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Minutes of Watertown Affordable Housing Trust Meeting
March 19, 2024 6:00PM, Hybrid Participation

Members in Attendance
Cliff Cook, Jill Hyde, David Leon, Helen Oliver, Leo Patterson (remote from 6 to 6:30 PM, absent between approximately 6:30 and 7, and in-person for the remainder), George Proakis and Zoe Weinrobe. Non-members present in person: Larry Field (staff). Non-members present remotely: Jacky VanLeeuwen, Josh Rosmarin, Carole Biewener, Elodia Thomas, Cheryl Mazzeo, Ora Grodsky, "Andrew's Iphone," and "Jerry."

I. Minutes of February 20, 2024 meeting

The minutes of the February 20, 2024 meeting were unanimously accepted.

II. Continued--Potential Zoning and Permitting Changes to Facilitate Affordable and Mixed-Income Projects

Larry said that the draft proposal for Watertown Square explains why affordable housing developments should be treated differently and why these particular zoning elements are important in making such housing more feasible. Cliff added that the proposal focuses on additional height by special permit, reduced setback requirements, required ground floor retail outside of the core area, and reduced parking requirements.

Trustees agreed that these were key zoning elements and would make a significant difference in project feasibility.

Cliff asked whether required open space should be addressed in the proposal. Before responding to that question, George noted that he would not vote on advancing this proposal because of his role as city manager. With respect to open space requirements, George noted that he has been directly involved in the development of form-based code in Lowell and Somerville. Metrics like Floor Area Ratio and Required Open Space percentages are not good for regulating urban blocks. It can be hard to create or maintain a walkable urban area with a significant open space requirement at ground level; at the same time, one can question the quality of open space scattered around multiple private properties. Jill pointed out that there may be more value to building residents in having open space on upper levels, while George said that he favored using land reclaimed from roadways as larger opportunities for publicly-available open space.

Leo noted the need to balance promoting downtown retail and making housing more feasible. There was consensus that ground floor retail was appropriately required in the downtown core. There was also consensus that if the rezoning plan required retail outside of this core, affordable housing developments should be exempt.

Cliff asked for a motion authorizing Larry and Cliff to finalize and send the proposal to Steve Magoon (assistant city manager for community development & planning). David made that motion, seconded by Zoe. The motion passed 6-0, with George abstaining.

III. **Accessory Dwelling Units—next steps**

Larry noted that at the September 2023 and February 2024 meetings the Trust has discussed accessory dwelling units. He and Cliff think the next step should be an informal community process. Larry introduced Ora Grodsky, a representative of Watertown Community Conversations (WCC), to discuss the organization and how it might assist the Trust in such a process.

Ora said she is one of the seven core WCC organizers. WCC was formed to facilitate discussion and build understanding across differences. She said the organization has been involved in community process around the library, charter review and the Watertown Square plan. WCC has trained 40 facilitators. One of WCC's favored methods is the "Kitchen Table Conversation (KTC)," used most recently for the Watertown Square planning effort. KTCs use a host, who invites neighbors and friends, and a trained facilitator to lead a small-group discussion.

The trustees and Ora exchanged questions and comments about how such a process might be structured for ADUs. There was consensus that: there is a potential fit, the process should start without a draft ADU proposal, and visuals would be important. There was agreement that this process should begin after the Watertown Square planning effort is concluded.

VI. **Other Business**

Larry reported that the Watertown Housing Authority last week selected Preservation of Affordable Housing (POAH) to redevelop Willow Park (including replacement of the 60 public housing units). Larry said the Authority would need to negotiate a development agreement. He said POAH's priority is to meet with residents of Willow Park and the surrounding community. Following those initial meetings, POAH would like to attend a Housing Trust meeting to discuss the proposed redevelopment.

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 7:05 PM.

WATERTOWN SQUARE ZONING TO PROMOTE AFFORDABLE HOUSING

Watertown Affordable Housing Trust

Introduction

The Watertown Square Area Plan process is nearing the stage where the consultant team will draft zoning amendments. The new zoning presents an opportunity to make it easier to create affordable developments in Watertown Square.

The city is justifiably proud of its record in creating affordable homes through inclusionary zoning (requiring market rate developers to include a certain percentage of deed-restricted units without public subsidy). Affordable developments—which we define as developments with at least 50% affordable units—use public subsidy and can be more deeply affordable. They are smaller (30 to 50 units) but, proportionately, deliver more affordable units (e.g., inclusionary zoning requires 170 market rate units to create 30 affordable units).

Affordable developments are acutely sensitive to cost because they must compete for federal and state funding. Competing projects often come from communities with lower costs or with more local subsidy. Total development costs per unit can be lowered by reducing costs or spreading those costs over a somewhat larger number of units.

To increase the chances that an affordable development can work financially in Watertown Square, the Watertown Affordable Trust proposes that the new zoning include provisions that are more "friendly" to such projects. Below is the Trust's proposal.

What kind of developments should be eligible?

We suggest that any development where at least 50% of the units are permanently affordable should be qualify under the new zoning, with the requirement that rental units be affordable to households at or under 80% of Area Median Income (AMI) and ownership units be affordable to households at or under 100% of AMI.[1] This is a threshold and doesn't reflect how affordable developers are likely to "income-tier" their rental projects. To obtain federal and state funding, rental developments will typically include units for a mix of incomes ranging from 30% to 80% AMI.

[1] For reference, for a household of four persons, 80% AMI is now $118,450 and 100% AMI is $149,300.

Which dimensional requirements would make a difference for affordable developments?

The consultant team's February 29, 2024 presentation suggested a "form based" zoning approach that would use building form standards to promote the City's Watertown Square vision. The next step—to be presented at the April 4 public meeting—will be for Utile to propose more detail on those standards. Our suggestions below anticipate that these standards will include height, setbacks, and parking. There may be other standards that warrant a different treatment for affordable developments.

<u>Additional height</u>

Assuming the proposed zoning includes the high/medium/low density tiers presented on February 29, we suggest that each tier allow for an additional floor for affordable developments. The zoning could allow the additional floor by special permit. The additional floor would allow affordable developments to add units that lower the total development cost per unit and/or reach the threshold for federal/state funding on a smaller lot.

Any increase in height might be accompanied by a further stepback requirement to minimize shadows and impact along the street frontage or adjacent to lower density residential.[2]

<u>Setbacks</u>:

We think it would be appropriate—for all residential developments—that the new zoning not require a front setback and require either no or limited side and rear setbacks. Zero-setbacks are generally consistent with good urban form in downtown areas. However, if the zoning does require setbacks, e.g., outside the downtown core, we suggest that affordable developments be exempt.

Setback requirements make it difficult to build on smaller lots. This disproportionally affects affordable projects.

<u>Ground floor requirement</u>:

There is currently a retail/activated use requirement in the Central Business District (no more than 15% of ground floor can be residential). However, it is likely that the new zoning will only continue such a requirement on a limited number of blocks in the

[2] The February 29 presentation already suggests a stepback or pitched roof on the top story.

downtown core.[3] Depending on the extent to which the new zoning limits this requirement, it may be appropriate to exempt affordable developments on blocks where retail is not necessary.

Retail and other active ground floor uses are important for a thriving downtown. However, they 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.

Parking:

The parking minimum for affordable units should be reduced to .25/unit.[4] In addition, affordable developments should be allowed to further reduce required parking by special permit. Further reduction may be appropriate where the housing is for seniors and/or is deeply affordable.

On-site parking is expensive and can add significantly to total development cost. In addition, the need to provide required parking is often a reason why developments are not able to reach dimensional maximums. For example, allowing a 4- or 5-story building may not work if enough parking cannot be provided at ground level. Unlike market rate projects, structured and underground parking are not financially feasible.

MAPC and the WestMetro HOME Consortium issued a parking utilization study in 2023, which included data on 17 residential developments in Watertown. The study found there were three key variables—factors that reduced parking demand. Those were: parking supply (more spaces, more demand), proximity to transit and jobs (more proximity, less demand) and affordable units (more affordable units, less demand).

How should this flexibility be incorporated in new zoning?

We expect the new zoning will be an all-inclusive, standalone section of the zoning ordinance. The Affordable Housing Trust respectfully suggests that the new zoning include provisions relating to additional height, setbacks, ground floor retail and parking that would make affordable developments more financially feasible. Since the consultant team is still working on the proposed design standards, we may suggest additional provisions later in the zoning amendment process.

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[3] The MBTA zoning law provides that only 25% of the complying district contain a ground floor retail requirement.

[4] This compares with 1/unit currently required in the Central Business District.