSING PRIORITIES FOR ARPA FUNDING approved 4/19/22 and updated by staff 7/22/22

Tier (1 highest)	Housing Plan Strategy	Housing Priority	Projected cost
1	2A	Watertown Affordable Housing Trust for affordable housing at/below 65% AMI	\$1 million*
1	2B	McSherry Gardens: Phase I (\$643,000 gap) and stormwater (420,000)	\$843,000
2	5C	Marshall Place modernization	\$225,000
2	5D	Case worker at Wayside Youth (2022-24)	Up to \$250,000
3	5D	Rental Assistance targeted at/below 65% AMI	
3	2B	McSherry Gardens: Phase II improvements	\$1.5 million

*This figure includes the \$250,000 included in the FY23 budget. At the time of the WHP's vote, the budget had not been approved.

TIER 1: Production of new affordable units—affordable housing trust

The City Council authorized formation of a Watertown Affordable Housing Trust in November 2021. The City Manager's office proposed six trustees who have now been confirmed by the Council. When the formation process is completed this summer, it will need investment capital for its first years of operation. A strong Housing Trust will be key to proposing the 100% affordable projects that use local funding to leverage substantial federal and state resources.

The Partnership is very grateful that the Administration proposed and the Council approved an initial \$250,000 for the Trust in the FY23 budget.

The Trust will engage in pre-development investment in potential affordable housing projects and, in particular, work with developers to identify sites for such housing. The Trust's investment could include helping to obtain site control or funding "due diligence" on a proposed project, such as a feasibility analysis or site testing. This is a role that will complement the work of the Community Preservation Committee. While there will be a CPA funding round each year--and the CPC may consider urgent requests between rounds—the Trust can fund pre-development activities that lead to better CPA applications.

In order to be an eligible use of ARPA funds, the Trust likely will need to enter into a written agreement that the funds be used for an affordable housing project targeted at below 65% AMI and that the funding will meet ARPA timing requirements.¹

TIER 1: Critical capital improvements for public housing—McSherry Gardens I

The Watertown Housing Authority (WHA) needs funding for critical building and site improvements at various sites. As the Committee knows, tenants in public housing fall into the extremely low- and low-income range—well below the 65% of AMI target population for most of ARPA spending. Also, as the Committee knows, state funding of the operating and capital needs of public housing is insufficient to meet the needs of properties mostly built over 60 years ago.

The Watertown Housing Authority is currently proposing a two-phase capital improvement at the McSherry Gardens elderly complex (40 units). The first phase involves an addition to the Community Building to provide accessible common space

¹ Although the same category (new housing production) includes the proposed 103 Nichols Avenue project, it is not listed here. The WHP voted on February 15, 2022 to recommend \$500,000 for the project. On April 19, the Housing Authority withdrew its request that this project be on the WHP's priority list. The Authority is continuing to pursue the project but is focused on further planning and design at this stage.

and an addition to Building 3 to make one unit accessible. Phase 1 also involves site improvements to provide accessibility. This phase was permitted by the Zoning Board of Appeals in 2021. The total cost for Phase 1 is estimated at \$3.23 million. While the WHA has funding for most of this phase, a \$643,000 gap remains. In addition, this phase requires stormwater improvements (\$200,000) for which there is no funding source.

TIER 2: Critical capital improvements at Marshall Place

Marshall Place is a historic building that contains 11 affordable apartments for seniors. The project needs funding for critical building improvements: 1) elevator modernization at approximately \$200,000, with additional cost for temporary relocation of some tenants; 2) accessibility, water-saving, and entrance improvements at approximately \$18,000. By the time of construction, the total cost would likely be in the \$250,000 range.

TIER 2: Counselling to promote housing stability

Consider case worker support to assist tenants, e.g., by identifying resources to meet emergency needs and help the household develop a realistic long-term plan.

The City's Social Services Resource Specialist (SSRS) Program (operated through contract with Wayside), is charged with helping residents obtain needed social services. SSRS counseling covers the full range of issues experienced by client households, with highest needs related to housing, utilities and access to food. Even before COVID, a substantial percentage of the cases involved housing issues. SSRS has helped clients find public rental assistance (public housing, Section 8, affordable units) and worked with clients in crisis (notices to quit, need for emergency shelter, etc). COVID increased demand for such assistance even further and SSRS referred clients to Watertown's emergency rental assistance program funded by City/Community Foundation resources and helped clients apply for state RAFT/ERMA money. In addition, we understand that mental health and addiction related needs have increased.

Between 2013 and mid-2021, Wayside operated the City's Social Services Resource Specialist (SSRS) Program with first a half time (private funding), and then in 2016, with one case worker funded by the City. In mid-2021, Wayside received funding from the Watertown Community Foundation to add a half-time case worker to increase capacity. The WCF funding expired on July 31, 2022. For FY23, the city continued its support for one full-time case worker and, to address rising costs for full-time case workers in the region, increased the amount of funding.

If the City wished to further support case management, options include using ARPA money to fund: 1) a half-time case worker, possibly dedicated to housing issues (replacing the WCF funding) or 2) another full-time case worker, with the expectation that housing matters are likely to arise in many cases. The estimated yearly cost (including benefits) of a full-time Master's level clinician with foreign language fluency is likely \$100,000. Depending on the option chosen, the cost for the second half of 2022 and the 2023/24 years is likely up to \$250,000.

TIER 3: Critical capital improvements for public housing—McSherry Gardens II

Phase 2 at McSherry Gardens involves modernizing the kitchens and flooring in most of the complex. Assuming a construction start in June 2023, the kitchen renovations would cost approximately \$897,000 (32 units) and flooring approximately \$618,000 (38 units) for a total of \$1.515 million. This would include design and abatement costs. No zoning approval would be required. No funding has been identified for this phase.

TIER 3: Rental assistance

The City could offer rental assistance to households that are income-eligible (below 65% AMI). Before creating such a program, discussion should include the following points:

- Should applicants be required to show COVID impact, or should that be presumed because of their income level?
- Should rental assistance to a household be limited to a fixed number of months?
- Should rental assistance be available to households who are receiving other public housing assistance?
- Should rental assistance be conditioned upon application for other housing resources (e.g., RAFT)? Conditioned on meeting with a case worker?
- Should the amount of rental assistance be capped at a certain amount per bedroom or cover a certain percentage of rent?