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Minutes of Watertown Affordable Housing Trust Meeting
February 20, 2024 6:00PM, Hybrid Participation

Members in Attendance
Cliff Cook, Jill Hyde, David Leon, Helen Oliver, Leo Patterson and Zoe Weinrobe. Member George Proakis was not present. Non-members present in person: Larry Field (staff), Alisa Gardner-Todreas. Non-members present remotely: Carolyn Gritter, Jacky VanLeeuwen, Kevin Ryan, Dotty Zukoff, Joan Gumbleton, Jamie Gordon, Joshua Pederson, Jimmy Mello, Adam Schulz, Michael Lara, Jack Dargon and Josh Rosmarin.

I. Minutes of January 17, 2024 meeting
The minutes of the January 17, 2024 meeting were unanimously accepted.

II. 2024 Strategic Plan
Trustees agreed that the draft 2024 Strategic Plan was consistent with the January meeting discussion and should guide the Trust in the coming year.

III. Continued--Potential Zoning and Permitting Changes to Facilitate Affordable and Mixed-Income Projects
Larry presented a series of options for a proposal to introduce zoning incentives in Watertown Square for affordable housing developments. He noted that February 29 is the next public event for the Watertown Square Plan and that the consultant is still in the zoning concept stage. The Trust can provide direction at tonight's meeting so that a specific proposal (or options) can be finalized and then submitted before the team does a draft zoning amendment.

Discussion centered on the following elements:

- Parking: There was consensus that a lower parking ratio for affordable units was appropriate given levels of car ownership and that parking requirements were a barrier to financially viable projects. There were differing views on whether the lower requirements should be by right for all affordable developments, differ by the type of affordable development (senior vs. family, 50% AMI vs. 80% AMI), or be lower by right but with a special permit mechanism to go even lower.
- Whether mixed-income developments should be eligible: The consensus was yes, if 50% or more of the units are deed-restricted affordable.

- Whether ownership units should be eligible: Trustees agreed that ownership units should be included, as they are an opportunity for populations that have historically had low rates of home ownership.
- Affordability level: Trustees agreed that rental units should be 80% of AMI or lower, and ownership units 100% of AMI or lower.

There was also discussion on open space requirements, design guidelines and whether these incentives should be incorporated in a MBTA zoning district amendment or a separate zoning amendment. There was no consensus on these points.

Cliff asked Larry to draft a more refined document for the March meeting.

IV. **Accessory Dwelling Units—additional data**

Larry noted that at the September 2023 meeting he made a presentation regarding accessory dwelling units as background for consideration of a proposal to allow ADUs. At that meeting, there was a request for additional data that would show the variation between residential districts in "density." Larry briefly presented the additional data (attached), indicating that the ratio of building area to lot size was higher in the districts with larger minimum lot size.

Following discussion of the data, there seemed to be continuing interest in an ADU proposal that did not differentiate between residential zoning districts. There was some disagreement about whether the proposal should include a parking requirement. Two members thought that detached ADUs should be allowed. Larry said he would present a draft proposal at a later meeting.

V. **Willow Park--update**

Larry reported that the review committee is now considering proposals to redevelop Willow Park (including replacement of the 60 public housing units) and that the Housing Authority's Board of Commissioners was likely to vote in late March or early April.

VI. **Other Business**

There was no other business.

VII. **Executive Session**

Cliff said there was information to discuss in executive session pursuant to the provisions of G.L. c.30A, §21(a)(6), particularly to consider the purchase, exchange, lease or value of real property where an open meeting may have a detrimental effect on the negotiating position of the public body. The trustees voted unanimously to go into executive session and a motion to adjourn the public meeting passed unanimously at approximately 7:20 PM.

Watertown Affordable Housing Trust
Strategic Plan for 2024

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 continue the Housing Partnership's work in developing and proposing a draft zoning amendment ordinance allowing accessory dwelling units.

(3) 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.

The Trust's work in 2024 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.

WATERTOWN SQUARE ZONING TO PROMOTE AFFORDABLE HOUSING OPTIONS PAPER for February 20, 2024 meeting

Options fall along the following dimensions: 1) what specific zoning incentives? 2) what level of affordable housing triggers the incentives? 3) what is the mechanism for providing the incentives?

Note: Because the consultant team has not recommended district boundaries, the Watertown Square zoning area potentially includes some or all of the following districts: Central Business (CB), Industrial-3 (I-3) and Limited Business (LB). In addition, the team may propose separate MBTA Communities zoning and/or form-based code that does not provide uniform dimensional requirements within the Watertown Square area.

What specific zoning incentives?

<u>Floor area ratio/height</u>:

The maximum floor area ratio and height in the current CB zone is 4.0 and 55 ft/5 stories with the potential for additional height by special permit. While proposed buildings have asked for the maximum height in the CB, other zoning requirements have made it difficult for applicants to propose going above 2.5 FAR. The maximum FAR/height for the I-3 is 2.0 by special permit and 55 ft/5 stories, and for the LB is 1.0 and 40 ft/4 stories.

If the proposed zoning includes FAR/height at the 4.0 FAR and 55/5 level throughout the district, options are to: 1) propose a modest incremental increase for affordable developments, or 2) focus on other requirements that currently make it hard to achieve the maximum FAR (see below).

On the other hand, if the proposed zoning is not at the CB level—or is not at that level throughout the district--an incremental increase for affordable developments would promote such projects. The magnitude of this increase would depend on the FAR/height maximums. For example, if part of the LB zone were included in the proposed district and maximum FAR for this area were left at 1.0, it could be appropriate to provide a significant bump for affordable developments.

Any increase in height might be accompanied by a stepback requirement to minimize shadows and impact along the street frontage or adjacent to lower density residential.

Minimum lot area per dwelling unit:

The I-3 zone includes an 800sf lot area/unit minimum for mixed-use developments. The CB and LB zones do not have any minimum lot area. If the Watertown Square zone includes parts of the I-3, this requirement might not be included or waived for affordable projects.

Open space and building coverage:

The open space requirement is now 20% for mixed-use in the CB, 20% in the I-3 and 10% in the LB. Open space is defined as areas "open and unobstructed to the sky that can be used for active or passive recreation"; it does not include parking/loading areas. While the CB has no maximum building coverage requirement, it is 50% for the I-3 and 80% for the LB.

These requirements make it difficult to build on smaller lots. This disproportionally affects affordable projects. Depending on whether stormwater requirements could be met in another way, these open space minimums could be reduced for all affordable developments or for such developments below a 1-acre threshold.

Ground floor requirement:

There is a retail/activated use requirement in the CB district (no more than 15% of ground floor can be residential). Such ground floor uses are important for a thriving downtown. However, they largely present a hurdle for affordable developments because many building owners lose money on their storefronts and affordable developers cannot get public subsidy to cover such losses. The state's MBTA zoning guidelines limit how much of the district can require ground floor uses. This requirement could be eliminated/reduced for affordable projects or eliminated/reduced for affordable projects on blocks where retail is less needed for activation.

Setbacks:

if the zero-setback now in CB zoning was extended to any parts of the I-3 or LB in the Watertown Square area, no incentive would be needed. If the setbacks vary, eliminating setbacks could be an incentive. Since zero-setbacks are generally consistent with good urban form in downtown areas, this would also be appropriate.

Parking:

The parking ratio could be reduced to .50/unit or .75/unit with the potential for a further 25% reduction by special permit. This compares with 1/unit in the CB and would offer a bigger change for any included parts of the I-3 or LB districts, as they can be 2.25 for a 3-

BR unit. On-site parking is expensive and a significant hurdle for affordable developments. In addition, the need to provide required parking is often a reason why residential developments are not able to reach the applicable FAR maximum.

Based on the MAPC/WestMetro HOME Consortium parking utilization study in 2021, there is lower parking demand for households in affordable units.

What triggers the incentives?

100% affordable development:

There is general agreement that any development consisting 100% of deed-restricted affordable units should trigger the ordinance—assuming that applicable affordability requirements are met (see below).

Mixed-income development:

The ordinance could include mixed-income developments through a minimum percentage of deed-restricted units, e.g., 50%. Whatever the percentage, it should be significantly above the inclusionary requirement.

Affordability:

A further dimension is the level of affordability. With some affordable housing programs reaching as high as 120% for "middle income housing," the ordinance should specify one or more Area Median Income (AMI) levels. The Cambridge Affordable Housing Overlay includes developments with units up to 100% AMI.

Rental and/or ownership:

The ordinance could be limited to rental projects or include ownership as well. There are relatively few 100% affordable ownership projects, with only modest federal/state subsidy resources available for such projects.

What is the mechanism for providing the incentives?

District: Overlay or base?

Scenario 1: Affordable housing overlay tied to Watertown Square

This would be an all-inclusive, standalone section of the zoning ordinance. It could offer by-right permitting and incentives or use a combination of by-right and special permit process. It would be a "companion" zoning amendment, moving along with the MBTA zoning proposal.

Scenario 2: Inclusion in Watertown Square/MBTA Communities zoning district

The incentives could be imbedded in whatever is proposed. Again, the process could be by-right or a combination of by-right and special permit.

Note: Given the fluidity of the Watertown Square planning/rezoning process, the Trust could remain neutral on whether special affordable housing provisions should be within MBTA zoning or the subject of an overlay district.

Process

By right vs. special permit

Choosing a by right versus special permit process often involves a trade-off. A by right process provides certainty. A special permit process, because it is discretionary, can consider factors on a case-by-case basis. Those voting on zoning amendments may be more comfortable with "more" (or "less" in the case of parking) when there is discretion. A hybrid option is to increase a certain maximum by special permit (e.g., a maximum FAR of 1.0, with a special permit required to go up to 2.0).

Site Plan Review, Community Meetings and Design guidelines:

All projects above a certain size, whether by right or by special permit, should undergo site plan review and required community meeting(s). Even with expedited permitting, these must be part of the process.

Under either scenario, zoning could be accompanied by design guidelines. The purpose of design guidelines is to specify how affordable developments larger than allowed by base zoning can be built so they are compatible with the existing neighborhood context.

MENU

The table below is to help organize thinking. It should be viewed as an "a la carte" menu, i.e. one can pick a combination of A and B, and one can order "off the menu" by choosing an option not listed.

ZONING INCENTIVE	A	B
FAR/height*	Incremental increase by right	Incremental increase by special permit
Minimum lot area/unit**	No requirement	No requirement
Open space	All affordable?	Below 1 acre?
Ground floor	All affordable?	Designated blocks?
Setbacks	No requirement	No requirement
Parking	.5	.75 with 25% reduction allowed by SP
WHAT TRIGGERS?		
100% affordable**	Yes	Yes
Mixed income	No	Yes
If mixed income***	Minimum 50%	Minimum 60%
Affordability***	Up to 100 or 120% AMI	Up to 80% AMI
Rental**	Yes	Yes
Ownership	Yes	No
MECHANISM		
Affordable housing overlay	Yes	No
Incorporated in MBTA zoning	No	Yes
Site Plan Review/Community Meeting(s)**	Yes	Yes
Design guidelines	No	Yes

*Because there are so many variables, it is extremely difficult to be specific about the size of any "incremental" increase.

**These are points where consensus should already exist.

***These percentages are designed to start the conversation.

For continuing discussion on Accessory Dwelling Units (ADUs)
January 2024 data from Assessor's office

Zone	# of buildings	Min lot size	Avg "rough" FAR
R.75	39	5,000	0.87
T	3,337	5,000	0.83
SC	219	6,500	0.71
S-6	1,567	6,000	0.58
S-10	232	10,000	0.47
	5,394		

"Rough" Floor Area Ratio (FAR): gross building area/lot size.
This does not necessarily correspond with FAR for zoning.
One-and two-family buildings only.
Condos excluded--lot area for assessing is zero.