



Michael J. Driscoll
Town Manager

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To: Honorable Town Council

From: Michael J. Driscoll, Town Manager

Date: February 4, 2021

RE: Watertown Housing Plan

Attached please find email correspondence regarding the subject from Steven Magoon, Community Development & Planning Director/Assistant Town Manager.

I will bring this up under Communications from the Town Manager at the February 9, 2021 Town Council Meeting and respectfully request the matter be referred to Committee for policy consideration and guidance by the Honorable Town Council.

cc: Steven Magoon, Community Development & Planning Director/Assistant Town Manager
Larry Field, Senior Planner, DCDP
Community Development & Planning
Watertown Housing Partnership
Department Heads
Mark R. Reich, Esquire, KP Law

Hand, JoAnna

From: Magoon, Steven
Sent: Wednesday, January 27, 2021 3:13 PM
To: Driscoll, Michael
Cc: Hand, JoAnna; Field, Larry
Subject: RE: Housing Plan link on Town website

Mr. Manager, please see the link below to the draft Housing Plan, being forwarded by the Watertown Housing Partnership for Honorable Town Council consideration. I would request this be placed on a future agenda for referral to committee and consideration. Thank you.

<https://www.watertown-ma.gov/DocumentCenter/View/31052/Housing-Plan-2020-FINAL>.

WATERTOWN HOUSING PLAN



December 2020

Prepared by:

Watertown Housing Partnership

Fred Reynolds, Chair

Clifford Cook

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Helen Oliver

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Town of Watertown

Community Development & Planning

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(With thanks to Andrea Adams, former Senior Planner, and Laurel Schwab, Senior Planner)

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Watertown Town Hall

Executive Summary

As Watertown continues its transformation into a post-industrial community with robust diversity, it is critical to have a plan for making it easier for people to live here, and stay here, in affordable, safe housing. As stated in the 2015 Watertown Comprehensive Plan, we build upon a “rich foundation” of neighborhoods, culture, town squares and street corridors, with proximity to the Charles River and Boston.”¹ Our vision for the future includes “targeting growth of specific types of [commercial] development and housing opportunities” to promote balance and sustain the many values we cherish.

The chief purpose of Watertown’s Housing Plan is to set goals for the next five years (2021-2025) and identify specific strategies for achieving them. While this plan focuses on affordable housing--homes with deed-restricted affordability—the Town’s policies and programs can make it easier for a wide range of households to live and prosper here. The process of goal-setting first requires an analysis of where Watertown stands, at the end of 2020, in offering housing opportunities. Our key findings are as follows:

- Like most of the Greater Boston region, we are growing in population and diversity.
- Our population skews more to those in the so-called “Millennial” generation and to those aged 60 and above.
- While our median household income is relatively affluent, that masks the significant percentage of lower-income households here.
- The majority of our housing stock consists of older single-family and two-family homes, but a significant percentage of homes are in larger apartment buildings.
- Approximately 7.5% of our housing stock consists of deed-restricted affordable housing, including public housing units and inclusionary units in market rate buildings.
- Rents and home prices continue to rise, with more than one-third of our residents “cost-burdened,” i.e., spending too much of their income on housing. This is particularly true for residents who are earning lower incomes.²

The Plan also provides information on residential zoning, recent development trends and constraints. The findings include:

- Watertown has zoned for residential growth in the mixed-use districts along the Arsenal Street and Pleasant Street corridors and in Watertown Square.

1 Watertown Comprehensive Plan, Vision Statement, <https://www.watertown-ma.gov/DocumentCenter/View/14558/2015-Watertown-Comprehensive-Plan---Adopted-June-23-2015>.

2 The Plan also notes that we are in particularly unsettling times with the COVID-19 pandemic and that it makes projecting housing demand and supply harder than usual.

- Since the Great Recession, development in these districts has resulted in over 1,700 units built or under construction.
- Watertown's inclusionary zoning requirements have increased as housing demand has risen in recent years, with the 2016 changes resulting in a 15% requirement for projects over 20 units. The inclusionary requirements have resulted in producing over 250 affordable units since the Great Recession ended in 2012.
- Recent zoning changes have also included reduction in parking requirements for residential uses and new design guidelines and standards for the Arsenal/Pleasant Street corridors and Watertown/Coolidge Squares.
- Watertown is aware of natural and physical constraints that may limit particular projects, but with the potential for continued redevelopment of formerly industrial sites these constraints are not a barrier to achieving our housing goals.

Watertown has made significant progress toward the goals set in the 2014 Housing Production Plan and the 2015 Comprehensive Plan. Many of the specific strategies identified in those documents have been fully or partly implemented. Nevertheless, there is more to do, and this Plan proposes the following goals and strategies for the next five years:

► **Goal 1: Increase affordable housing opportunities for lower-income households (less than 80% of area median income or AMI).**

STRATEGY 1A: Create an affordable housing trust to enable a more rapid response to development opportunities and access additional sources of funding.

STRATEGY 1B: Evaluate increasing inclusionary zoning requirements.

STRATEGY 1C: Leverage public funds such as those from the Community Preservation Act (CPA) and Commonwealth sources.

STRATEGY 1D: Leverage opportunities on public land.

STRATEGY 1E: Maximize Transit-Oriented Development (TOD) opportunities.

STRATEGY 1F: Evaluate adding a requirement that developers building new commercial space help fund affordable housing, offsetting new housing demand created by such development.

► **GOAL 2: Increase affordable housing opportunities for those needing deeper affordability (less than 60% AMI)**

STRATEGY 2A: Prioritize the use of public funds, public land, and TOD locations to create more deeply affordable units.

STRATEGY 2B: Support the Watertown Housing Authority and others in the effort to rehabilitate public housing inventory and create new units on its existing land.

STRATEGY 2C: Partner with community development corporations and others to explore new ways to create/support more deeply affordable units.

► **GOAL 3: Increase affordable and supportive housing opportunities for seniors and individuals with disabilities**

STRATEGY 3A: Evaluate rehab loan program.

STRATEGY 3B: Encourage universal design and visitability standards in new development.

STRATEGY 3C: Enter into partnerships with supportive service providers to create flexible housing opportunities and/or provide services to seniors and individuals with disabilities.

STRATEGY 3D: Partner to provide financial planning assistance to enable seniors to age in place if they chose to do so.

► **GOAL 4: Encourage the creation of a variety of housing types at different price points, with particular emphasis on providing options for residents and workers who wish to remain in Watertown**

STRATEGY 4A: Evaluate adoption of accessory dwelling unit zoning.

STRATEGY 4B: Leverage public funds such as CPA (up to 100%) and State sources (up to 120%).

STRATEGY 4C: Continue to evaluate current zoning, parking requirements and other incentives to shape residential development

STRATEGY 4D: Evaluate use of regulatory and administrative policies that would encourage creation of 3+ bedroom units.

STRATEGY 4E: To the extent possible, ensure that affordable units are compliant with Department of Housing and Community Development guidelines for Subsidized Housing Inventory units, but allow flexibility as needed to increase the number of functionally affordable units.

► **GOAL 5: Preserve existing housing affordability**

STRATEGY 5A: Continue monitoring affordable housing stock on the Subsidized Housing Inventory to ensure utilization by income-eligible households.

STRATEGY 5B: Prevent loss of any affordable units that have expiring deed-restrictions.

STRATEGY 5C: Provide emergency funding for critical repairs in existing affordable units.

STRATEGY 5D: Evaluate short-term tenant-based rental assistance.

► **GOAL 6: Increase community engagement around affordable housing**

STRATEGY 6A: Increase public education/awareness of the need for a variety of housing types at various income levels, via community workshops or other events.

STRATEGY 6B: Evaluate using local preference in affordable housing lotteries.

STRATEGY 6C: Improve marketing and outreach for affordable housing lotteries.



Brigham House



Marshall Place

Introduction

In January 2014, Watertown issued a Housing Production Plan prepared by the Metropolitan Area Planning Council and approved by the Massachusetts Department of Housing and Community Development (DHCD).¹ A Housing Production Plan sets the community's strategy for complying with Chapter 40B, the 1969 state law requiring every municipality to provide sufficient deed-restricted affordable housing.

In 2019, as the Watertown Housing Partnership was working on an update of the 2014 plan, Watertown met its obligations under Chapter 40B through the 1.5% land area threshold.² Although the community has met its Chapter 40B statutory obligation, a demonstrable need for additional affordable housing at a variety of income levels remains unmet. Accordingly, the Partnership decided that it would propose a comprehensive housing strategy for the next five years (2021-2025). As set forth below, this strategy starts with renewed focus on housing for those most in need—but also includes creation of housing that works for households at varying income levels.

In formulating this plan, the Partnership considered input provided over the last two years at various meetings of the Partnership and the Town Council's Human Services Sub-Committee, as well as the extensive outreach done by the Community Preservation Committee in 2020 as it developed Watertown's plan under the Community Preservation Act (CPA). The Partnership also incorporated comments received when the Housing Plan draft was made publicly available.

The plan contains: an assessment of Watertown's housing needs; a description of its zoning, development trends, funding sources, and constraints; places the current plan in the context of Watertown's 2015 Comprehensive Plan and the 2014 Housing Production Plan; sets goals and specific strategies; and includes an implementation plan for the next five years. This Plan is intended to be read by both housing experts and by a wide variety of Watertown residents. Since affordable housing is a particularly technical field, a glossary of terms is attached as "A."

¹ DHCD approval means the plan document meets the requirements set forth in its Chapter 40B regulations.

² A community can comply with Chapter 40B through either the land area metric or the more well-known 10% threshold, i.e. that 10% or more of the year-round housing stock is deed-restricted affordable housing. Watertown's status under Chapter 40B is discussed further on pages 18-19.

1. Current Housing Needs

Watertown's housing needs are shaped by its population (size, age distribution, racial and immigrant profile, and household income distribution) and its housing market (existing housing stock, subsidized housing inventory, rent and home price trends, and the affordability of its housing compared with household income). Watertown is also part of a region—Greater Boston—and an inner core of communities just outside the City of Boston. Many of the recent trends discussed below flow from Watertown's relative affordability in the region as the economy has boomed and housing costs have soared. Whether and how that continues is unusually uncertain with the trauma of COVID-19 still part of our lives.

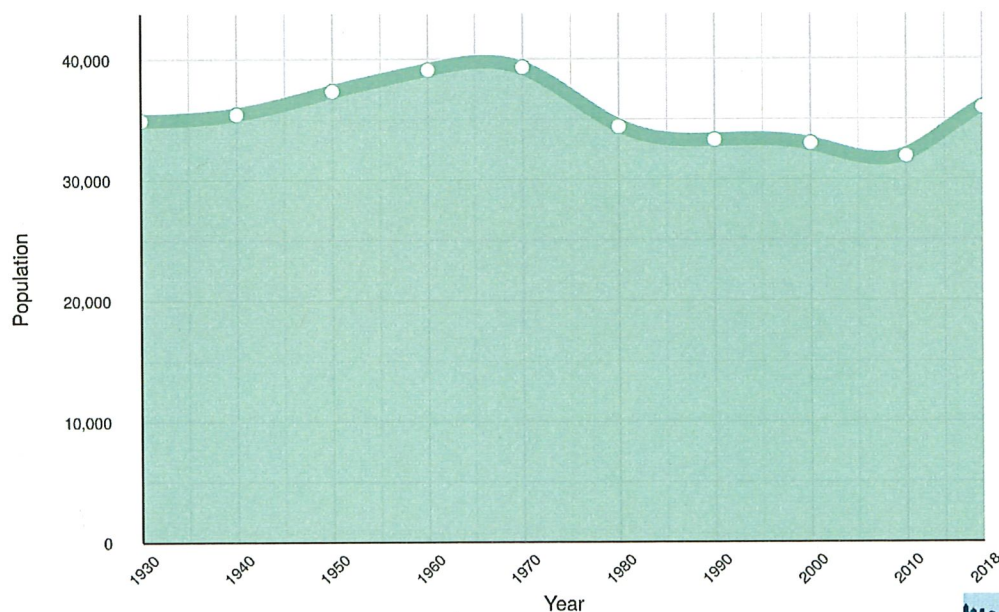
A. CHARACTERISTICS OF THE POPULATION AND HOUSEHOLDS

1. Population Growth

Watertown's population peaked in 1960 at about 40,000 residents but then declined to 31,915 in 2010. The population has since stabilized and increased. Watertown was estimated to house 35,939 residents as of July 1, 2019 (U. S. Census Bureau Quick Facts). The period since 2010 marks the first decade since the 1950s that Watertown has experienced population growth. This growth already exceeds the projections (31,395 by 2020 and 32,297 by 2035) used in Watertown's 2014 Housing Production Plan. Future development in the pipeline suggests a continuation of this recent trend over the next five years.³

Figure 1.

**Population change
Watertown**



Source: U.S. Census Bureau Population Estimates Program



³ The data in this section comes from a variety of federal, state and local sources. The main source is the U.S. Census Bureau's American Community Survey (ACS), 5-year estimates (2015-2019). In order for the Census Bureau to provide data between the census years, it samples data on a rolling 5-year basis. Because this is sampling and not a full count, there is both a margin of error and inclusion of data over a 5-year period.

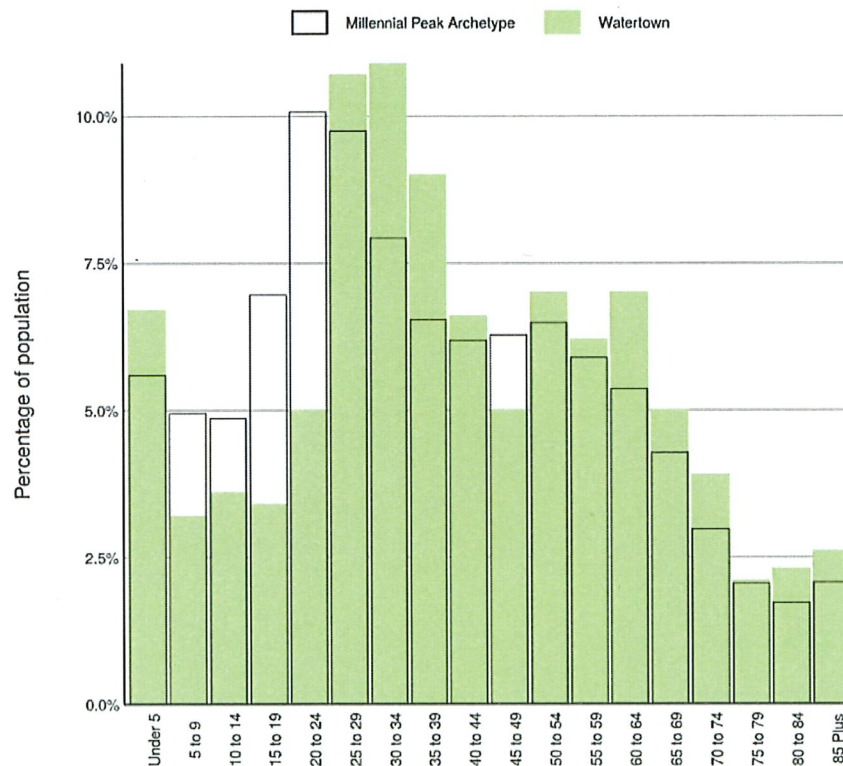
The recent increase in Watertown residents is consistent with the growth in the City of Boston and more generally in Greater Boston. Watertown has grown more in the last decade than most of its neighboring communities.⁴

2. Age Distribution of Population and School Enrollment

Watertown's population is currently skewed towards adults in the 25-35 and 60+ ranges. There is also a much lower percentage of school-age children than the state average (although this may change, as there is a higher percentage of children under the age of 5). This profile matches the "Millennial Peak" archetype used by the Massachusetts Housing Partnership⁵ and reflects Watertown's appeal to Millennials looking for a more affordable place to live within Greater Boston's inner core. While Watertown also has a slightly higher percentage of those at or above 60, this is consistent with aging trends throughout the state and is not as pronounced as in many other communities.

Figure 2.

Age distribution of Watertown's population
Compared to Millennial Peak archetype



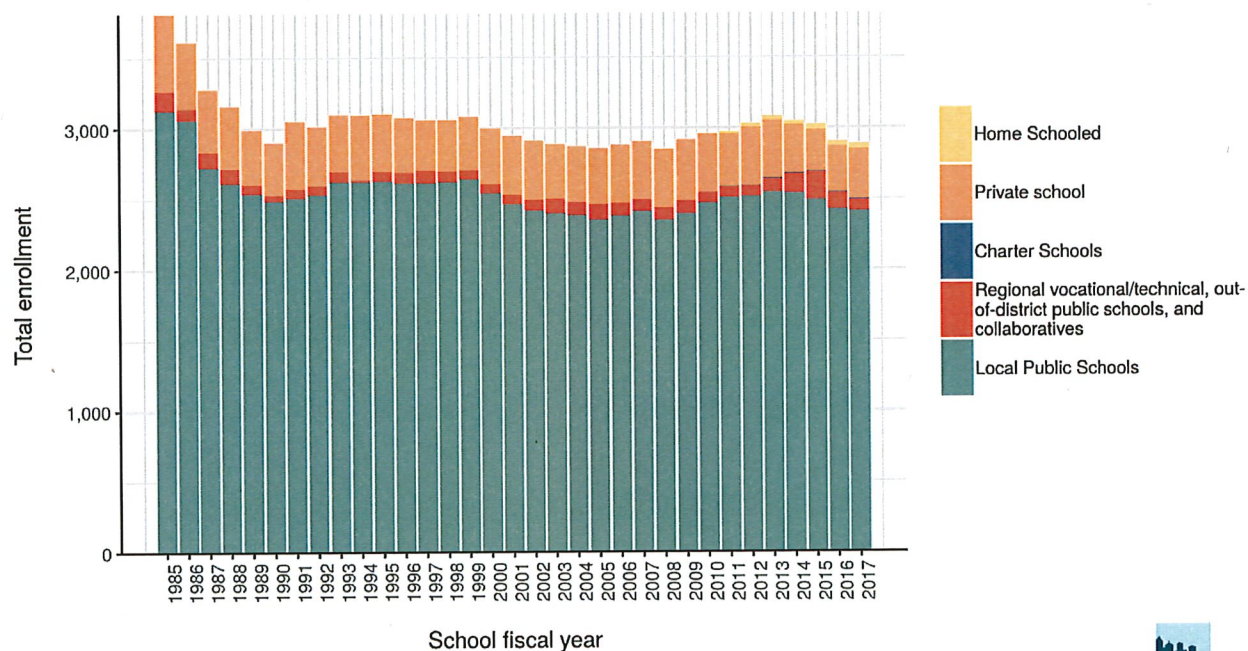
Source: U.S. Census Bureau American Community Survey,
2014-2018 5-year estimates. Table S0101: Age and Sex



- ⁴ Watertown's population growth over the last decade is approximately the same as in Boston and Cambridge, and is above that in Arlington, Belmont, Brookline, Newton and Waltham.
- ⁵ MHP has identified six population topologies that comprise all Massachusetts towns and cities. (See www.datatown.mhp).

The age distribution in Watertown is a major factor in the town's stable school enrollment. Most households in Watertown do not include children. The percentage of family households with children in 2010 was 20.5%, and is estimated at 23.1% in 2019.

Figure 3. School aged children by enrollment type
Watertown



Source: Massachusetts Department of Elementary and Secondary Education



3. Race, Ethnicity, and National Origin

Consistent with trends experienced across the state, Watertown is becoming more racially and ethnically diverse. Over the last ten years, the share of Caucasian residents decreased while the share of Asian and Hispanic residents increased. Compared to the state overall, Watertown has a significantly smaller share of African American residents and a slightly greater share of Asian or Pacific Islander residents.

Table 1: Race and Ethnicity

	Watertown		Massachusetts	
	2010	2019	2010	2019
Asian or Pacific Islander	7.3%	9.9%	5.3%	6.6%
Black or African American	3%	1.6%	6.6%	7.6%
White or Caucasian	84.9%	82.8%	80.4%	78.1%
Other (including American Indian or Native)	2.1%	3%	5.1%	4.2%
Two or more races	2.7%	2.5%	2.6%	3.3%
Hispanic or Latinx any race ¹	5.3%	9.2%	9.6%	11.8%

Sources: 2010 Census, American Community Survey 5-Year Estimates 2015-2019

¹ The percentages in this chart will not add up to 100% because the Hispanic/Latinx percentages are independent of the preceding percentages.

Watertown also has a relatively high percentage of foreign-born residents, with a 2019 ACS estimate that 21.4% were born in another country and that 29% speak a language other than English at home. Based on 2015-2019 ACS data, about 2.4% of Watertown households are limited in their ability to speak English. Limited English language proficiency in these households may affect their ability to find suitable housing.

4. Individuals with a Disability

About 10.9% of Watertown households have at least one individual with a disability.⁶ While this percentage is slightly higher than in most surrounding communities, it is consistent with state-wide numbers (about 12%). It is important to consider this population because they often need housing that is accessible and comes with supportive services. In addition, such households are more likely to be economically vulnerable. Approximately 44% of these individuals are unemployed or not in the labor force, while 65% of those over 16 years old in Massachusetts are employed. (Source: American Community Survey 5-Year Estimates 2015–2019).

The percentage of those with a disability steeply increases with age, which suggests that with Watertown's growing 60+ population, this factor will continue to be important for the Town to consider in its housing policy.

5. Household Income

The median household income in Watertown was estimated at \$101,103 (ACS, 5-year estimates, 2015-2019). This is slightly above the same metric in Middlesex County as a whole but below most of our more affluent neighbors.⁷ Median household income, however, obscures the very real differences between households in Watertown and in our region.

The age of household members strongly predicts median income with younger and older households earning significantly less than the median.

⁶ The most common disabilities are: ambulatory, cognitive, vision, difficulty with independent living or self-care.

⁷ We are below Arlington, Belmont, Brookline, and Newton, and above Boston, Cambridge and Waltham.

Table 2: Age Distribution of Watertown Residents with a Disability

Age	Percentage of age group with a disability
Under 17	3.3%
18 to 64	7.5%
64 to 74	17.2%
Over 75	53.7%

Source: American Community Survey 5-Year Estimates 2015-2019

Table 3: Age and Median Income among Watertown Residents

Age	Median Income
15-24 years	\$42,976
65 years and over	\$58,299

Source: American Community Survey 5-Year Estimates 2015-2019

Living as a female alone with children is a strong predictor of lower median income.

There are also significant differences in household income by race. While Watertown's median household income was estimated at \$101,103, the income of Black households was \$80,781.

Finally, as is true in many Massachusetts communities, there is a significant difference between the incomes of renters and homeowners in Watertown. The median income of renter households in Watertown was estimated at \$80,855, while the median for owner households was estimated at \$120,165. A significant portion of renter households have very modest incomes. Approximately 26% of these households are estimated to have incomes of less than \$50,000 annually and about 14% have incomes of less than \$25,000.

A significant percentage of Watertown households fall within the income limits used for determining eligibility for affordable housing programs.⁸ The income limits used for most federal and state housing assistance programs are as follows:

- Extremely low-income households (ELI): Earn at or less than 30% of Area Median Income (AMI), adjusted for household size⁹

Table 4: Household Types, Children and Median Income among Watertown Residents

Household Type	Median Income
Families with children under 18	\$165,053
Male with children under 18	\$91,250
Female with children under 18	Below \$58,361

Source: American Community Survey 5-Year Estimates 2015-2019

Table 5: Household Income Distribution for Watertown Renters

Household Income	Percentage of Households
\$0 -24,999	14.1%
\$25,000 - 49,999	11.8%
\$50,000 - 74,999	16.4%
\$75,000 - 99,999	16.8%
\$100,000 - \$149,999	22.8%
\$150,000 +	18.1%

Source: American Community Survey 5-Year Estimates 2015-2019

⁸ While the starting point for these income limits is area median income data from the U.S. Census, there are many adjustments made by the U.S. Department of Housing and Urban Development (HUD). One cannot use the income distribution discussed earlier to determine the percentage of Watertown households falling into the HUD categories identified here.

⁹ Income limits differ by household size because that income must cover the costs of more household members as the household grows in size. For example, 30% of AMI for a one-person household is \$26,850 while 30% of AMI for a four-person household is \$38,350 (2020 HUD income limits).

- Very low-income households (VLI): between 30% and 50% of AMI
- Low-income households (LI): between 50% and 80% of AMI

In addition, households with incomes from 80% to 100% of area median income are considered “Moderate--income households (MI)” and are eligible for community housing that is funded through CPA. However, units subsidized for households at this income level are not eligible for inclusion on the Subsidized Housing Inventory (SHI).¹⁰

The percentage of households in Watertown earning less than 80% of area median is about 31.5%. An additional 9.6% of households in Watertown qualify for moderate--income housing, which can be funded through CPA, because they earn between 80 and 100% of AMI. The share of households eligible for affordable housing in Watertown is significant and similar to surrounding communities¹¹ but smaller than the state-wide percentages.

Table 6: Households by Qualifying Housing Income Limits

	ELI Households	FLI Households	LI Households	MI Households
Watertown: # of Households	1,830	1,010	1,940	1,455
Watertown: % of all Households	12.1%	6.7%	12.8%	9.6%
Massachusetts: # of Households	415,190	295,095	349,305	241,950
Massachusetts: % of all Households	16.1%	11.4%	13.5%	9.4%

Source: 2013-2017, Comprehensive Housing Affordability Strategy Data

Using a four-person household as the benchmark, an “Extremely Low Income” family is earning at or less than \$38,350 and a “Very Low Income” family is earning \$63,950 (2020 HUD income limits). To put these income levels in context, many of the households in the “Extremely Low Income” and “Very Low Income” tiers are working in healthcare support, food preparation and service, and other major low wage occupations.¹²

¹⁰ The SHI is used to determine whether a community has met Chapter 40B’s requirement that 10% of each community’s year-round housing be deed-restricted affordable housing. Chapter 40B is discussed further on pages 18-19.

¹¹ The WestMetro HOME Consortium’s Analysis of Impediments to Fair Housing puts the percentage at 31.5% for its 13 communities (including Watertown). <http://www.newtonma.gov/civicax/filebank/documents/107601> (11/24/20).

¹² Healthcare support, which employs almost 200,000 workers in the state, has a mean annual wage of \$35,348. Other major occupations

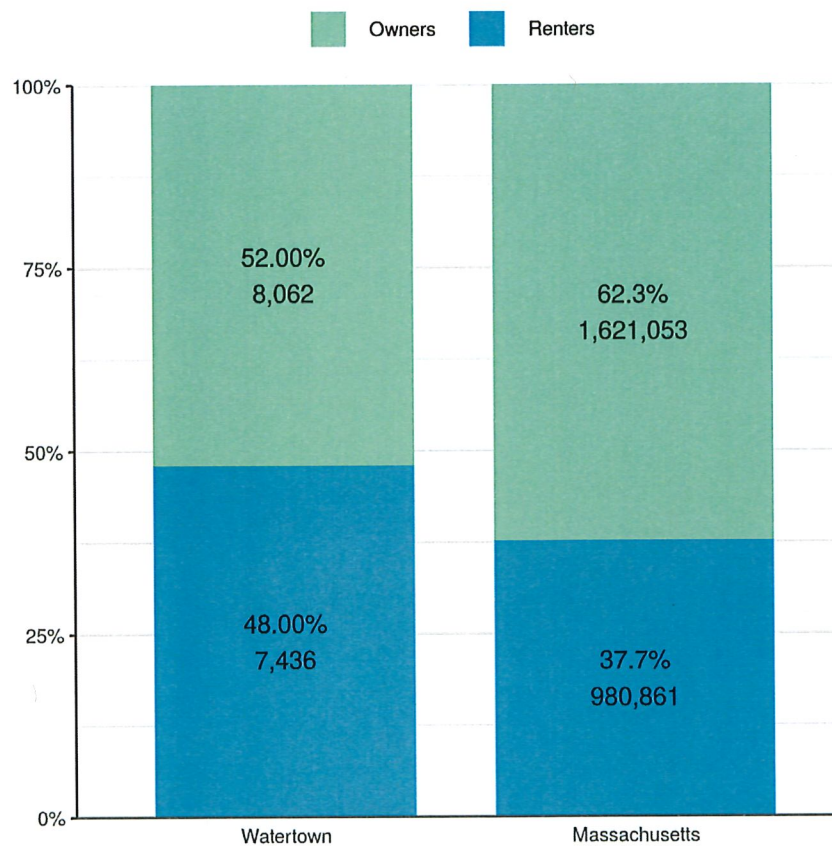
B. HOUSING CHARACTERISTICS AND TRENDS

1. Housing Unit Type

While most of Watertown's land area is occupied by one- and two-family homes, it also has a significant percentage of larger apartment and condo buildings. Approximately 33% (5,395) of all housing units are single--family homes, and an additional 33% (5,410) are 2-family homes. Approximately 10% (1,668) are in 3-- 4 unit buildings. The remaining 25% (4,097) of homes are in buildings with 5 or more units. Many of the larger apartment and condo buildings have been added since the Great Recession, as discussed in Section IIB below. Just under 50% of the Watertown housing stock is renter-occupied. This is slightly higher than the state average and has been growing in the last decade.

Figure 4.

Tenure Mix Watertown v. Massachusetts



Source: U.S. Census Bureau American Community Survey, 2014-2018 5-year estimates.
Table DP04: Selected Housing Characteristics



with low wages include food preparation and service at \$32,320; building and grounds/maintenance at \$38,270; personal care and service at \$38,830; transportation at \$40,930; and production at \$44,050. U.S. Bureau of Labor Statistics, May 2019 State Occupational Employment and Wage Estimates for Massachusetts.

Household size, which fell between 2000 and 2010 as noted by the 2014 Housing Production Plan, is now estimated to be at 2.25 persons per household (2019 5-year ACS estimate). This is consistent with a similar decline and recent rise in household size at the state-wide level.

2. Age of Housing Stock

About 80% of the housing in Watertown was built prior to 1979 and over 44% was built before World War II. This is a much larger share than in similar communities nearby, or statewide. The age of the housing stock can present challenges related to accessibility and the presence of lead paint, among other considerations.

Table 7: Housing by Year Built

	2014 or later	2010-2014	2000-2009	1980-1999	1960-1979	1940-1959	1939 or earlier
Watertown	2%	1.6%	7%	10.1%	15.3%	19.4%	44.6%
Massachusetts	1.0%	1.6%	7%	18.6%	22%	17%	32.7%

Source: American Community Survey 5-Year Estimates 2015-2019

3. Subsidized Housing Stock

Watertown has 1,171 units of affordable housing included on the State's SHI. These units meet the requirements of the state's affordable housing law (Chapter 40B) and are operated and maintained as affordable through long-term deed restrictions, covenants, regulatory and operating agreements, or other restrictions. Occupants of this housing must meet income eligibility requirements and the government regulates rents or sales prices. This figure includes the 589 public housing units operating by the Watertown Housing Authority.¹³ It does not include an additional 72 inclusionary units under construction.¹⁴

Watertown has complied with Chapter 40B through one of the two statutory benchmarks. The most recognized metric is for at least 10% of the year-round housing units to be deed-restricted "affordable" units for households earning up to 80% of area median income. Watertown is presently at 7.54%.¹⁵ The alternative metric is for 1.5% of its land area to be devoted to affordable housing as defined in Chapter

¹³ There are 539 state-funded public housing units and 50 federally-funded units. The Watertown Housing Authority is proposing to convert the 50 federal units into Section 8 project-based vouchers.

¹⁴ Units under construction include 45 at Arsenal Yards, 8 at 385 Pleasant Street, 15 at 330-350 Pleasant Street, and 4 at 101 North Beacon).

¹⁵ The year-round housing count as of 2010, used in the SHI calculation throughout the decade, was 15,521 units. This figure will change when the 2020 Census is published, increasing the year-round count and changing Watertown's percentage of SHI units.

40B. DHCD agreed in December 2019 that Watertown was at 2.07% and therefore met the “General Land Area Minimum.”

Although there are affordable units in Watertown on the Commonwealth’s Expiring Use Inventory, these units are not presently at risk. Brigham House (46 assisted living units) is covered by a regulatory agreement and a local permit restricting use of the property. Saint Joseph Hall (25 units) is a Community Housing Development Organization and HOME-assisted property.

Watertown’s affordable units vary in the type of household they are targeted to support. The 589 public housing units serve as a safety net for seniors and families with the lowest incomes (327 and 228 units, respectively, as well as and 35 units for individuals with special needs). On the other end, the rental and ownership units created through Watertown’s inclusionary zoning ordinance generally support households that are between 60 and 80% of area median income. Overall, 48% of our subsidized units are in public housing, 21% are inclusionary units in market rate developments, and 31% are in other categories.

¹⁶The number of inclusionary units is certain to grow while it is unlikely that the number of public housing units will increase because federal and state policy has shifted away from that model. Appendix C is a complete list of units currently listed on the SHI.

C. HOUSING MARKET CHARACTERISTICS

1. Rent and Home Price Trends

Like all of Greater Boston, Watertown has experienced a significant increase in the price of both rental and homeownership opportunities over the last 20 years and particularly since the Great Recession ended in 2009. Most researchers have agreed that housing costs have been rising in the region because of population and job growth, changes in preferences for household size and location, and housing production that has not kept up with this demand.¹⁷ Rising housing costs have put pressure on households at most income levels throughout the region. Many households must rent for the long-term, as they are unable to buy. Households that cannot afford to rent or buy where they presently live will look for communities that have historically been more affordable. This, in turn, has increased demand in those more affordable communities (such as Watertown).

Based on 2019 ACS 5-year estimates, over 73% of Watertown renters were paying over \$1,500 in gross monthly rent. This is significantly more than just two years before (62%) and six years before (52%).

¹⁶ Most of these are in 100% affordable developments such as St. Joseph’s Hall or Brigham House, but 15 are single family homes.

¹⁷ See, e.g., The Greater Boston Housing Report Card 2019, Supply, Demand and the Challenge of Local Control, <https://www.tbf.org/news-and-insights/reports/2019/june/greater-boston-housing-report-card-2019>; Urban Institute, Housing and Housing Finance June 2018, <https://www.urban.org/urban-wire/bostons-housing-market-three-charts>; Glaeser EL, Ward BA. The Causes and Consequences of Land Use Regulation: Evidence from Greater Boston (2006).

At the same time, the median sales price of homes in Watertown has increased substantially since the Great Recession. By one measure—median home value as estimated by the U.S. Census—values have risen 25% from \$417,000 in the 2011 5-year estimate to \$559,700 in the 2019 5-year estimate. Zillow estimated the July 2019 median sale price for a single--family home at \$733,000 and the median price for a condominium at \$546,000.¹⁸

How unattainable is homeownership in Watertown to a renter? The table below shows that there is a substantial gap between what a household with median income can afford and what is available to them. This “price gap” means even a relatively affluent individual or family must stay in the rental market (or look elsewhere). Even with this large price gap, Watertown is considered more affordable for buying a home than many communities in the region.¹⁹

Table 8: Gap between Income and Price Facing Watertown Residents Trying to Buy

Single Family Affordable to Renter Earning Median Household Income (MHI)	Median Sales Price Single Family (2018)	Price Gap
\$382,900	\$650,000	\$267,100
Condo Affordable to Renter Earling MHI	Median Sales Price Condo (2018)	
\$314,700	\$519,900	\$205,200

Sources: The Warren Group and DataCommon 2014-2018 American Community Survey

2. Housing Cost Burden and Affordability Analysis

One of the most common measures of housing need is whether a household is cost-burdened, i.e. whether more than 30% of their gross income is spent on housing.²⁰ About 37% of Watertown renters are cost-burdened, while about 28% of owners are in that situation.

Because cost burden is a direct reflection of household income, the impact of being cost-burdened is more acute for lower--income households that have fewer financial resources available to meet other necessary

¹⁸ The U.S. Census and firms like Zillow estimate value or sales price. While actual Watertown data could be compiled or purchased and be more accurate, it would not change the conclusion that home prices are rising substantially.

¹⁹ This analysis comes from the WestMetro Consortium's 2012-2025 Consolidated Plan and is based on 2018 data. Within the 13 WestMetro communities, Watertown's price gap is 12th for single families and 11th for condos.

²⁰ As discussed earlier, cost burden is measured as the share of household income that is spent on housing, whether total ownership costs or total rental costs. Households spending more than 30% of their gross income on housing are considered cost--burdened; households spending more than 50% of their gross income on housing are considered severely cost-burdened.

household expenses (food, transportation, health care, student loans, etc.). Tables 9 and 10 below show the incidence of cost-burdened households in Watertown across different income groups. While households are cost-burdened across all income groups, most striking is the very high incidence of housing cost burden among those with the lowest incomes. Between 65 and 80% of Watertown residents at the two lowest income levels are cost-burdened.

Table 9: Cost Burden Incidence by Household Income Group for Renting Households

	ELI	VLI	LI	MI	HI	Total
# renting households in income group	1,070	595	1,175	705	3,710	7,250
# of cost-burdened households in income group	695	415	860	405	135	2,510
% of cost-burdened households in income group	65%	69.7%	73.2%	57.4%	3.6%	34.6%

Source: Comprehensive Housing Affordability Strategy Data, 2013-2017

Table 10: Cost Burden Incidence by Household Income Group for Ownership

	ELI	VLI	LI	MI	HI	Total
# renting households in income group	760	415	765	750	5,215	7,910
# of cost-burdened households in income group	605	335	295	400	630	2,265
% of cost-burdened households in income group	79.6%	80.7%	38.6%	53.3%	12.1%	28.6%

Source: Comprehensive Housing Affordability Strategy Data, 2013-2017

3. Impact of COVID-19 Pandemic

The COVID-19 pandemic that struck the world in March 2020 is likely to have major short-term implications for tenants and owners and may have long-term implications on the housing market. With substantial job lay-offs starting in spring 2020, it remains unclear whether many renters and owners will be able

to pay their rents and mortgages. Depending on the pandemic's course and government intervention,²¹ there may be significant housing instability. Concern about a surge in evictions has been raised by many housing market observers. At the same time, vacancy rates are reportedly rising and rents are softening in some market segments. For the longer-term, there has been informed speculation that developers and lenders may be more cautious about new residential projects.

21 In addition to the federal CARES Act, the Commonwealth established an eviction and foreclosure moratorium on April 20, 2020 (which expired, after one extension, on October 17) and provided additional help through the Rental Assistance for Families in Transition (RAFT) program. When the moratorium expired, the Commonwealth launched an "Eviction Diversion Initiative" combining more rental assistance and mediation/legal representation to lessen evictions. The Watertown Housing Partnership launched an emergency rental assistance program in September 2020 with \$175,000 in Community Development Block Grant program income; it added \$100,000 in December. This assistance is expected to help over 60 Watertown households cover rent for three months or more. On the private and non-profit side, the Community Resilience Fund used \$73,000 to provide emergency rental assistance to 50 households in need.



Nally Estates



St. Joseph's Hall

II. Development Regulations, Trends, Funding Sources and Constraints

A. RESIDENTIAL ZONING

Residential uses are permitted in Watertown either by right, or through a special permit process, within 11 zoning districts. The majority of this land allows only for single-family and two-family structures. However, Watertown has been notable in Greater Boston for creating two new and substantial multifamily zoning districts. The Arsenal Street and Pleasant Street corridor districts have been cited as leading examples of planned and well-located “growth districts.”²²

The zoning districts that allow housing are described below, followed by separate sub-sections that cover parking requirements, design guidelines and standards, and inclusionary housing requirements that apply to some or all of these districts.

1. Single- and Two- Family Zoning Districts

The single-family S-6 and S-10 zoning districts are intended only for single family residential structures. The S-6 district, which sets a minimum lot area of 6,000 sf per dwelling unit, allows for greater densities (approximately 7.25 units per acre) than the S-10 district, which sets a minimum lot area of 10,000 sf per dwelling unit (approximately 4.4 units per acre).²³

The two-family zoning district (T) makes up nearly a third of all land in Watertown and allows for single and two-family dwelling units with a minimum lot area of 5,000sf (approximately 14 units per acre).

The SC zoning district allows single-family conversion to a two-family structure and new two-family structures, with a Special Permit.

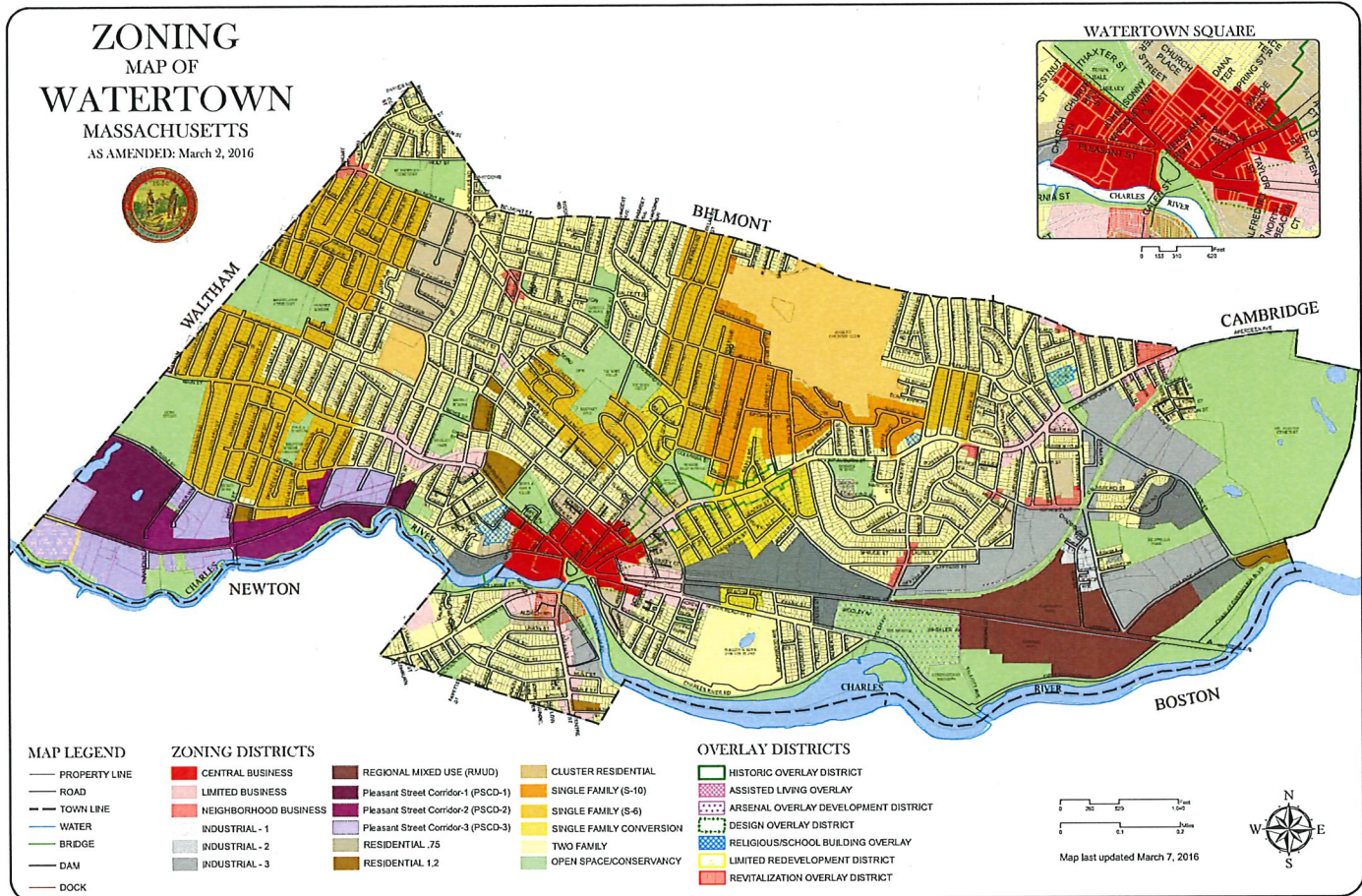
Since nearly all parcels within these districts have already been developed, most of the recent activity in these districts has been either intensifying the existing uses (e.g., conversions to two-family, dormers and additions) or tear downs of single-families within the T zoning district on lots where housing is allowed (5000 sf. or larger with 50 feet of frontage).

2. Multi-family Zoning Districts

There are two multi-family zoning districts within Watertown. The R.75 allows multi-family development up to .75 Floor Area Ratio (FAR), and the R1.2 allows for a higher density multi-family residential up to 1.2 FAR. However, although these are multi-family districts, only single- and two-family development is allowed as of right. Any development of 3 or more units requires a special permit – 3-4 units require a special permit, and 4 or more units requires a special permit with site plan review.

22 Amy Dain, *The State of Multi-Family Zoning in Greater Boston*, 93-95 (June 2019) <https://ma-smartgrowth.org/resources/resources-reports-books/>.

23 There is also a Cluster Residential District which has an intensity of use similar to the S-10, but is limited to two areas (Oakley Country Club and the former Rosary grounds).



Watertown zoning map

3. Pleasant Street Corridor District (PSCD)

The Pleasant Street Corridor District (PSCD) was adopted in 2008 to encourage redevelopment of this industrial corridor with more focus on urban design and placemaking.²⁴ A key goal within the corridor is to “facilitate a mix of uses including residential, office, research and development...” and it allows for multi-family residential of 4+ units by special permit with site plan review. After this area resulted in significant residential development without a mix of uses, amendments were adopted in 2015 to encourage several commercial clusters along the corridor.

The amendments created three sub-districts: PSCD-2 requires residential projects to include a commercial component of at least 15% of the gross floor area; PSCD-3 allows for a mix of uses and does not allow for residential; and PSCD-1, consisting of the remaining parcels, allows residential use with changes in dimensional and other requirements. The base zoning for PSCD-1 provides for FAR of 1.0, with a maximum of up to 1.5 by special permit if certain development incentives are met. The base zoning for PSCD-2 allows FAR between 1.0 and 2.0 if the development incentives are achieved. Both sub-districts require a minimum of 1000 sf/unit.

The PSCD offers adjustments to dimensional requirements and/or parking requirements to projects that achieve one or more of six specified goals: (1) a minimum of 50% of the designated open space is “publicly usable,” (2) a “significant contribution” for connections to the bike path along the Charles River, (3) underground or structured parking, (4) a demonstration of reduced demand for cars (for example, by offering sheltered bicycle parking, participating in a shuttle service, or constructing an on-site bus stop) (5) “significant conformance” with design and environmental sustainability guidelines, and (6) “development of desirable uses” at “key opportunity sites” designated in the corridor plan.

4. Regional Mixed-Use District (RMUD)

The Regional Mixed-Use District was created in 2016 for “transformative development” with a “mix of larger and smaller scale retail, office, hospitality, multifamily residential and research and development uses” in a “major gateway.” The district is intended to be of sufficient scale and range of uses to serve regional demand. With respect to housing, the district is intended to provide a “continuum of housing options” with “opportunities for lower- and middle-income households” as one of the particular goals.

While development in the RMUD ordinarily requires a special permit,²⁵ applicants may seek a Master Plan Special Permit with site plan review if the proposed project site is over 2 acres. Under this alternative process, there is approval of a proposed master plan which determines land uses (including mass and

²⁴ While residential had been allowed in the I-3 corridor by special permit since 1988, the PSCD substantially changed the applicable zoning.

²⁵ There are some by-right uses, such as a drive-in bank or light industry of less than 4,000 sf. However, none of these uses can exceed a 1.0 FAR without seeking a special permit or Master Plan Special Permit.

scale) and then site review as particular elements are ready for permitting. Applicants may propose a FAR of up to 2.0. There is no minimum lot size per dwelling unit.

5. Other Relevant Zoning Districts

There are three business zoning districts in Watertown – Neighborhood Business (NB), Limited Business (LB), and Central Business (CB). The NB and LB districts allow multi-family residential of 3 or more units by special permit, and 4+ units by special permit with site plan. Multifamily is allowed as of right in the CB district as long as the first floor is used for retail and other business purposes. All business districts also allow mixed-use structures with up to three residential units by special permit, or mixed-use structures with four or more units by special permit with site plan review.

Multi-family and mixed-use residential development are allowed in the I-3 zoning District by special permit and with site plan review.

The Assisted Living Overlay District (ALOD) allows development at FAR of 1.0 and a minimum lot size per unit of 1200 square feet. The Revitalization Overlay District (RO) is a “floating” district that can be applied by special permit to a mixed-use or residential project with a minimum lot size of 10,000 square feet. The maximum FAR is 2.0 for a residential development. So far, it has only been applied to parcels around the northern end of the Galen Street corridor.

6. Parking Requirements

The parking requirements for residential uses are:

- One and two-family homes: 2/unit or 3/unit if more than 4 bedrooms.
- Town and rowhouses: Minimum of 2/unit and maximum of 2.5/unit.
- Multi-family: Minimum of .75 spaces for every studio unit, 1 per 1-BR apartment, 1.5 per 2-BR apartment and 2 per 3+BR apartment. Maximums are 1/studio, 1.25/1BR, 1.75/2BR and 2.25/3BR+.
- Mixed Use: sum of commercial and residential requirements, except in the Central Business District, where it is 1/residential unit.

There are also provisions to promote shared parking, separation of parking and housing costs, alternative transportation modes, and car sharing. For example, a project can obtain (by special permit) up to a 25% reduction in parking requirements if it uses shared parking or encourages alternative transportation modes.

Parking requirements, if excessive, can be a barrier to housing production, as they may decrease the buildable area on a given lot, or create need for structured parking, which is expensive to build. Since the 2014 Housing Production Plan identified parking requirements as an issue, the Town's requirements for multi-family development have been substantially reduced and become more flexible. In addition, maximum parking requirements were added to the ordinance.

7. Design Guidelines and Standards

Watertown adopted a comprehensive set of Design Guidelines and Standards in June 2015. The intent is to "enhance building, parking and public realm interface" along the major corridors and Watertown and Coolidge Squares. Design standards are increasingly recognized as a critical tool to achieve quality and a more holistic review of new development. It is also important to monitor whether the standards or process used become a development constraint.

8. Inclusionary Zoning

Watertown's zoning ordinance has included a provision for inclusionary housing (Section 5.07) since 1989. The purpose of the ordinance is to encourage the expansion and improvement of Watertown's housing stock; provide housing choices for a diversity of households; prevent displacement of low- and moderate-income residents; provide opportunities for mixed-use development; and more. Inclusionary requirements have increased over time, with the most recent changes in December 2016.

Table 11: Watertown Inclusionary Zoning Requirements

Total Project Size	Affordable Units	Rental Price	Ownership Price
1 to 5 units	0	N/A	N/A
6 to 10 units	Option for cash in-lieu payment		
6 to 19 units	12.5%	80% AMI	80% AMI
20 and over units	15.0%	No less than 5% of the total units at 65% AMI	80% AMI

Currently, the inclusionary provision requires all new residential or mixed-use developments with six or more residential units to provide deed-restricted affordable units. Developers of smaller projects (6-10 units) may provide units on site or they can provide a payment-in-lieu of units.²⁶ Developments with 10+

²⁶ The payment must equal the applicable total development cost/unit in DHCD's Qualified Allocation Plan.

units must provide units on site. Density bonuses are available to developers who target lower income households. Table 11 sets forth the particular requirements.²⁷

Affordable units must be of comparable size to the market rate units, within a range of 20%. The affordable units also must be comparable to market-rate units with respect to quality of construction, energy efficiency, and exterior finishes and to “base” market-rate units with respect to interior finishes. The deed-restrictions must be permanent.

B. DEVELOPMENT TRENDS

Over the last 20 years, Watertown has seen significant multifamily development, concentrated along the Arsenal Street and Pleasant Street corridors. While several projects were started prior to the Great Recession,²⁸ most of this development occurred after the Commonwealth emerged from that slump. In the last eight years, eight projects representing 1,243 units have been completed²⁹ and another 487 are under construction.³⁰ Although there are several other developments that have been approved or under consideration, the Town has recently seen a slow down in the pace of significant multifamily proposals.

Nearly all of the new units since 2012 have been rental. The bedroom mix has tended toward 1BR and 2BR units. Both are consistent with regional trends. Millennials and Baby Boomers have increased demand for smaller apartments.

As significant multifamily proposals have slowed, proposed “life science” developments have increased. In addition to the many existing bio-medical uses that currently operate in Watertown, three lab/office buildings are presently under construction, one has been permitted, and others are in various stages of consideration. If even a handful of these projects are completed, Watertown will significantly increase its already robust life science cluster.

With significant residential development since 2012 and the emergence of a life science cluster, it will become harder for residential developers to find parcels where the economics work. This will become particularly true for developers seeking to build 100% affordable projects. Competition for land in Cambridge—driven by the Kendall Square life sciences cluster—led city leaders in October 2020 to enact a city-wide affordable housing overlay district with more advantageous dimensional and permitting re-

27 Inclusionary requirements are somewhat different for projects with assisted or independent living units. For independent living units, the project size thresholds and affordable unit requirements are the same but 80% AMI applies to all such projects. For assisted living units, there are different size tiers and required percentages, and units serving those with dementia and/or skilled nursing are exempt.

28 Archstone/Watertown Square Apartments (134 units) and Riverbank Lofts (57) were completed before the Great Recession, and Repton Place (179) was under construction before.

29 Charlesbank Residences (44), Watertown Mews (206), Riverbend on the Charles (170), Alta/Bell Watertown (155), St. Joseph’s Hall (25), The Gables (296), Riverpark Lofts (65), and Union Market/Elan (282) have been completed.

30 WaterMills (99) and 385-393 Pleasant (53), Arsenal Yards (302) and 101 North Beacon (28) are under construction.



Elan Union Market mixed use development



Arsenal Yards

quirements for 100% affordable proposals. At present, the Watertown zoning districts with more opportunities for residential development are the I-3 (along Arsenal Street, west of School Street), PSCD-2 (middle of Pleasant Street), and the Central Business District (around Watertown Square). The latter may be particularly attractive for infill affordable projects because of the proximity to the Watertown Square transit hub and retail.

C. FUNDING SOURCES FOR AFFORDABLE HOUSING³¹

Other than general funds, existing sources to fund affordable housing are limited. These sources can be divided into two categories: funds that the Town controls, and funds that require competitive applications. In the first category, are the following:

- **Federal HOME Investment Partnerships program.** Watertown is allocated around \$90,000/year from the HOME program as a sub-recipient to Newton, which is the lead community in the West-Metro Consortium. The Town also has program income (around \$262,000) earned through past HOME activity. HOME monies support building, buying, and/or rehabilitating affordable housing or providing direct rental assistance to low-income people.
- **Community Development Block Grant (CDBG) program income.** The Town also has program income (approximately \$36,000) earned through past CDBG activity. CDBG monies support local housing and economic opportunity initiatives for low and moderate-income households.
- **Affordable Housing Trust Fund.** The Town has been accumulating funds paid by developers “in lieu of” inclusionary units where the total number of homes in the proposed development are between 6 and 10. There is approximately \$269,000 in this fund.
- **Community Preservation Act (CPA).** Watertown adopted CPA in 2016, allowing the Town to raise money for eligible uses through a local property tax surcharge supplemented by a varying state match. The eligible uses are: open space and recreation, historic preservation and community housing. A municipality must reserve 10% of its annual CPA spending on each of the three eligible uses. CPA funds can be used to acquire, create, preserve or support community housing for households with incomes at or below 100% of AMI, or to rehabilitate such housing acquired or created through CPA. The Town’s CPA Fund is currently above \$7 million and the property tax surcharge is likely to produce an annual revenue stream above \$2 million. Access to CPA funds will be competitive, with proposed projects chosen by the Town’s Community Preservation Committee and ratified (or rejected) by Town Council.

³¹ This sub-section describes only the principal funding sources. There are other sources, e.g., pre-development assistance from the Community Economic Development Assistance Corporation, that can be tapped.

In the second category—funds controlled by outside entities—are the following programs:

- Department of Housing and Community Development (DHCD) funding. At least once each year, DHCD announces funding of proposed affordable housing projects after a statewide competition. DHCD funding decisions usually include allocation of federal and state tax credits, grants, subsidies, and loans. This is the largest single source of affordable housing resources in the state—and the most competitive. DHCD last awarded affordable housing money to a Watertown project in 2013.³²
- DHCD award of federal CDBG money. While most CDBG funds go directly to certain “entitlement” communities—Watertown is not one of them—the state makes awards to other communities through a competitive round each year. DHCD typically awards less than \$1 million to each successful applicant.
- “Pooled” federal HOME monies. The WestMetro Consortium pools a certain amount of its HOME monies each year and awards this sum to a non-profit developer proposing a project within the 13 Consortium communities. The pooled monies are generally under \$500,000.

D. NATURAL AND PHYSICAL CONSTRAINTS

For the purposes of this Housing Plan, protected open space and natural resources such as wetlands, surface water, and endangered species habitats may be considered as constraints to potential residential development, and will be discussed as such, since their presence on a parcel may render that portion of the property unbuildable, or may require mitigation measures.

1. Wetlands and Floodplains

Wetlands are important because they provide floodwater retention, groundwater recharge and wildlife habitat. However, these areas also constrain housing and other development because virtually any development activity that occurs in a Wetland Resource Area is subject to the state as well as town wetlands protection requirements. They often cannot be developed, or significant portions cannot.

According to MassGIS data, there are 87 acres of wetlands in Watertown. The majority are the Charles River and adjacent land, particularly an unnamed island at Charles River Road and Beacon Street, and another area on the border with Boston at the North Beacon Street Bridge. Additional wetland pockets were identified in other locations near Walker Pond on the western edge of town between Waltham Road

³² Metro West Collaborative Development was awarded \$1.6 million in DHCD housing subsidies and \$153,243 in federal Low Income Housing Tax Credits to preserve 25 units of affordable housing at St. Joseph's Hall.

and Pleasant Street, and Sawins and Williams Ponds in east Watertown at Arlington Street and Coolidge Avenue. Both pond areas are privately owned. Given the limited wetland areas within Watertown, they do not act as a significant constraint to residential development.

2. Floodplains and Inland Flooding

Several areas along Watertown's southern border with the Charles River pose 100-year flood hazards. The majority of floodplain affected land is found west of the Watertown Dam with four multi-acre areas between Bacon Street and Paramount Place. The site of the Stop & Shop at the western end of Pleasant Street also includes approximately 11 acres entirely within the 100-year floodplain. The eastern section of the Charles River is contained within its banks with the exception of a section of Greenough Boulevard north of Arsenal Street.

As climate change becomes more severe, Watertown is at risk of inland flooding due to extreme storms. Regional efforts are underway to better understand the locations of inland areas most vulnerable to flooding through advanced modeling. This emerging issue may constrain residential development in certain areas of town or alter how those developments must be designed in order to safeguard inhabitants from flood impacts.

3. Rare and Endangered Species Habitat

Estimated Habitats for Rare Wildlife are regulated under the Massachusetts Wetlands Protection Act, and any developments within the Habitat must be reviewed under the State's Natural Heritage and Endangered Species Program. Although the town has no known endangered or threatened species, it is believed that the town has at least one vernal pool at the Mt. Auburn Cemetery. Vernal pools, which collect water from rain or seasonal flooding, dry up in the later spring and early summer. They provide essential habitat for several species. It is suspected that there may also be undocumented vernal pools near the ponds in the west end of Watertown. However, given the minimal areas noted, endangered species habitats do not act as a significant constraint to residential development.

4. Municipal Infrastructure

The Town of Watertown has an older infrastructure system consisting of 72 miles of roadway, 80 miles of water line, 82 miles of drain line, and 84 miles of sewer line. When development projects come before the Town, special attention is paid to the impact of the project on the infrastructure system, and mitigation is implemented where warranted.

Stormwater Management is a critical response that is important to the future success and vitality of the Charles River and is practiced and implemented with current and proposed development of infrastruc-

ture projects. Although Watertown relies on the Metropolitan Water Resource Authority (MWRA) for its potable water supply, well water was once plentiful and provided both drinking water and irrigation for agricultural ventures. Artesian springs near Whitney Hill were noted in historic journals and were used for irrigation for pear groves along Orchard Street. Because the town no longer depends on groundwater for its sustenance, systematic ground-water testing has not been conducted. The extent to which ground-water has been affected by land use changes and/or industrial/ residential pollution over the past several centuries is not fully known, but testing at the Arsenal site showed significant contamination in that area.



The Apartments at Coolidge School



Riverbend on the Charles

III. Existing Watertown Plans

Watertown's 2014 Housing Production Plan and 2015 Comprehensive Plan substantially set the same goals and proposed strategies. This section will briefly outline those goals and strategies and indicate the Town's progress in the intervening years. For simplicity, the Comprehensive Plan's organization will be used.³³

A. Promote and maintain a diverse housing stock with increased funding for housing creation and more opportunities for lower- and middle-income households

The Comprehensive Plan/Housing Production Plan proposed that the Town focus both on mixed-use developments with housing and on creating more deed-restricted affordable housing.³⁴ With respect to mixed-use development (strategy 1C), the plans suggested identifying sites along Arsenal Street and the Pleasant Street Corridors. As discussed earlier, there has been substantial development in those corridors in the last eight years (over 1,700 units, including those under construction), with each of these projects adding affordable units for those with lower incomes and offering more choices for those interested in renting an apartment. This strategy remains appropriate, given the developable sites still on these corridors.

The plans articulated the affordable housing production goal in terms of Chapter 40B, i.e., adding and maintaining units on the state's Subsidized Housing Inventory (strategies 1A and 1B). Watertown has made progress toward this goal: rising from 6.51% when the Housing Production Plan was issued to 7.54% now. However, it has also met Chapter 40B requirements through the 1.5% land area calculation. This allows Watertown to consider alternative metrics for its progress in creating affordable housing.

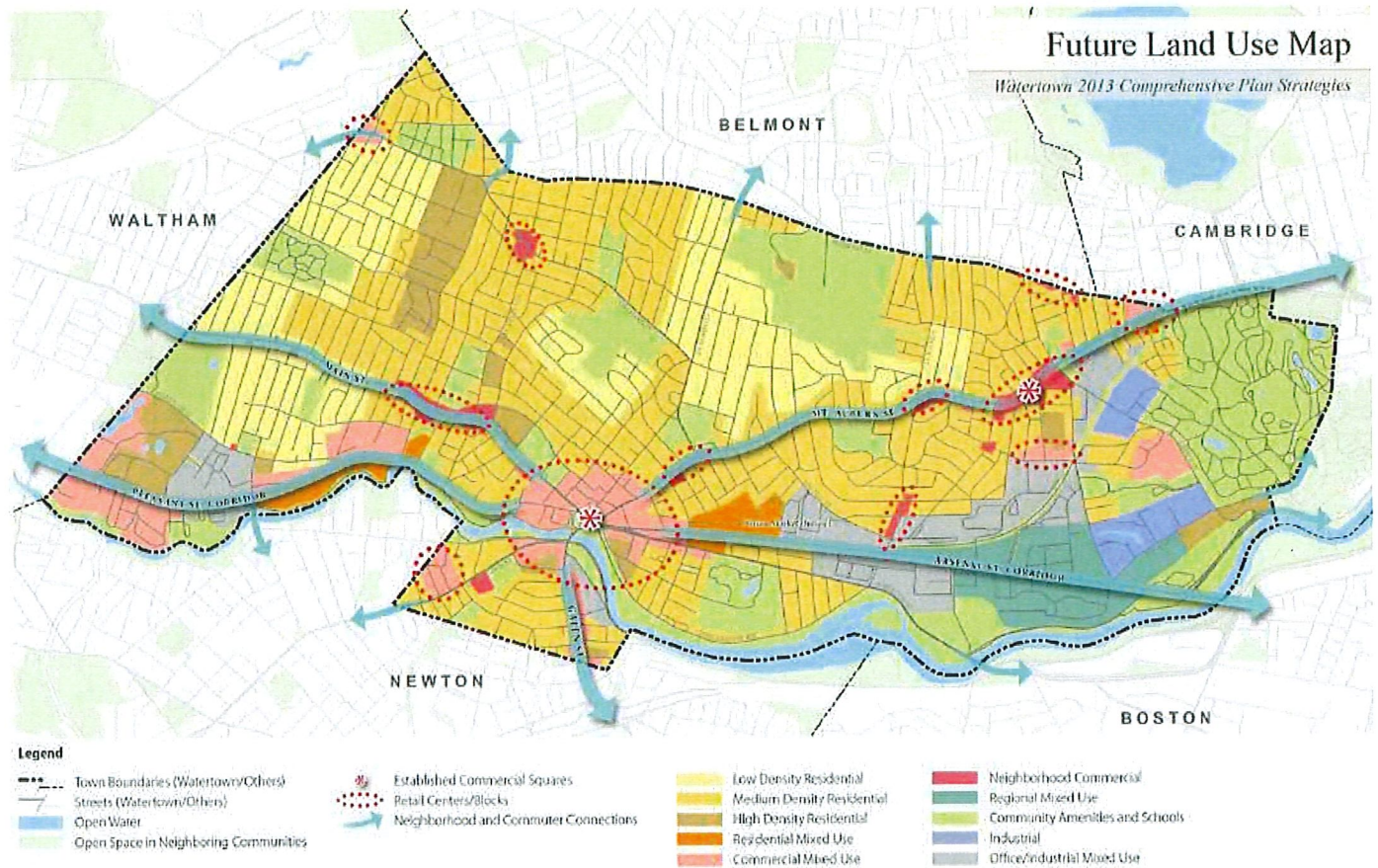
The plans also recognized the importance of using existing sources to fund affordable housing (strategy 1E)--and adding a new one, Community Preservation Act funding (strategy 1G). With the Community Preservation Committee poised to open applications in 2021, this new tool will soon be available. This will also allow more to be done with existing sources like federal HOME Consortium money.

B. Ensure zoning allows for housing production for all income levels and household types

The Comprehensive Plan/Housing Production Plan proposed that the Town take a hard look at its zoning for residential development and ensure that it allows units for a range of income levels and housing types. In the intervening years, there have been substantial changes in the zoning ordinance, many of them proposed in the plans. These include new opportunities for mixed use and assisted living created along the Arsenal/Pleasant Street corridors (strategy 2B), design standards/guidelines (also strategy 2B), substantial reduction in parking requirements for multifamily projects (strategy 2D), and expanding the

³³ Since the Comprehensive Plan incorporated content from the 2011 Strategic Framework for Economic Development, that plan will not be separately discussed.

³⁴ The Housing Production Plan identified them as two separate goals (1 and 3), but the strategies are nearly identical.



Watertown Future Land Use Map

inclusionary zoning requirements (strategy 2E). Notwithstanding this progress, continuing to examine these requirements is still appropriate.

There are three proposed zoning strategies that have not moved towards adoption. One is allowing multifamily developments up to 4 units by right, with site plan review (strategy 2A). Another is exploring greater density in the cluster residential district (strategy 2C). Finally, the plans suggested allowing accessory dwelling units in at least some situations (strategy 2F). There continues to be interest in more liberal treatment of accessory dwelling units as they are an effective way for Watertown seniors to age in place and for the creation of less expensive housing.³⁵

C. Provide seniors and persons with disabilities with greater housing options

The Comprehensive Plan/Housing Production Plan proposed addressing the needs of seniors and persons with disabilities through supportive housing (strategy 3A) and two methods of funding home improvements (strategies 3B and 3C). Since those plans, the Town has adopted a Reasonable Accommodations Policy to permit ramps and similar mobility aides within setbacks, which helps seniors and others with mobility problems remain in their homes. As discussed earlier, it has also added new opportunities for assisted living. This continues to be an appropriate goal as the region and Watertown itself have a significant 60+ population.

³⁵ The plans also discussed requiring developers to include 3BR units in their projects (strategy 2G). Town staff and the WHP have strongly encouraged production of 3BR units, which we think is the best way to proceed at the present time.

IV. Goals and Strategies

To achieve its housing vision for 2025, Watertown must make it easier for people to live here, and stay here, in affordable, safe housing. We know that over 31% of Watertown households qualify for federal or state housing assistance because their incomes are at or below 80% of area median income. We know that a high percentage of those residents are struggling with their housing costs. Increasing affordable housing opportunities for households in that income range is at the heart of Goal 1 of this plan. Housing needs are particularly acute for those households that are “very low income” or “extremely low income” and they are the focus of Goal 2. The particular housing needs of seniors and individuals with disabilities cut across many income categories and are discussed in Goal 3. This plan also recognizes in Goal 4 that the Town should have a variety of housing types available at different price points, particularly so that Watertown residents and workers can find the homes they need as their circumstances evolve. Goal 5 addresses the preservation of Watertown’s existing 1,171 affordable units. Finally, Goal 6 recognizes that community engagement and support is essential to achieving any of the goals. Working towards these six goals will help Watertown continue to be a great place to live.

Goal 1: Increase affordable housing opportunities for lower-income households (less than 80% AMI)

Our housing needs analysis makes clear that Watertown must create more opportunities for lower income households (less than 80% of area median income). In order to set a target and measure progress toward this goal, we propose a new metric: the percentage of new housing that contains long-term affordability restrictions. Watertown should ensure that over 15% of all newly-constructed homes have such affordability. This would be a target, not a requirement.³⁶ We will use this metric to measure our progress each year, and by 2025.

To increase housing opportunities for those at or below 80% AMI, Watertown will need to employ some or all of the strategies discussed below. Many of these would also help achieve the outcomes set forth in Goals 2 through 6.

STRATEGY 1A: Create an affordable housing trust to enable a more rapid response to development opportunities and access additional sources of funding.

Under Massachusetts General Laws Chapter 44, section 55C, a municipality may form an affordable housing trust to create and preserve housing for low- and moderate-income households. There are currently over 100 communities with such trusts; they have been instrumental in building many of the affordable

³⁶ A 15% target requires Watertown to continue—or possibly strengthen—its robust inclusionary zoning policy and add affordable units in other ways. The target also must take into account the single-family and two-family homes that will continue to be built every year with no affordability restriction. While the vast majority of long-term, deed-restricted housing will be at or below 80% AMI, the 15% target could include “workforce housing” units that are above 80% AMI.

units in those communities. The trust obtains funding from multiple sources, such as locally-controlled HOME or CDBG monies, local CPA funds, or “cash in lieu” payments under an inclusionary zoning ordinance. The trust then uses these resources to directly or indirectly engage in real estate activity. The trust can play a critical role by providing pre-development “seed money” for affordable developments. The trust can provide funding for, or participate in, a project initiated by a non-profit developer. In time, if it can build sufficient capacity, the trust may itself obtain site control and act as developer or bring a non-profit developer into its deal. In all of these scenarios, the trust’s financial contribution is a fraction of the total project cost. Trusts try to use their expertise and local resources to attract federal, state and non-profit/private funds the community does not control.³⁷

While the Watertown Housing Partnership (WHP) has done an effective job in promoting affordable housing, creating a municipal affordable housing trust is the logical next step to expand the Town’s tool-kit. The Town Council, as legislative body, can create the trust. A common path for many communities has been to convert its housing partnership, or equivalent body, into a trust and replace/add members to provide higher levels of real estate expertise.

STRATEGY 1B: Evaluate increasing inclusionary zoning requirements.

With the 15% inclusionary zoning requirement for larger projects coming up on its fifth anniversary in December 2021, the Town should evaluate whether market conditions warrant an increase. At the same time, the Town should consider whether to expand the deeper affordability tier (below 65% of AMI). It is critical to arrive at the right balance. The requirement should maximize the production of affordable units without deterring housing development. Further review should be done in the near future to inform this judgment.

STRATEGY 1C: Leverage public funds such as those from the Community Preservation Act and Commonwealth sources.

The potential availability of CPA funds starting in 2021 is a great opportunity for affordable housing production (as well as for historic preservation and open space). If used wisely, this resource not only increases available funding but makes it easier to put together strong applications to DHCD for state and federal tax credits, and state grants and loans. (See also Strategy 4B.) These funds can support projects where a municipal affordable housing trust is in the lead and/or where a non-profit partner like Metro West Collaborative, Inc. has made a proposal. This strategy requires at least one lead entity that does the necessary pre-development work to persuade such funders (starting with the CPC and Town Council) that the proposed project is worth their support.

³⁷ A local trust is particularly effective in situations where a local focus and/or rapid response is required. Unlike a non-profit developer that is working in multiple municipalities, the trust is rooted in one. A trust’s ability to deploy its funds on short notice allows it to compete in a real estate market (like ours) where private developers are also looking for residential opportunities.

STRATEGY 1D: Leverage opportunities on public land.

Use of municipal land for affordable housing lowers total development cost and thereby narrows the gap that subsidies must fill. This provides an opportunity for developments with a greater percentage of units with deeper affordability. Existing surplus sites should be explored. As the need for municipal properties change over time, use for housing should be considered.

STRATEGY 1E: Maximize Transit-Oriented Development opportunities.

Watertown has relatively limited TOD sites compared to other inner core communities. This makes it even more important to maximize those locations for affordable housing. TOD locations can lower transportation costs for residents, which contributes to overall affordability. Bus service emanating from the Watertown Yard, as well as service along Arsenal, Mt. Auburn and Main Streets, provide the opportunity for residents to reach other job centers, shopping and transit hubs.

STRATEGY 1F: Evaluate adding a requirement that developers building new commercial space help fund affordable housing, offsetting new housing demand created by such development.

Significant new commercial development, though often welcome, creates housing demand and contributes to rising rents/prices. Some communities that are attracting such development—and feeling pressure in their housing market—have adopted fees to raise money for affordable housing. Typically, these fees only apply when commercial developers propose large developments (measured by square footage) and fees are per square foot.

In order to evaluate this tool, the Town should commission a “nexus” study. Such a study is necessary to establish the existence/magnitude of a connection between commercial development and housing demand in this market. The study can also provide a sensitivity analysis (i.e., measuring the impact of alternative fee levels on future development). As with inclusionary zoning, asking commercial developer to help fund affordable housing is only an effective strategy to the extent it does not deter desired development.

GOAL 2: Increase affordable housing opportunities for those needing deeper affordability (less than 60% AMI)

The housing needs analysis makes it clear that Watertown should make a particular effort to create more deeply affordable units (less than 60% AMI). While this goal is a subset of Goal 1, it is distinct because of two factors: 1) there is a larger gap between total development cost and operating income for deeply affordable units, and 2) while inclusionary zoning can effectively produce units in the 60-80% AMI range,

units within that income range are not eligible for federal and state tax credits. Accordingly, the strategies to achieve Goal 2 are somewhat different than Goal 1.

STRATEGY 2A: Prioritize the use of public funds, public land, and TOD locations to create more deeply affordable units.

To create more deeply affordable units, the Town should encourage a pipeline of projects that can compete in the DHCD annual funding round. Such 100% affordable projects would provide housing to households at or below 60% of AMI. Because the DHCD funding round is so competitive, the Town must be prepared to use public funds, public land and/or transit-oriented locations as leverage to attract the state investment. The Town must also be realistic that even a strong pipeline is unlikely to yield more than one or two awards over the next five years.

STRATEGY 2B: Support the Watertown Housing Authority and others in the effort to rehabilitate public housing inventory and create new units on its existing land.

The Watertown Housing Authority has been considering ways that it (and possible partners) can rehabilitate existing units and potentially add new units by leveraging the value of its existing land. In addition to creating modernized public housing units, this effort could result in creating new affordable or mixed-income units. The Town should support the Housing Authority's efforts and help identify funding sources.

STRATEGY 2C: Partner with community development corporations and others to explore new ways to create/support more deeply affordable units.

There has been increasing recognition that housing has a significant impact on health incomes and on climate resiliency. This recognition has created new opportunities to bring investments from other sectors into the creation of affordable units that serve households that might otherwise be vulnerable to housing instability. In partnership with community development corporations, the Town should explore innovative ways to fund housing that serves these vulnerable populations.

The Town should also look at ways to create more affordability through purchase of small multi-family buildings or "buy-downs" in market-rate developments with inclusionary units. Somerville has partnered with a community development corporation to purchase multi-family buildings (its "One Hundred Homes" program), creating long-term affordability at a neighborhood-scale. The Town could also negotiate "buy-downs" by providing a dedicated subsidy stream to market rate developers in return for reducing the required AMI level (e.g., from 80% to 60%, or 65% to 50%).

GOAL 3: Increase affordable and supportive housing opportunities for seniors and individuals with disabilities

STRATEGY 3A: Evaluate rehab loan program.

Watertown should evaluate creating a loan program targeted at making it easier for seniors and individuals with disabilities to adapt their homes. One potential source is Watertown's federal HOME money.

STRATEGY 3B: Encourage universal design and visitability standards in new development.

The importance of "universal design"—creating homes that meet the needs of all people, from young to old, and able and disabled—has become increasingly recognized in the design and planning communities. Many jurisdictions have instituted "visitability" standards such as having a zero-step entry and wider passageways to make homes accessible for all. The Town should continue to encourage new developments to incorporate these features; when universal design is included in the planning stage, it does not add significant costs.

STRATEGY 3C: Enter into partnerships with supportive service providers to create flexible housing opportunities and/or provide services to seniors and individuals with disabilities.

It is increasingly clear that for many individuals it is not sufficient for them to find a home they can afford—they need intensive, coordinated services to address physical, cognitive and mental health challenges. The "supportive service" model includes both new developments designed in partnership with service providers and adding or expanding such services to existing units. There are a variety of funding sources that can potentially be tapped to make those services financially feasible. The Town should assess the services already in place and explore all options in order to continue and improve assistance to this under-served and vulnerable population.

STRATEGY 3D: Partner to provide financial planning assistance to enable seniors to age in place if they chose to do so.

It has become harder for seniors to live on their fixed incomes. This makes it even more important for seniors to begin planning at an earlier age and to become more informed about their options. The Town should partner with an organization(s) that can provide such planning assistance to those who want to stay in Watertown as they age.

GOAL 4: Encourage the creation of a variety of housing types at different price points, with particular emphasis on providing options for residents and workers who wish to remain in Watertown

While Goal 4 overlaps with the previous goals, it focuses more on a distinct aspect of our region's housing crisis, namely that a surprising share of households at or even somewhat above median income levels are feeling the pinch of rising costs. While there is an urgent need for households below 80% AMI, we must make Watertown work for a fuller range of incomes. The Town should also emphasize providing options for residents and workers who want to remain in Watertown.

STRATEGY 4A: Evaluate adoption of accessory dwelling unit zoning.

Accessory dwelling units (ADUs) are an effective way to provide flexibility to homeowners as their needs change. ADUs work well for down-sizing seniors who—depending on zoning regulations—can move to the smaller unit, use it for relatives or caretakers, or rent at more moderate rents to supplement their income. ADUs are also inexpensive housing, as they often rent at more affordable levels. Some communities tie ADU approval to a time-limited commitment from the owner to keep rents at affordable levels.³⁸ The Town should evaluate all options for allowing ADUs.

STRATEGY 4B: Leverage public funds such as CPA (up to 100%) and State sources (up to 120%).

The Town should look for suitable opportunities to add what many call “workforce housing units” (80% to 120% of AMI). There are public subsidy sources that can fund units for households above 80% AMI. The Town should consider such units as part of larger, mixed-income developments. (See also Strategy 1C.)

STRATEGY 4C: Continue to evaluate current zoning, parking requirements and other incentives to shape residential development

Over the last ten years, the Town has effectively used its development regulations to attract significant residential and commercial development that has transformed underutilized properties along its major corridors. As discussed earlier, those regulations have evolved, with the Town adding design guidelines/standards, lowering parking requirements, emphasizing transportation demand management, and increasing inclusionary requirements. Over the next five years, the Town should continue to evaluate how it can use its regulations to provide incentives for developers to create housing that both meets the needs of a variety of residents and workers and is even more sustainable for the long-term. Besides incentives to

³⁸ While homeowners typically are unwilling to place a deed-restriction on their ADU because of its effect on future sale of their property and the related regulatory requirements, they are often willing to agree to limit rents. Since Watertown has complied with Chapter 40B, this approach may make sense even though the unit would not count towards the 10% goal.

create units with lower rents, the following areas are among those that should be re-examined:

- How best to encourage development in close proximity to high-frequency bus lines and local retail and employment, which makes the units more affordable and also serves our transportation goals;
- Making it easier to do small-scale, infill development, which offers an alternative housing type for occupants and those in the surrounding neighborhood, but is often hard to achieve because of high unit costs;
- Increasing building sustainability through design and renewable energy sources, which will lower energy costs for the owner and tenants (to the extent they pay for their own utility use).

STRATEGY 4D: Evaluate use of regulatory and administrative policies that would encourage creation of 3+ bedroom units.

While the Town and WHP are currently encouraging production of 3+ bedroom units in new developments, other regulatory and administrative policies should be explored.

STRATEGY 4E: To the extent possible, ensure that affordable units are compliant with DHCD guidelines for Subsidized Housing Inventory units, but allow flexibility as needed to increase the number of functionally affordable units.

Complying with Chapter 40B through the 1.5% land area threshold allows Watertown the flexibility to add units that are functionally affordable though they may not be included on the SHI for technical reasons. ADUs are one such example: while ADUs can qualify for the SHI, it is unlikely that a homeowner would agree to permanent affordability and the exacting regulatory requirements. If such opportunities arise and SHI compliance is not practical, the Town should do what achieves affordability for the households involved.

GOAL 5: Preserve existing housing affordability

STRATEGY 5A: Continue monitoring affordable housing stock on the Subsidized Housing Inventory to ensure utilization by income-eligible households.

The Town should continue to monitor the affordable housing stock on the SHI to ensure that rents/re-sales comply with the affordability requirements.

STRATEGY 5B: Prevent loss of any affordable units that have expiring deed-restrictions.

The Town should continue to monitor the affordability status of its older developments. When properties

are approaching expiration of their affordability, the Town should explore all options to maintain affordability, including Massachusetts General Laws Chapter 40T if a sale is contemplated. Under Chapter 40T, DHCD has an exclusive right to make or match a purchase offer; this tool has often been used to bring affordable housing resources into play and preserve affordability.

STRATEGY 5C: Provide emergency funding for critical repairs in existing affordable units.

Many of our existing affordable units are in older structures. The Town should consider an emergency funding program that assists project owners or individual unit owners make critical repairs to address health/safety issues. The Town should look at potential funding sources and whether a repair program can be effectively managed.

STRATEGY 5D: Evaluate short-term tenant-based rental assistance.

With many Watertown residents already find it difficult to pay for their housing, layoffs or reduced employment can put households into even greater distress. The WHP responded to the COVID-19 crisis in 2020 by creating an emergency rental assistance program using \$275,000 in CDBG program income. The Town should consider whether to create a program that is available to residents who suffer a short-term loss of income that jeopardizes their ability to stay in their homes.³⁹ The Town should also consider a program providing first, last and security deposit assistance.

GOAL 6: Increase community engagement around affordable housing

STRATEGY 6A: Increase public education/awareness of the need for a variety of housing types at various income levels, via community workshops or other events.

Building local consensus around affordable housing is critical to the Town's ability to achieve any of the goals in this plan. Housing is a complex topic. It requires both a high level of information-sharing by experts and local leaders, and discussion that takes into account questions and varying perspectives from community members. Public education must include fair housing issues so that there is general recognition that land use decisions affect Watertown's diversity.⁴⁰ The WHP (or Municipal Affordable Housing Trust, if formed) should take the lead in such an effort and should issue an annual progress report.

³⁹ Since income loss can be triggered by many life events, a key question is under what circumstances should the Town be willing to provide rental assistance.

⁴⁰ The WestMetro HOME Consortium's Analysis of Impediments to Fair Housing includes recommendations about increasing such local knowledge, including annual trainings the Consortium would offer to local board members and staff, and public service announcements that could be aired on local access cable stations.

STRATEGY 6B: Evaluate using local preference in affordable housing lotteries.

“Local preference” is giving an advantage to individuals who live or work in a municipality (or have children attending local schools) when affordable units become available. DHCD allows local preference of up to 70% if a community meets a rigorous evidentiary test⁴¹ and implements its proposed marketing plan in compliance with DHCD guidelines. Once fair housing concerns are met, local preference can be a useful tool when a community has a significant local need for affordable housing units and can help build support for such housing. The case for local preference is strongest where the local need is distinct from-- or of greater scale than—regional needs. Since local preference does not need to be used for all projects, the Town could structure a local preference plan that is tailored around such local needs. The Town should evaluate whether to propose a local preference plan and, if so, what plan to propose.

STRATEGY 6C: Improve marketing and outreach for affordable housing lotteries.

The Town should continue to follow evolving best practices around the affirmative marketing of available affordable units. A trend that will be increasingly important is use of social media and mobile platforms in marketing units.

⁴¹ There is a three-part test: 1) demonstration of local need, 2) justification of the extent of local preference, and demonstration that the proposed plan will not have a “disparate impact” on protected classes (e.g., minorities or individuals with a disability).

V. Implementation Plan

GOAL 1: Increase affordable housing opportunities for lower-income households (less than 80%			
Strategy	Responsible Entities	Time Frame ¹	Page Number
STRATEGY 1A: Create an affordable housing trust to enable a more rapid response to development opportunities and access additional sources of funding.	Community Development & Planning Department, Watertown Housing Partnership, Town Manager, Town Council	Near-Term	39
STRATEGY 1B: Evaluate increasing inclusionary zoning requirements.	Community Development & Planning Department, Watertown Housing Partnership, Planning Board, Town Manager, Town Council	Near to Mid-Term	40
STRATEGY 1C: Leverage public funds such as those from the Community Preservation Act and Commonwealth sources.	Community Development & Planning Department, Watertown Housing Partnership, Community Preservation Committee, Town Manager, Town Council	Ongoing	40
STRATEGY 1D: Leverage opportunities on public land.	Community Development & Planning Department, Watertown Housing Partnership, Planning Board, Zoning Board of Appeals, Town Manager, Town Council	Ongoing	41
STRATEGY 1E: Maximize Transit-Oriented Development opportunities.	Community Development & Planning Department, Planning Board, Zoning Board of Appeals, Watertown Housing Partnership	Ongoing	41
STRATEGY 1F: Evaluate adding a requirement that developers building new commercial space help fund affordable housing, offsetting new housing demand created by such development.	Community Development & Planning Department, Watertown Housing Partnership, Planning Board, Town Manager, Town Council	Long-Term	41

¹ The time frame refers to when the strategy should be implemented. Strategies targeted for the next 1-3 years are “Near-Term,” while those targeted for the next 2-4 years are “Mid-Term” and for the next 3-5 years are “Long-Term.” “Ongoing” refers to continuing a strategy already being pursued.

GOAL 2: Increase affordable housing opportunities for those needing deeper affordability (less than 60% AMI)

Strategy	Responsible Entities	Time Frame	Page Number
STRATEGY 2A: Prioritize the use of public funds, public land, and TOD locations to create more deeply affordable units.	Community Development & Planning Department, Watertown Housing Partnership, Community Preservation Committee, Town Manager, Town Council	Ongoing	42
STRATEGY 2B: Support the Watertown Housing Authority and others in the effort to rehabilitate public housing inventory and create new units on its existing land.	Watertown Housing Authority, Community Development & Planning Department, Watertown Housing Partnership	Ongoing	42
STRATEGY 2C: Partner with community development corporations and others to explore new ways to create/support more deeply affordable units.	Community Development & Planning Department, Watertown Housing Partnership	Ongoing	42

GOAL 3: Increase affordable and supportive housing opportunities for seniors and individuals with disabilities

Strategy	Responsible Entities	Time Frame	Page Number
STRATEGY 3A: Evaluate rehab loan program.	Community Development & Planning Department, Watertown Housing Partnership	Mid-Term	43
STRATEGY 3B: Encourage universal design and visitability standards in new development.	Community Development & Planning Department, Watertown Housing Partnership, Commission on Disability	Ongoing	43
STRATEGY 3C: Enter into partnerships with supportive service providers to create flexible housing opportunities and/or provide services to seniors and individuals with disabilities.	Community Development & Planning Department, Watertown Housing Partnership, Commission on Disability, Council on Aging	Near-Term	43
STRATEGY 3D Partner to provide financial planning assistance to enable seniors to age in place if they chose to do so.	Community Development & Planning Department, Watertown Housing Partnership, Commission on Disability, Council on Aging	Ongoing	43

GOAL 4: Encourage the creation of a variety of housing types at different price points, with particular emphasis on providing options for residents and workers who wish to remain in Watertown

Strategy	Responsible Entities	Time Frame	Page Number
STRATEGY 4A: Evaluate adoption of accessory dwelling unit zoning.	Community Development & Planning Department, Watertown Housing Partnership, Planning Board, Town Manager, Town Council	Mid-Term	44
STRATEGY 4B: Leverage public funds such as CPA (up to 100%) and State sources (up to 120%).	Community Development & Planning Department, Watertown Housing Partnership, Community Preservation Committee, Town Manager, Town Council	Near-Term and Ongoing	44
STRATEGY 4C: Continue to evaluate current zoning, parking requirements and other incentives to shape residential development.	Community Development & Planning Department, Watertown Housing Partnership, Planning Board, Town Manager, Town Council	Near to Mid-Term	44
STRATEGY 4D: Evaluate use of regulatory and administrative policies that would encourage creation of 3+ bedroom units.	Community Development & Planning Department, Watertown Housing Partnership	Ongoing	45
STRATEGY 4E: To the extent possible, ensure that affordable units are compliant with DHCD guidelines for SHI units, but allow flexibility as needed to increase the number of functionally affordable units.	Community Development & Planning Department, Watertown Housing Partnership	Ongoing	45

GOAL 5: Preserve existing housing affordability			
Strategy	Responsible Entities	Time Frame	Page Number
STRATEGY 5A: Continue monitoring affordable housing stock on the Subsidized Housing Inventory to ensure proper utilization.	Community Development & Planning Department	Ongoing	45
STRATEGY 5B: Prevent loss of any affordable units that have expiring deed-restrictions.	Community Development & Planning Department, Watertown Housing Partnership, Planning Board, Town Manager, Town Council	Ongoing	45
STRATEGY 5C: Provide emergency funding for critical repairs in existing affordable units.	Community Development & Planning Department, Watertown Housing Partnership	Long-Term	46
STRATEGY 5D: Evaluate short-term tenant-based rental assistance.	Community Development & Planning Department, Watertown Housing Partnership, Community Preservation Committee	Near-Term	46

GOAL 6: Increase community engagement around affordable housing			
Strategy	Responsible Entities	Time Frame	Page Number
STRATEGY 6A: Increase public education/awareness of the need for a variety of housing types at various income levels, via community workshops or other events.	Community Development & Planning Department, Watertown Housing Partnership, Community Preservation Committee	Near-Term and Ongoing	46
STRATEGY 6B: Evaluate using local preference in affordable housing lotteries.	Community Development & Planning Department, Watertown Housing Partnership, Planning Board, Town Manager, Town Council	Near-Term	47
STRATEGY 6C: Improve marketing and outreach for affordable housing lotteries.	Community Development & Planning Department, Watertown Housing Partnership	Ongoing	47

Appendix A: Glossary of Terms

Below is a short list of key terms used in the Housing Plan. Underlined items are terms defined elsewhere in this glossary.

Affordable Housing: Housing targeted to and affordable by households that meet specific income eligibility levels, with a legally-enforceable restriction limiting occupancy to households meeting eligibility requirements. Affordable housing varies by program on such elements as what incomes are eligible, the length of the restriction, and whether the units are owned or rented. “Affordable housing” does not refer to the design, type, or method of construction of a housing unit or development, but to the cost of the housing to the consumer.

American Community Survey or ACS: Since the U.S. Census counts population (and other information) only once every ten years, the Census Bureau is continually sampling to provide more timely and comprehensive data. This national program is called the American Community Survey (ACS). Because it is a sampling, not a count, all ACS data is an estimate with a margin of error. ACS data is released yearly. However, many estimates on a municipal level are done over more than one year to increase the sample size and lower the margin of error. For that reason, the most recent ACS data for Watertown is a 5-year estimate covering the years 2015 through 2019.

Area Median Income or AMI: HUD annually publishes the area median income limits nationally, and these are used for eligibility in most housing programs. HUD estimates the median family income for an area in the current year at various levels (30% AMI, 50% AMI, 80% AMI and 100% AMI), adjusted by household sizes so that incomes may be expressed as a percentage of the area median income.

Affordable Housing Restriction: There are many forms of restrictions, but they must contain some language to document the income levels of the resident selection, the rent/sale price methodology, the supervising entity and identify on-going compliance requirements. The restrictions are recorded at the registry of deeds. The phrase “deed-restricted” is a shorthand for affordable housing restrictions recorded at the registry of deeds.

Chapter 40B: Massachusetts General Law Chapter 40B was enacted in 1969 to address the shortage of affordable housing statewide by eliminating barriers created by local zoning and approval processes. There are two statutory metrics for complying with Chapter 40B. One is having 10% of the community’s year-round housing stock on the state’s Subsidized Housing Inventory (SHI); units qualify for inclusion if they have a long-term Affordable Housing Restriction that limits occupancy to households at or below 80% of Area Median Income. The other metric is having 1.5% of the community’s land area occupied by units on the SHI. If a community has yet to comply with Chapter 40B and at least 20-25% of the units have a long-term affordability restriction, Chapter 40B substantially limits the ability of the Board of Appeals to reject or condition the project.

Community Development Block Grants or CDBG: The Community Development Block Grant (CDBG) Program was created by Congress in 1974 to provide annual grants on a formula basis to states, cities, and counties for housing and community development purposes, principally for low- and moderate-income persons. Certain communities, based on economic indicia, are “entitlement” or “mini-entitlement” communities that receive annual grants. Watertown is neither and must compete with other non-entitlement communities whenever the state advertises a funding opportunity.

Cost Burden: The percentage of household income spent on mortgage costs or gross rent. According to HUD, households spending more than 30% of income on housing costs are considered “cost-burdened,” while those spending more than 50% are “severely cost-burdened.”

Community Preservation Act or CPA: The Community Preservation Act (MGL Ch. 44B) helps communities preserve open space (passive or active), historic resources, and create affordable housing by creating a dedicated funding stream. A minimum of 10% of the annual fund revenues must be reserved for each of the three categories, while the remaining 70% may be allocated to any one of, or any combination of, the allowed uses. Watertown adopted CPA in 2016. Housing units created with CPA funds must be available to households under 100% AMI, and must be deed-restricted.

Comprehensive Housing Affordability Strategy Data or CHAS: Since income data is critical to HUD’s work, it obtains a special product from the Census that focuses on the housing needs of lower income households. This product is called Comprehensive Housing Affordability Strategy Data or CHAS. The latest CHAS data for Watertown is from 2017.

Department of Housing and Community Development or DHCD: The Massachusetts Department of Housing and Community Development (DHCD) is the state agency responsible for promulgating housing regulations, overseeing completed developments and units, and offering programs and funding targeted at income eligible households.

Floor Area Ratio: Measurement of a building’s floor area in relation to the size of the lot. For example, if a lot is 10,000 square feet and the building’s floor area is 20,000 square feet, the FAR is 2.0.

HOME Program: Administered by HUD, the HOME Investment Partnerships Program is the largest Federal block grant to State and local communities to use, often in partnership with local nonprofit groups, to fund the construction, purchase, and/or rehabilitation of affordable housing units, or direct rental assistance to low-income households. Watertown is one of 13 communities that participate in the HOME program through its membership in the WestMetro HOME Consortium.

HUD: The United States Department of Housing and Urban Development's (HUD) mission is to increase homeownership, support community development, and increase access to affordable housing free from discrimination.

Inclusionary zoning: Many communities, including Watertown, require that new developments above a certain size (typically measured by the number of units) include a certain percentage of Affordable Housing units. Each community designs its own inclusionary zoning requirements and they differ by such elements as the percentage required, the threshold that triggers inclusionary units, the income levels and whether the developer is required to include the units on-site or may pay into a municipal fund to produce units elsewhere.

Income Eligibility Levels / Limits: Various programs use different income levels, or limits, to both qualify the household and to set the rent/sales price, usually tied to some percentage of AMI, adjusted for family size. The most important classifications relating to income limits are 80% AMI, 50% AMI, and 30% AMI. Because HUD "adjusts" the income limits based on a number of factors, the AMI percentages cannot reliably be calculated from 100% AMI.

Local Preference: Local Preference is the term used to denote a local selection preference when offering housing to applicants (typically when a lottery is needed to select between income-eligible applicants). This can be rental or ownership housing, initial housing lotteries or waiting lists. Local preference must be approved by a state agency.

Municipal affordable housing trust: State law (M.G.L. Chapter 44, Section 55C) authorizes municipalities to form a municipal affordable housing trust to create and preserve housing for low- and moderate-income households. The trust is governed by a board of trustees appointed by the municipality and is a municipal agency (e.g., it is tax exempt, is subject to public procurement laws, and its trustees are special municipal employees).

Subsidized Housing Inventory or SHI: The Subsidized Housing Inventory (SHI) is the official measure of a community's stock of low-or moderate-income housing for the purposes of Chapter 40B. While housing developed under Chapter 40B is eligible for inclusion on the SHI, many other types of housing also qualify to count toward a community's affordable housing stock.

Appendix B: HUD Income Limits

Below is a chart showing the income limits used by the United States Department of Housing and Urban Development (HUD) in 2020 for the area including Watertown (the Boston-Cambridge-Quincy region). Income limits in each tier are adjusted by HUD and not solely derived from the 100% Area Median Income (AMI) figure. HUD has limits that vary for each household size, not just the four shown below for illustrative purposes.

	One-person	Two-person	Three-person	Four-person
30% AMI	\$26,850	\$30,700	\$34,550	\$38,350
50% AMI	\$44,800	\$51,200	\$57,600	\$63,950
60% AMI	\$53,760	\$61,440	\$69,120	\$76,740
65% AMI	\$58,240	\$66,560	\$74,880	\$83,135
80% AMI	\$67,400	\$77,000	\$86,650	\$96,250
100% AMI	\$83,300	\$95,200	\$107,100	\$119,000

Appendix C: Subsidized Housing Inventory (Watertown Units)

Below is the Watertown portion of the Subsidized Housing Inventory (SHI) used by the Massachusetts Department of Housing and Community Development (DHCD) to track subsidized housing units. The SHI does not include units until they receive a certificate of occupancy from the municipality and are approved by DHCD for inclusion. This run (dated November 20, 2019) therefore does not include a number of units currently under construction, including 45 units at Arsenal Yards, 8 at 385 Pleasant Street, 15 at 330-350 Pleasant Street, and 4 at 101 North Beacon.

DHCD ID#	Project Name	Address	Type	Total SHI Units	Affordability Expires	Built w/ Comp. Permit?	Subsidizing Agency
3276	100 Warren St	100 Warren Street	Rental	50	Perp	No	HUD
3277	Lexington Gardens	Lexington/Garden/ Quimby	Rental	168	Perp	No	DHCD
3278	Willow Park	Willow Park	Rental	60	Perp	No	DHCD
3279	100 Warren St State Building	100 Warren Street	Rental	72	Perp	No	DHCD
3280	McSherry Gardens	Quirk/Forest/Waverly	Rental	40	Perp	No	DHCD
3281	Woodland Towers	Waverly Ave	Rental	164	Perp	No	DHCD
3282	n/a	Union St	Rental	7	Perp	Yes	DHCD
3283	n/a	Green St	Rental	16	Perp	Yes	DHCD
3284	n/a	scattered sites	Rental	10	Perp	No	DHCD
3285	n/a	Siena Village	Rental	2	Perp	No	DHCD
3286	Arsenal Apartments	465 Arsenal St	Rental	156	2033*	No	MassHousing
3287	Beaverbrook STEP	16 Irving St	Rental	14	2021	No	HUD
3290	St. Joseph's Hall	2 Rosary Drive	Rental	25	2054	No	DHCD
3733	Brigham House Assisted Living	341 Mount Auburn St	Rental	62	2052	No	DHCD

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DHCD ID#	Project Name	Address	Type	Total SHI Units	Affordability Expires	Built w/ Comp. Permit?	Subsidizing Agency
3734	Quimby Street Condominiums	28, 30, 32, and 34 Quimby St	Ownership	4	2101	No	DCHD
4499	DDS Group Homes	Confidential	Rental	65	n/a	No	DDS
4618	DMH Group Homes	Confidential	Rental	0	n/a	No	DMH
4790	First Time Homebuyers	Rutland Ave	Ownership	1	2092	No	HUD
4791	First Time Homebuyers	Piermont St	Ownership	1	2092	No	HUD
4792	First Time Homebuyers	Pierce St	Ownership	1	2092	No	HUD
4793	First Time Homebuyers	Copeland St	Ownership	1	2092	No	HUD
4794	First Time Homebuyers	Rutland St	Ownership	1	2092	No	HUD
4795	First Time Homebuyers	Spring St	Ownership	1	2092	No	HUD
4796	First Time Homebuyers	Mt. Auburn St	Ownership	3	2092	No	HUD
4797	First Time Homebuyers	Berkeley St	Ownership	1	2092	No	HUD
4798	First Time Homebuyers	Hillside Rd	Ownership	1	2092	No	HUD
4799	First Time Homebuyers	Pleasant St	Ownership	1	2092	No	HUD
4800	First Time Homebuyers	Ralph St	Ownership	1	2092	No	HUD
4802	First Time Homebuyers	Walnut St	Ownership	1	2092	No	HUD
4803	First Time Homebuyers	Riverside St	Ownership	1	2092	No	HUD
4804	First Time Homebuyers	Russell St	Ownership	1	2092	No	HUD
4805	First Time Homebuyers	Berkeley St	Ownership	1	2092	No	HUD

DHCD ID#	Project Name	Address	Type	Total SHI Units	Affordability Expires	Built w/ Comp. Permit?	Subsidizing Agency
4807	First Time Homebuyers	Highland Ave	Ownership	1	2092	No	HUD
7884	Marshall Place Apartments	120 Mt. Auburn St	Rental	11	Perp	No	HUD
8699	Repton Place	555 Pleasant St	Ownership	28	Perp	No	DHCD
9548	120 Pleasant Street	120 Pleasant St	Rental	4	Perp	No	DHCD
9549	Nally Estates	Waverly Ave	Rental	2	Perp	No	DHCD
9557	1060 Belmont	1060 Belmont St	Rental	18	2041	No	DHCD
9578	The Coolidge	319 Arlington St	Rental	38	Perp	No	DHCD, HUD, MHP, Mass-Housing
9838	Alta at the Estate	Waltham St (aka Woodview Way)	Rental	16	Perp	No	DHCD
9839	Riverbend on the Charles	270 Pleasant St	Rental	17	Perp	No	DHCD
9862	Mill Creek/Watertown Mews	555 Pleasant Street	Rental	32	Perp	No	DHCD
10277	The Gables	202-204 Arsenal St	Rental	30	Perp	No	DHCD
10355	River Park Lofts	45 Bacon St/60 Howard St	Rental	7	Perp	No	DHCD
10356	Elan Union Market	56 Irving St/284 Arsenal St	Rental	35	Perp	No	DHCD



E. Joyce Munger Apartments



Lexington Gardens



TOWN OF WATERTOWN