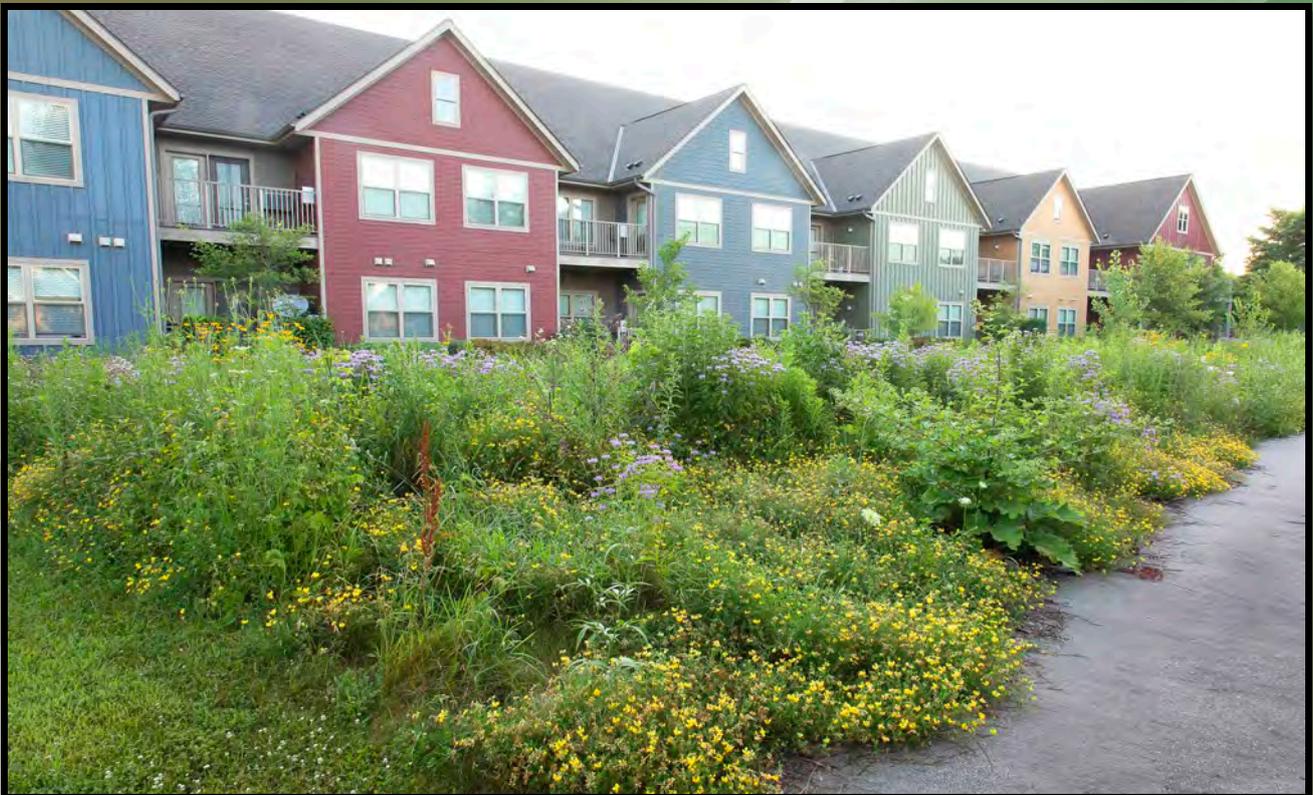


# City of Watertown

## Workforce Housing Action Plan 2022-2024

*DRAFT APRIL, 2022*



In Partnership with:



Funded by:



# City of Watertown, Wisconsin

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# Chapter 1

## Background

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### INTRODUCTION

In 2021, Cedar Corporation (Cedar) was hired by the Greater Watertown Community Health Foundation (GWCHF) to assist it in exploring and navigating the topic of “affordable workforce housing”. As part of this effort, GWCHF suggested engaging with two larger communities within its service area – in this case, the City of Watertown and the City of Jefferson – to not only help them learn more about the affordable workforce housing issue in general but also to identify needs at the community level that the Foundation may be able to help with.

The GWCHF was founded in 2015 to develop partnerships which address the health and wellbeing of its service area communities. As such, the Foundation’s priorities lie in the following areas: Kindergarten Readiness; School Success; Social Emotional Well-Being; Healthy Eating/Active Living; and, Strong Families. The issue of affordable workforce housing has very strong connections as a social determinate of health to the Strong Families priority and hence, the work that ensues on this project.

The intent of the project was to further explore affordable workforce housing issues with both the City of Watertown and City of Jefferson so that elected officials, City staff, stakeholders, and community members can better understand the housing market, identify community-level affordable workforce housing priorities, and evaluate local policy and regulations in order to make informed decisions related to public expenditures for affordable workforce housing.

This educational and learning process resulted in the development of this 3-year Action Plan, customized for each community, so that they may embark on specific solutions that contribute to the localized affordable workforce housing issue.



### GWCHF Mission Statement

*Through our partnerships with community stakeholders, we work to inspire collaboration, mobilize resources, and encourage innovation that measurably contributes to the wellbeing of our community.*

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# Chapter 2

## What is Affordable Workforce Housing?

### DEFINITIONS & CONTEXT

In order to address the issue of affordable workforce housing, it is useful to provide a context and definition for what is considered to be affordable. For the purposes of this report, the standard definition for housing affordability is used. This definition states that **households should pay no more than 30% of their gross income for housing and related costs (property taxes, utilities, maintenance, etc.)**, which would leave 70% of a household’s income for food, clothing, transportation, and other necessities. **If a household spends more than 30% of its income on housing and related costs, then the household is considered overburdened.**

For the City of Watertown this definition can be put into perspective by reviewing its County Annual Household Median Income (MHI). As shown in Table 2-1 Jefferson County’s MHI ranges from \$55,200 to \$78,800 depending on the number of persons within a household.

**Table 2-1: Median Household Income in Various Wisconsin Counties**

County	1 Person	2 People	3 People	4 People
Jefferson	\$ 55,200	\$ 63,100	\$ 71,000	\$ 78,800
Columbia	\$ 58,300	\$ 66,600	\$ 74,900	\$ 83,200
Dane	\$ 72,200	\$ 82,500	\$ 92,800	\$ 103,100
Dodge	\$ 54,600	\$ 62,400	\$ 70,200	\$ 77,900
Fond du Lac	\$ 52,800	\$ 60,300	\$ 67,800	\$ 75,300
Rock	\$ 51,100	\$ 58,400	\$ 65,700	\$ 73,000
Walworth	\$ 55,100	\$ 63,000	\$ 70,900	\$ 78,700
Waukesha	\$ 59,100	\$ 67,600	\$ 76,000	\$ 84,800

Source: WHEDA, 2021

Using the range of median incomes, a set of Annual Income Limits are developed as shown in Table 2-2. The limits represent the percentile of annual median household income (MHI). Below 30% (\$23,640 for a 4-person household) of MHI is considered to be very low income. Between 30 and 60% MHI (>\$23,640 but <\$47,280 for a 4-person household) defines “low income”. 60%-120% of MHI (>\$47,280 but <\$94,550 for a 4-person household) is specified as the target range for the provision of affordable housing. It is presumed that those households with an MHI above 120% have no issue in finding market rate housing that is still considered to be affordable at that income range.



**Table 2-2: Jefferson County Annual Income Limits**

"Affordable Workforce" Range

INCOME LIMITS	1 Person	2 People	3 People	4 People
30% CMI	\$16,560	\$18,930	\$21,300	\$23,640
50% CMI	\$27,600	\$31,550	\$35,500	\$39,400
60% CMI	\$33,120	\$37,860	\$42,600	\$47,280
80% CMI	\$44,160	\$49,680	\$56,800	\$63,040
100% CMI	\$55,200	\$63,100	\$71,000	\$78,800
120% CMI	\$66,240	\$75,720	\$85,200	\$94,550

Source: WHEDA, 2021

A comparison of average annual wages within the City (Table 2-3) illustrates that many common, and necessary, industry professions such as teachers and health care workers, may earn enough to afford housing as a single person or even with a non-working spouse, however; the addition of one or more children changes this significantly and two wage earners within the household will likely be required to stay within the 60%-120% of the county MHI.

**Table 2-3: City of Watertown Average Wages**

NAICS	Industry	# Employees	Avg. Annual Wages	Avg. Monthly Wages
31	Manufacturing	2,294	\$62,513	\$ 5,209
62	Health Care and Social Assistance	1,869	\$46,526	\$ 3,877
44	Retail Trade	1,325	\$27,674	\$ 2,306
72	Accommodation & Food Services	660	\$15,433	\$ 1,286
61	Educational Services	608	\$45,843	\$ 3,820
23	Construction	478	\$55,627	\$ 4,636
48	Transportation and Warehousing	339	\$46,921	\$ 3,910
42	Wholesale Trade	226	\$56,351	\$ 4,696
54	Professional, Scientific, and Technical Services	211	\$49,832	\$ 4,153
71	Arts, Entertainment, and Recreation	163	\$15,681	\$ 1,307
11	Agriculture, Forestry, Fishing and Hunting	73	\$43,705	\$ 3,642

Source: Chumura Economics - data for four quarters ending 2020 Q1

\* Average Incomes for 60-120% CMI (4 persons) from previous table = \$47,280 - \$94,550



All of these income factors translate into the ability to pay 30% of the household income for housing expenses. This in turn, ties into the lack of supply of homes or apartments that can remain affordable. As shown in Table 2-4, the amount of income available for paying rent and associated housing costs( for the target 60%-120% MHI category) range from \$1,182 to \$2,364. Housing and rental markets have changed significantly since the beginning of the COVID pandemic and, due to short supply, single-family residence prices have increased by 30% or more in many cases. Monthly rents appear to be on the increase as well.

**Table 2-4: Affordable Rent: Jefferson County**

	Income Level for Family of 4	Gross Monthly Income	30% of Income Used Toward Rent
"Affordable Workforce" Range	30% CMI	\$1,970	\$591
	50% CMI	\$3,283	\$984
	60% CMI	\$3,940	\$1,182
	80% CMI	\$5,253	\$1,576
	100% CMI	\$6,567	\$1,970
	120% CMI	\$7,879	\$2,364

Source: WHEDA, 2021

## A HOUSING CRISIS

The lack of affordable workforce housing is a nationwide problem that is reaching an epidemic scale. Communities are experiencing shortages of housing that meet the physical and economic needs of all of their residents. These shortages have resulted in higher rents and homes that are selling higher than the typical market values. There is no single reason for the decline of affordable workforce housing, but several factors and trends have emerged that have affected housing costs:

- Incomes have not kept up with rents and home values.
- Housing production decreased during the 2008 recession contributing to shortfalls in the housing supply.
- There is a labor shortage in the home construction sector.

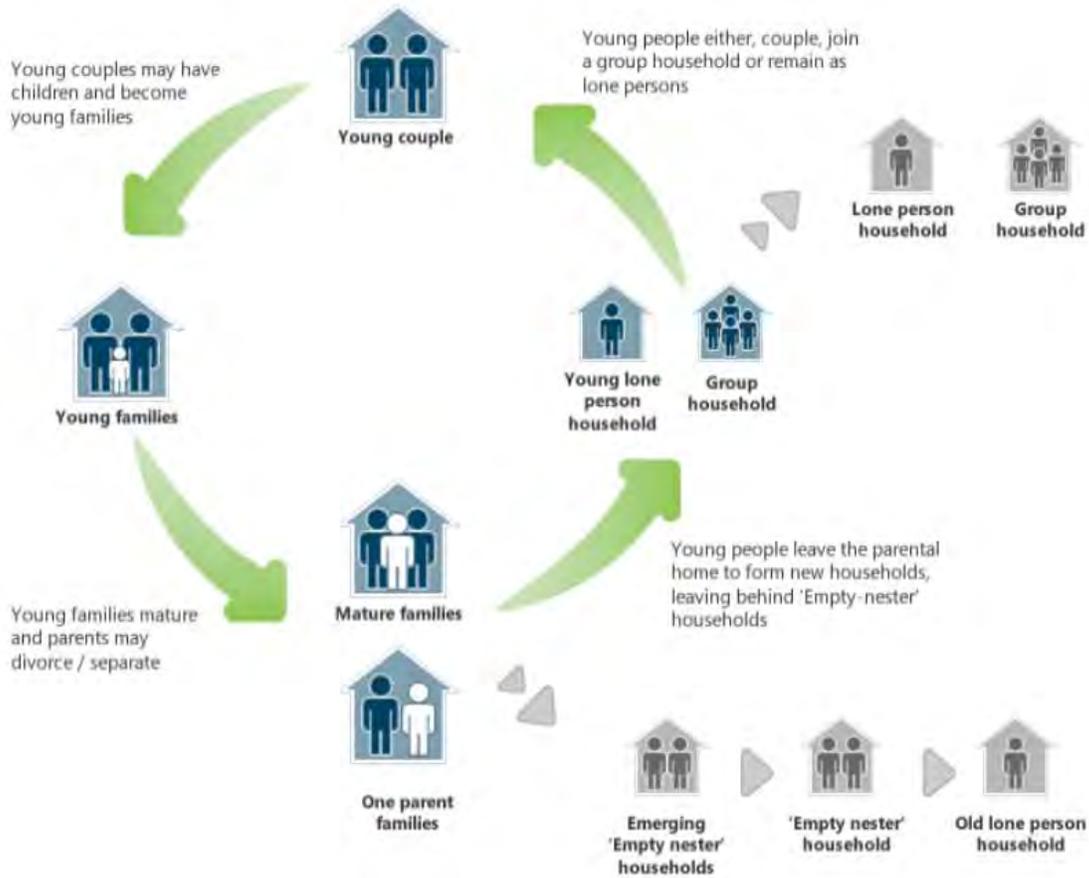
- The cost of construction materials has risen over 20% since 2008, and significantly more during the COVID-19 pandemic.
- People are staying in their homes longer, slowing the turnover rate.
- There is less profit made on entry-level or starter homes and builders focused on more profitable market-rate housing.
- Interest rates remained low, reducing the costs of borrowing, enabling sellers to price homes higher. These rates are likely to increase however, making them less of a factor moving forward.
- Multi-family and denser housing options continue to have a negative image in our communities contributing to suppression of needed supply.

These and other challenges are present, and in some cases are increasing, as the economy, workforce, and supply chain components adjust to catch up with housing demands. Forecasts do not predict a quick recovery of the housing market and it is possible that even more housing demand will exist as the as the baby boomer generation is living longer and the millennial generation (now the largest population cohort in the nation) reaches its prime home-buying years. Changes in our demographics are a leading reason for why the ‘housing life-cycle’ is broken as retirees and millennials are now competing in the same small house/starter home market.

These problems are further compounded when one looks at the typical lifecycle of a household (Figure 2-1). The housing lifecycle represents different point in time when a household’s conditions change, thereby warranting a different type of housing (i.e., size, affordability, etc.). As shown in the Household Life Cycle diagram on the following page, a household goes through several stages over time:

- A Young Lone Person or Group Household will typically rent.
- A Young Couple will typically rent but may begin planning for a home.
- A Young Family may rent but look at homeownership as well. A small home may transition to a larger home.
- Mature Families will own a home and may look at aging in place as their children grow older.
- Couples may divorce creating One Parent Households or a Lone Person Household. They may rent or own a home.
- As children grow older and leave home, Empty Nester Households are created. These households may no longer need their larger home and want to downsize to a smaller home, apartment, or condominium. They may also need care as they get older, so there may be a need for better access to in-home care, senior housing, assisted living facilities, or nursing homes.

**Figure 2-1: Household Lifecycle**



Source: .id the population experts

This concept is important, as current nationwide population data shows that the Millennial Generation is now the largest age cohort across the nation, and they are now entering their prime home-buying years. With the pre-existing shortage of starter homes, the market will continue to have fierce competition. This is coupled with the Baby Boomer Generation who is living longer and who have recently retired or will soon retire and are facing a market that has limited retire in place housing units. The result is that the Baby Boomer Generation is unable to move into smaller homes freeing up their homes for the Millennial Generation.

Additionally, one must consider the impacts on employers, who are already short-handed in many cases. If affordable housing is not available in a community, it will certainly impact that employer's ability to attract workers and hence, that business' ability to expand. The same can be said for the City's ability to attract new businesses if the workforce cannot live within the City or one of its nearby communities (who are also suffering the same problems).



Figure 2-2: Elven Sted, a 33-unit mixed-income affordable housing development by Movin' Out in Madison, WI.

# Chapter 3

## Education & Issue Identification Process

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### OVERVIEW

Cedar Corporation was tasked with conducting three sessions within the City of Watertown to get feedback and ideas on the affordable workforce housing issue. One educational session with the City Council and two workshops, one for the general public and one for the Council.

The first was an educational session held with the Council on November 16, 2021 which focused on the issue of affordable workforce housing and how it relates to the City of Watertown and its needs. The approximate 1-hour session covered a number of topics, including:

- The history of the affordable housing crisis, the factors which lead up to, and the economic and social impacts it has caused;
- Projections of the City’s annual household income and ‘affordable housing’ income limits were shared to ensure that an understanding existed of how and who was affected by the issue. This included those people who, while above the low-income status, continue to struggle to find affordable housing. These are often industrious people employed in noble and necessary fields such as teachers, nurses, and construction workers;
- With the assistance of Movin’ Out (a non-profit affordable housing organization), a review of affordable workforce housing funding and financing sources and techniques was conducted along with examples of how a typical “capital stack” looks for various housing projects.
- Examples and best practices were shared for how communities and the development community are reacting to this critical issue through the use of various tools and techniques, and;
- A review of the City’s current comprehensive plan which forms the basis for how the City will be move forward to address the affordable workforce housing issue.

### BRAINSTORMING WORKSHOPS

Two separate Brainstorming Workshops were held in order to get focused input on the affordable housing issue. The first, held on Saturday, December 4, 2021 was a two-hour public workshop that attracted 34 participants (listing in Appendix A). A second workshop was held on December 15, 2021 with the intent of having the entire City Council participate. This workshop was posted as a public meeting, but due to a number of conflicts was attended by only the Mayor, three Councilors (one Councilor did participate in the public workshop) and two interested citizens. Even with the small group, Cedar and the City elected to conduct the workshop as additional opinions could only help in addressing the issues at hand.



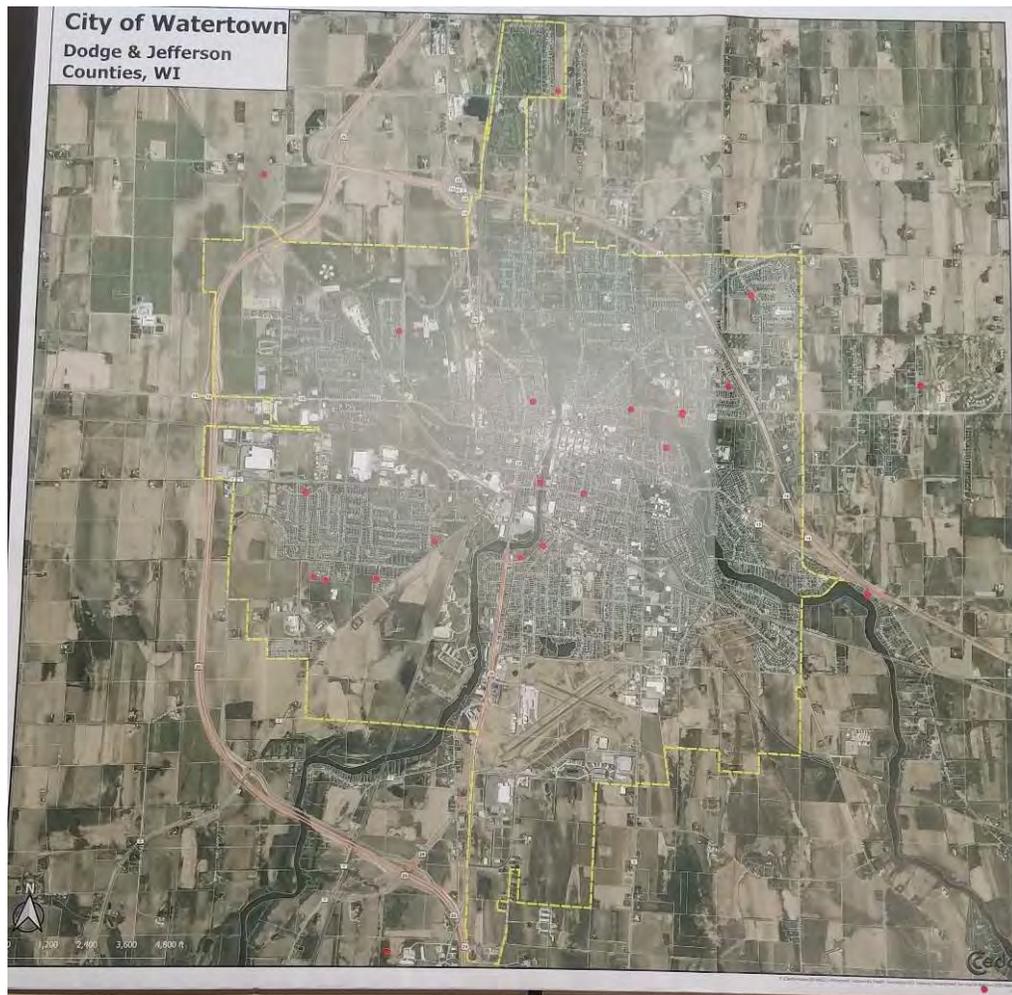
Both workshops had similar presentations and exercises that were used to obtain input. To that end, this section lists the results from each exercise noting whether the input was derived from the public or the Council workshops. In many cases, this allows comparisons to be made between city leaders and the interested public.

### EXERCISE #1: WHAT'S YOUR 10-20? (Public Workshop Only)

When participants signed in, they were asked to place a red colored dot on a map of the city to indicate the location of their residence). If the participant lived outside of the city, they simply placed the dot on the edge of the map closest to the direction of their travel.

As shown in Map 3-1, the distribution of participants across the community was quite good and thereby instills confidence that the data represents a good cross-section of the community.

**Map 3-1: Workshop Participant Distribution**



**EXERCISE #2: TAKING THE PULSE (*Public Workshop Only*)**

The first exercise consisted of a short paper survey that looked to gather a ‘snapshot’ of the audience and their own personal housing situation. As shown in Table 3-1, a wide range of conditions exists even with such a small percentage of the community participating. For example, while a majority of participants appear to live within the 30% or less of income going to housing costs threshold, there were still 20% of respondents who exceeded this measure. Only about 15% of respondents will be seeking a change from owner to renter or vice versa, but over 45% of the respondents felt t they might be looking to either upsize or downsize their house in the next ten years. This may become more problematic over time if new housing construction (across all prices ranges) continues to lag. Lastly, it appears that most of the participants housing stock is in fair to good shape, with perhaps some minor repairs needed. However, nearly 15% of responses indicated that major repairs are/will be necessary to their home.

**Table 3-1: Summary of Responses to Taking the Pulse**

Question	Number of Responses	% of Total
<b>1. What is your current housing status?</b>		
Own (<30% of income)	21	60.0%
Own (>30% of income)	4	11.4%
Rent (<30% of income)	3	8.6%
Rent (>30% of income)	3	8.6%
Other	4	11.4%
<b>2. What is YOUR future need or desire for housing 10 years from now?</b>		
Stay where I'm at	30	85.7%
Move from rent to own	4	11.4%
Move from own to rent	1	2.9%
<b>3. In the next 10 years, will you need or be contemplating a change to:</b>		
Upsize	4	11.4%
Downsize	12	34.3%
Neither	19	54.3%
<b>4. What condition is your house/apartment in?</b>		
New/Nearly New/No Repairs Needed	11	31.4%
Needs minor repair	19	54.3%
Needs major repair	5	14.3%
Don't know	0	0.0%

**EXERCISE #3: A HOME FOR EVERYONE? (Public & Council Workshops)**

Individual participants were asked to take about 10 minutes to write down their ideas using single words or short sentences on Post-It notes which describe existing, or future, BARRIERS to the development and creation of new affordable workforce housing within the City.

**Public Workshop Analysis**

In all, 89 separate responses were generated. In reviewing them and combining similar comments into related topics, the top three overall responses (Table 3-2a) centered around: 1) the stigma often associated with this type of housing (i.e., crime, drugs, violence, overcrowding), of which for the most part, are untrue; 2) the overall quality and design of such housing, and; 3) location-based concerns and impacts.

**Table 3-2a: Summary of Responses to Barriers to Affordable Workforce Housing**

# of Responses	General Category of Concerns
43	Stigma associated with affordable workforce housing & residents
19	Affordable workforce housing design issues (quality, aesthetics, greenspace, parking, etc.)
9	Location-based concerns (traffic, property values, etc.)
5	Other (housing not needed if no jobs, confusing definitions, etc.)
4	Municipal costs too high to develop (developer fees, infrastructure costs, etc.)
4	Change the feel of the City (crowded, etc.)
3	Close minded community (not accepting of change)
2	Lack of available land

**Council Workshop Analysis**

In all, 19 individual responses were generated. In reviewing them and combining similar comments into related topics, the top three overall responses (Table 3-2b) centered around: 1) How the addition of these housing types might affect the community’s image; 2) the public and private costs associated with providing affordable workforce housing, and; 3) the stigma often associated with this type of housing (i.e., crime, drugs, violence, overcrowding), of which for the most part, are untrue.

**Table 3-2b: Summary of Responses to Barriers to Affordable Workforce Housing**

# of Responses	General Category of Concerns
5	Community image concerns (bedroom community, not enough to do for young people, “Watertucky”)
4	Costs too high to develop (taxes, utility costs, public incentives, etc.)
3	Perception of need (don’t need MF housing, need for jobs first, definition of affordable)
2	Stigma associated with affordable workforce housing & residents (crime, etc.)
2	Resident costs (rents too high, low salaries)
2	Municipal development process (too many rules, inconsistent process)
1	Affordable workforce housing design issues (affordable is not only MF)

**EXERCISE #4: THE LOOK OF AFFORDABLE WORKFORCE HOUSING (Public & Council Workshops)**

This exercise utilized a “visual preference survey” whereby participants were shown 20 pictures, for about 10 seconds each, of various workforce housing styles. Participants in both workshops were asked to rate each photo based on their personal preferences as related to the housing style’s characteristics (size, scale, design, materials, etc.). A standard worksheet was used that had simple graphic images for ranking photos on a spectrum of “like” to “dislike” (Figure 3-1) as well space for specific comments about that particular style of housing. The public workshop results are summarized in Figures 3-2a through 3-2d along with some follow up analysis. These are followed by the Council workshop results (Figures 3-3a through 3-3d) and analysis discussion.

**Figure 3-1: Example of Photo Ranking Scale**

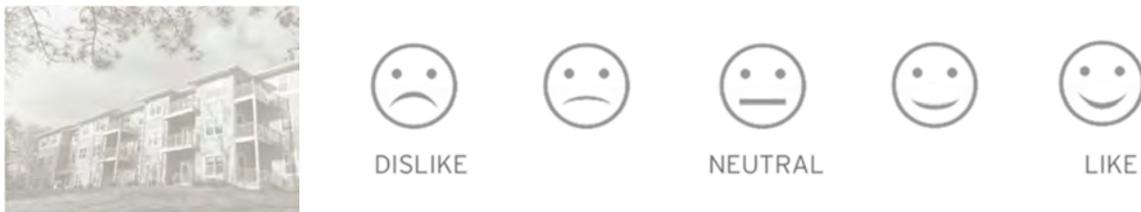


Figure 3-2a: Visual Preference Survey Results – PUBLIC WORKSHOP



😊 Rank: #1  
LIVE Mean Score (1-5): 4.31  
Description: Cottage Style Housing #2  
Comments: neighborhood, calm, for seniors, awesome, cute, solo



😊 Rank: #2  
LIVE Mean Score (1-5): 4.08  
Description: Townhomes  
Comments: new apt. like old, streetscape, cookie cutter



😊 Rank: #3  
LIVE Mean Score (1-5): 3.97  
Description: Cottage Style Housing #1  
Comments: park, common open space, Levittown



😊 Rank: #4  
LIVE Mean Score (1-5): 3.94  
Description: Four-plex Vernacular Style  
Comments: across from university



😊 Rank: #5  
LIVE Mean Score (1-5): 3.86  
Description: Small Detached Single-Family  
Comments: awesome, better, okay, love!

Figure 3-2b: Visual Preference Survey Results – PUBLIC WORKSHOP



Rank: #6

Mean Score (1-5): 3.72

Description: Pioneer Ridge, One-story Four-plex

Comments: clean, retirement, natural looking, ugh!



Rank: #7

Mean Score (1-5): 3.49

Description: Bradley Crossing, 60 units

Comments: nice, nice form



NEUTRAL

Rank: #8

Mean Score (1-5): 3.37

Description: Elven Sted, 33 units

Comments: looks like back of GC



NEUTRAL

Rank: #9

Mean Score (1-5): 3.33

Description: Pinney Lane, 70 units

Comments: public space, for families, nice form/spaces, like use of public space



NEUTRAL

Rank: #10

Mean Score (1-5): 3.25

Description: Adaptive re-use

Comments: dorms, institutional, but like re-use

**Figure 3-2c: Visual Preference Survey Results – PUBLIC WORKSHOP**



**Rank: #11**

**Mean Score (1-5): 3.09**

**Description:** Townhomes

**Comments:** 3 stories, too dense, pretty



**Rank: #12**

**Mean Score (1-5): 3.08**

**Description:** Modern apartments

**Comments:** European look, different/urban, not for Watertown, looks good



**Rank: #13**

**Mean Score (1-5): 3.06**

**Description:** Meadow Wood, 80 units

**Comments:** okay, too many



**Rank: #14**

**Mean Score (1-5): 2.89**

**Description:** Monroe St. Apts., 24 units

**Comments:** bland, like balconies



**Rank: #15**

**Mean Score (1-5): 2.74**

**Description:** The Globe, 48 units

**Comments:** ugh!

**Figure 3-2d: Visual Preference Survey Results – PUBLIC WORKSHOP**



**Rank: #16**

**Mean Score (1-5): 2.71**

**Description:** Small Accessory Dwelling Unit (ADU)

**Comments:** too small, tiny/shed



**Rank: #17**

**Mean Score (1-5): 2.69**

**Description:** Modern townhouses

**Comments:** ugly, ugly colors, too dense, hideous colors



**Rank: #18**

**Mean Score (1-5): 2.66**

**Description:** Maple Grove Commons, 80 units

**Comments:** hotel



**Rank: #19**

**Mean Score (1-5): 2.64**

**Description:** Modern Accessory Dwelling Unit (ADU)

**Comments:** too modern, interesting, nice, ugly



**Rank: #20**

**Mean Score (1-5): 2.43**

**Description:** Modern duplex units

**Comments:** too modern, ugly, kinda ugly

## Public Workshop Results Analysis

Based on the exercise results, the public overwhelmingly supported housing styles that are closely related to the historic vernacular architecture of the existing community. Top ranking images (#1 through #6) were primarily single-family detached styles, with some attached (townhouse and four-plex) designs that mimic architectural styles and details of the past, such as gable end roofs and front porches. Another notable characteristic of the preferred housing styles is that they are of modest size, perhaps ranging from 750 square feet to 1,200 square feet. It is presumed that most of these housing styles would be owner-occupied, however; the market for detached single-family home rentals has been growing across the country. There are several advantages to these styles in terms of affordability as lot sizes to accommodate these homes are lessened, and therefore the overall density can increase. Increased densities have a huge effect on the installation and maintenance cost of infrastructure and service provision.

The middle group of ranked images (#7-#11) leaned toward larger scale multi-unit housing types (townhouses, apartment complexes, and even adaptive re-use) but only those styles which also contained elements to break up the large wall planes, have varied materials and colors, as well as the integration of some type of public space, whether it be a small park, sitting area, or even a front stoop (townhouses) whereby residents can interact with the public realm. From a design perspective, immersing these types of structures into existing neighborhoods, or creating new walkable neighborhoods, poses some additional challenges. Efforts need to be made to intentionally integrate buildings and open space so that the community is walkable and not left with a sea of parking surrounding them. In short, these styles offer more affordable living due to the small size of the apartment units, but the design and amenities make up for this shortfall. These types of housing can be suitable for both young single and married couples, as well as older retirees.

The lowest ranked group (#12-#20) generally took the form of even larger, more homogeneous apartment buildings that had more mass, but less decorative details. The exceptions included several townhome/duplex styles which were disliked based on colors or their modern design. Also within this group were the two images of Accessory Dwelling Units (ADUs), mostly based on their size or modern design. There were some favorable comments for ADUs as well, so perhaps there would be more support if the ADUs took on a more vernacular appearance, thereby blending in better within older established neighborhoods.

Figure 3-3a: Visual Preference Survey Results – COUNCIL WORKSHOP



**Rank: #1**

**Mean Score (1-5): 4.67**

**Description:** Townhomes

**Comments:** Love



**Rank: #2**

**Mean Score (1-5): 4.33**

**Description:** Elven Sted, 33 units

**Comments:**



**Rank: #3 (tie)**

**Mean Score (1-5): 4.00**

**Description:** Small Detached Single-Family

**Comments:**



**Rank: #3 (tie)**

**Mean Score (1-5): 4.00**

**Description:** Pioneer Ridge, One-story Four-plex

**Comments:** mixed materials



**Rank: #3 (tie)**

**Mean Score (1-5): 4.00**

**Description:** Bradley Crossing, 60 units

**Comments:**

**Figure 3-3b: Visual Preference Survey Results – COUNCIL WORKSHOP**



☹️ **Rank: #3 (tie)**  
**Mean Score (1-5): 4.00**  
**Description:** Monroe St. Apts., 24 units  
**Comments:** right style



☹️ **Rank: #4 (tie)**  
**Mean Score (1-5): 3.67**  
**Description:** Cottage Style Housing #2  
**Comments:**



☹️ **Rank: #4 (tie)**  
**Mean Score (1-5): 3.67**  
**Description:** Cottage Style Housing #1  
**Comments:** LOVE!



☹️ **Rank: #4 (tie)**  
**Mean Score (1-5): 3.67**  
**Description:** Four-plex Vernacular Style  
**Comments:**



☹️ **Rank: #4 (tie)**  
**Mean Score (1-5): 3.67**  
**Description:** The Globe, 48 units  
**Comments:**

Figure 3-3c: Visual Preference Survey Results – COUNCIL WORKSHOP



**Rank: #4 (tie)**

**Mean Score (1-5): 3.67**

**Description:** Townhomes

**Comments:** townhome style works



**Rank: #4 (tie)**

**Mean Score (1-5): 3.67**

**Description:** Pinney Lane, 70 units

**Comments:**



**Rank: #5**

**Mean Score (1-5): 3.00**

**Description:** Adaptive re-use

**Comments:** Ehh, blah



**Rank: #6 (tie)**

**Mean Score (1-5): 2.67**

**Description:** Meadow Wood, 80 units

**Comments:**



**Rank: #6 (tie)**

**Mean Score (1-5): 2.67**

**Description:** Small Accessory Dwelling Unit (ADU)

**Comments:**

Figure 3-3d: Visual Preference Survey Results – COUNCIL WORKSHOP



**Rank:** #6 (tie)

**Mean Score (1-5):** 2.67

**Description:** Modern townhouses

**Comments:**



**Rank:** #6 (tie)

**Mean Score (1-5):** 2.67

**Description:** Maple Grove Commons, 80 units

**Comments:**



**Rank:** #7 (tie)

**Mean Score (1-5):** 2.33

**Description:** Modern Accessory Dwelling Unit (ADU)

**Comments:** may be too modern



**Rank:** #7 (tie)

**Mean Score (1-5):** 2.33

**Description:** Modern duplex units

**Comments:** too modern, don't like modern look



**Rank:** #8

**Mean Score (1-5):** 1.67

**Description:** Modern apartments

**Comments:**

### Council Workshop Results Analysis

The Council Workshop results for this exercise were less conclusive in terms of housing style preferences, however; given the limited number of participants, it would be expected that there would be less of a ‘pattern’ identified. For example, due to tie votes, there were 12 photos that ranked in the top 4, versus only four photos comprising the top 4 with the public exercise.

That being said, it appears that the Council would be more accepting of a wider variety of home styles, perhaps knowing that there is a high demand for denser, apartment style rentals in addition to more typical single-family developments.

There does seem to be some general support for housing styles that are closely related to the historic vernacular architecture of the existing community. Some of the top ranking images (#1 through #4) were single-family detached styles, with some attached (townhouse and four-plex) designs that also mimic architectural styles and details of the past,

There were also a number of larger, multi-family developments included in the top ranked images, but higher ranked buildings did have some architectural elements to break up the large wall planes.

The lowest ranked group of photos were generally of “modern” design and had less decorative details, meaning that these housing styles may not be a great fit with fabric of the City’s existing housing stock.

Accessory Dwelling Units (ADUs) did not rank highly either, which may indicate a preference for NOT increasing densities within developed single-family neighborhoods, or perhaps it’s simply the design of the structures shown in the photos.



Figure 3-4: Workshop participants listen intently as affordable workforce housing is discussed.

## EXERCISE #5: LOCATION, LOCATION, LOCATION (Public & Council Workshops)

Using maps of the City that were provided, small groups of 3-4 persons huddled together during each workshop and were asked to place colored dots on parcels of land which they personally felt would be most appropriate for accommodating affordable workforce housing. The participants were told to not worry about limiting factors such as ownership, land costs, or utility service, and rather, were asked to focus simply on “where the best places” were located for differing types of affordable housing. The participants used the following colors to distinguish the types of location.

- **YELLOW** = Small single and two-family homes (cottage style, duplexes, infill or greenfield)
- **GREEN** = 3 to 12 unit (infill or greenfield)
- **BLUE** = 12+ units (infill or greenfield)

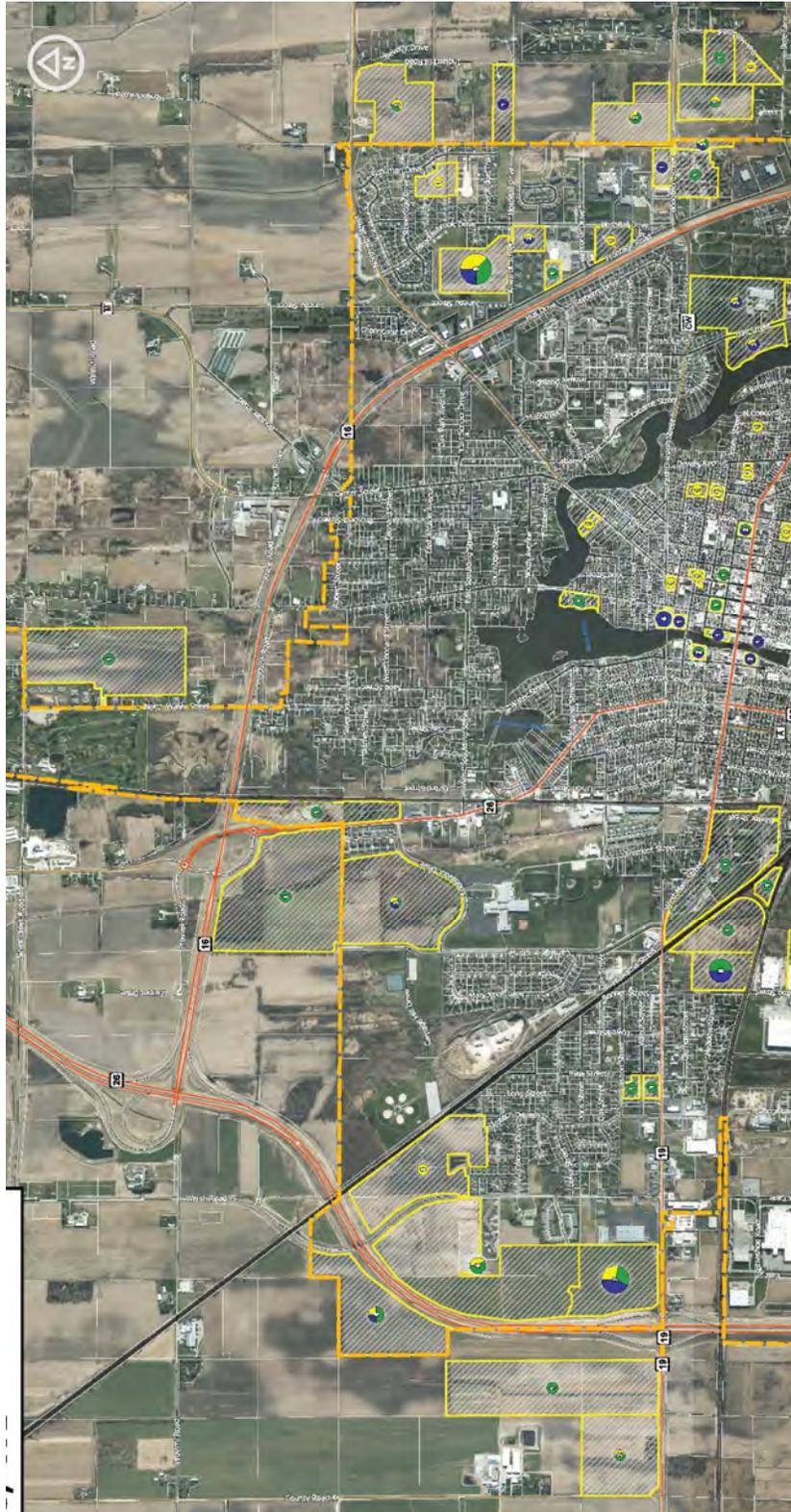
### Combined Workshop Analysis

The results of this mapping exercise varied greatly amongst the tables at each workshop, and partly due to the limited attendance at the Council Workshop, Cedar elected to combine all of the data from both workshops in order to assess the aggregate results and patterns. (Map 3-2a and Map 3-2b). In total, 181 ‘votes’ were made on 107 different parcels of property. After consolidating the data, the number of times a single parcel was identified (voted upon) ranged from 1 to 13. Of the total identified parcels, 70 had only 1 vote, while 12 had two votes. 18 properties had either 3 or 4 votes and only 7 parcels had 5 or more votes.

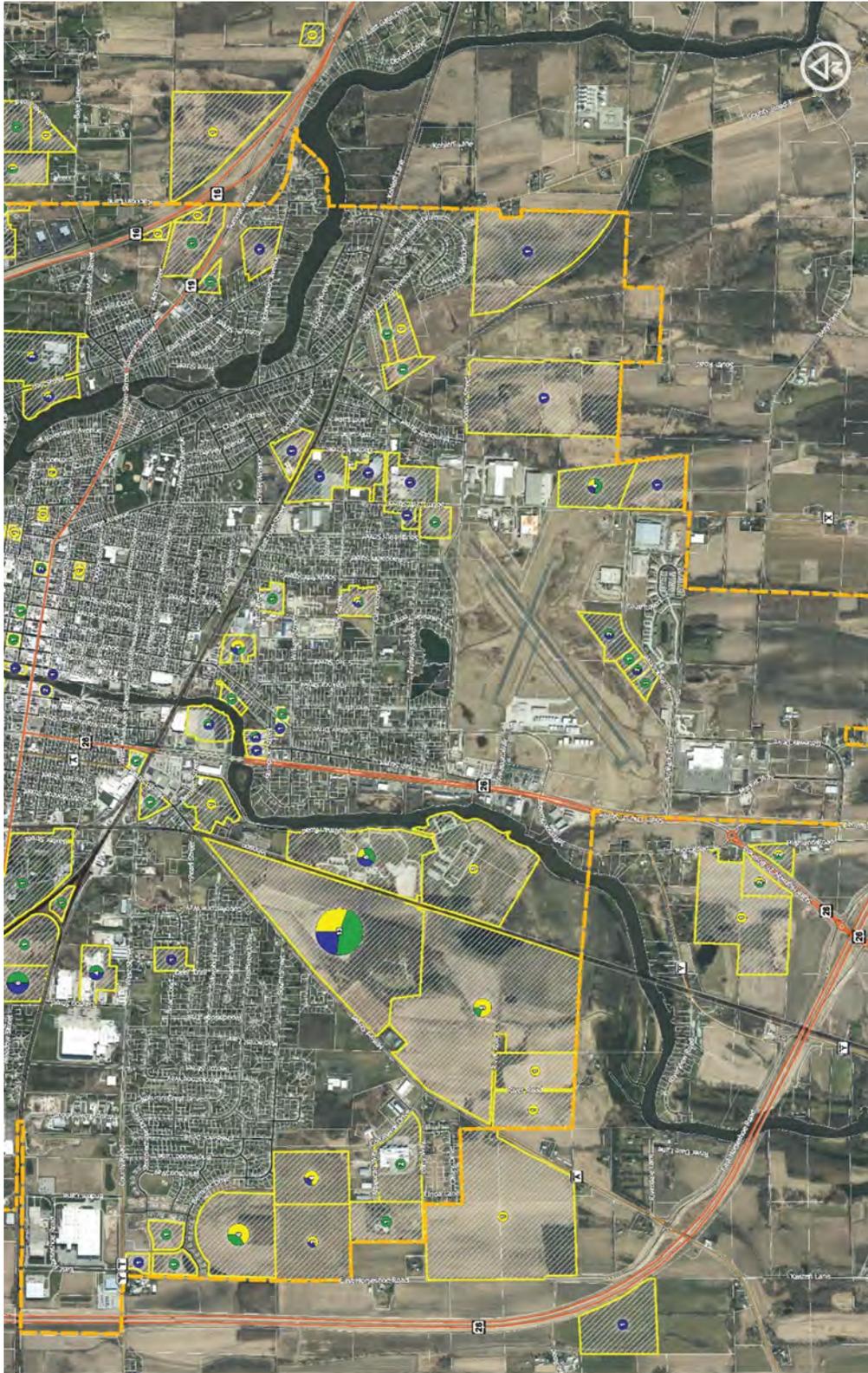
When all of the results are viewed as a single map it is apparent that many individual people contributed their thoughts given the number of parcels that have only a single vote. Certain parcels, however; attracted the votes of numerous participants. In reviewing the data it was determined that any parcel with five (5) or more votes should be of high interest in terms of examining further (green circles on Map 3-3). Also, given the number of parcels which had 3 or 4 votes (white circles on map 3-3), it was decided that these locations also have some merit in terms of factors which make them conducive for affordable workforce housing development.

Regarding the overall intensity of housing development, with the exception of several parcels to the east and north of downtown, most infill parcels within or adjacent to the “urban core” were targeted for medium to high density housing developments (3-12 units or 12+ units). Periphery greenfield areas were generally targeted for lower density residential development, however; many of these parcels were also noted as potentially accommodating medium and high-density residential development. For these larger vacant parcels, a distribution of votes across all three density categories could be viewed as support for a mixed of housing densities within these areas instead of creating a homogeneous environment of either low or high density housing.

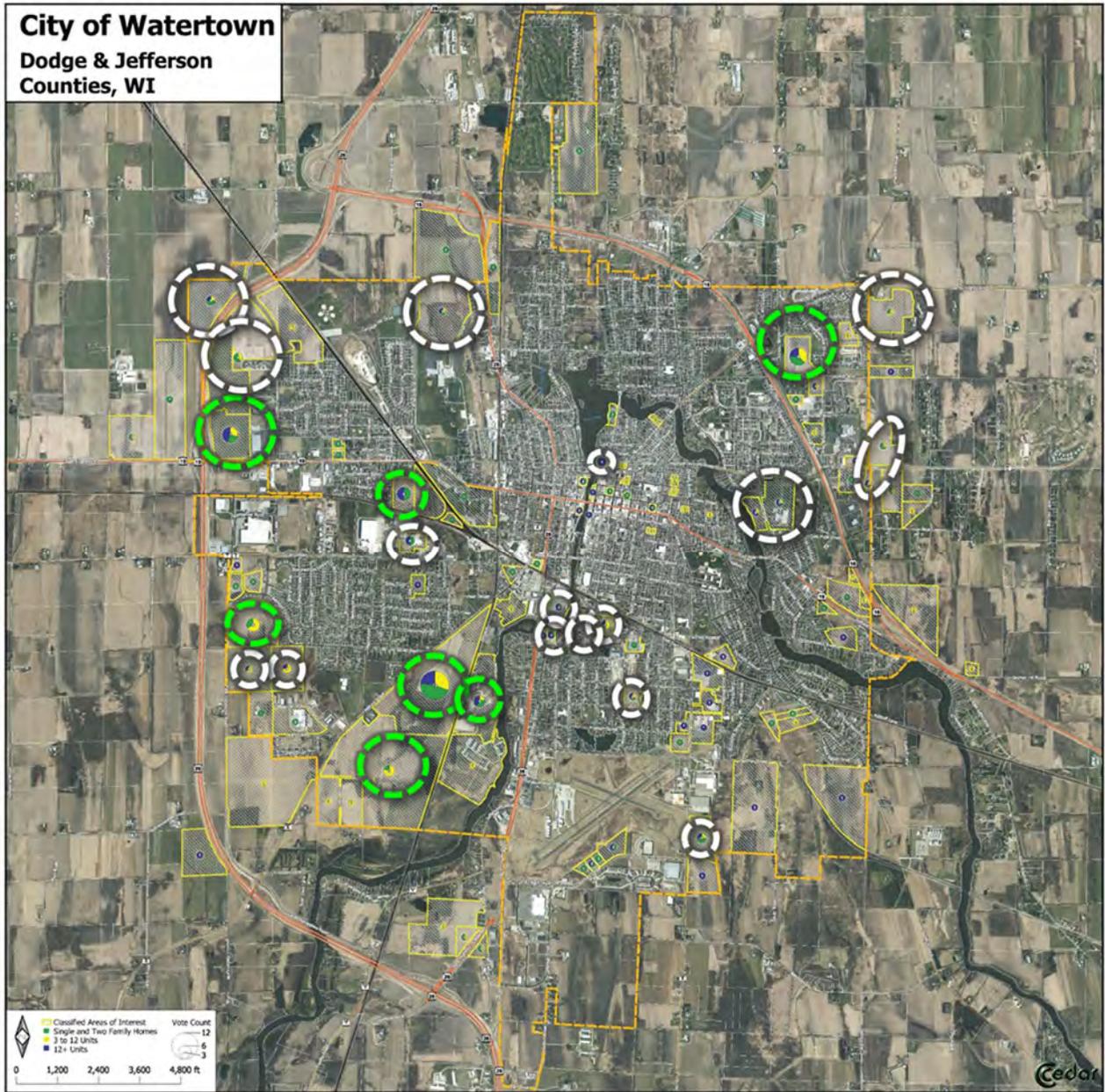
**Map 3-2a: Consolidated Results of Potential Housing Development Sites**



**Map 3-2b: Consolidated Results of Potential Housing Development Sites**

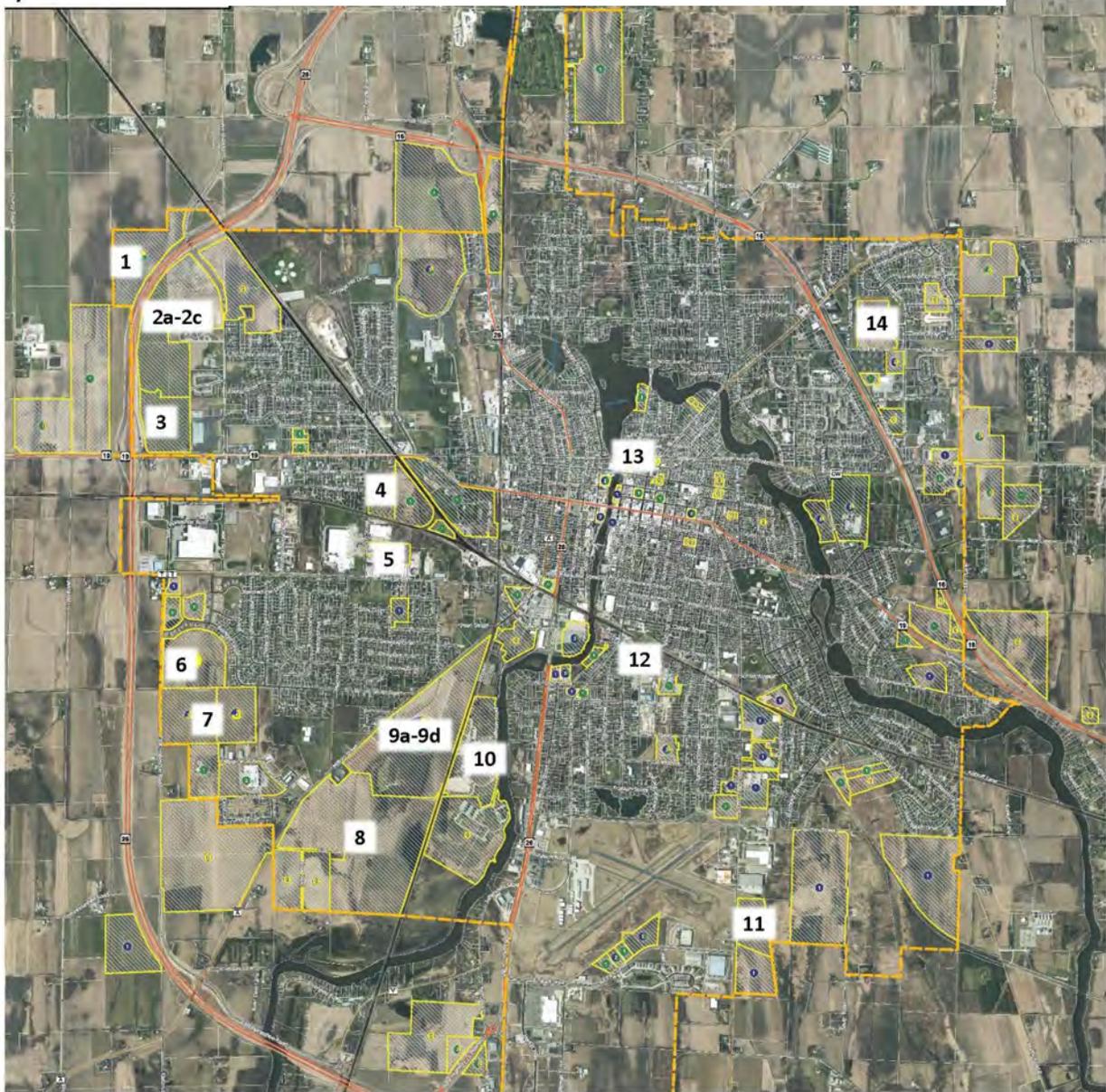


Map 3-3: High Ranking Parcels for Potential Affordable Workforce Housing



Based on initial scrutiny of the high ranking workshop parcels, a sub-set of 19 parcels (Map 3-4 and Table 3-3) were selected by Cedar Corporation for further analysis using broad factors such as location, acreage, proximity to transportation and utilities, and development/redevelopment potential.

**Map 3-4: High Ranking Workshop Parcels for Analysis**



**Table 3-3: High Ranking Workshop Parcels**

MAP ID	ParcelID	Acres	Owner	Total Assessed Value (2021)	Comp Plan Future Land Use	Existing Zoning	In TID?	Notes
1	291-09153-121-001	45.91	PETER MCFARLAND	\$11,700	Planned Mixed Use	RH	No	DODGE COUNTY
2a	291-0915-3112-001	31.00	PETER MCFARLAND	\$7,500	Planned Mixed Use	RH/SNR	No	DODGE COUNTY
2b	291-0915-3113-002	9.3	JESUS B GARCIA	\$2,400	Planned Mixed Use	MULTI	No	DODGE COUNTY
2c	29109153131001	37.58	RJAB LLC	\$9,300	Planned Mixed Use	MULTI	No	DODGE COUNTY
3	29109153134002	34.34	RJAB LLC	\$8,700	Planned Mixed Use	MULTI	No	DODGE COUNTY
4	291-0815-0521-007	12.97	H,H,E & I SAWALL	\$500,000	Multi-Family Residential	MR-8	No	Jeff. Co. HOME Funding Opp?
5	291-0815-0524-003	9.53	LYCON INC	\$339,400	Mixed Industrial	HI	No	Jeff. Co. HOME Funding Opp?
6	291-0815-0643-001	38.00	BIELINSKI DEVELOPMENT INC	\$364,100	Single-Family Residential/Rec	MULTI	No	Jeff. Co. HOME Funding Opp?
7	291-0815-0712-000	40.00	PNATB ENTERPRISES LLC	\$8,800	Mixed Industrial / Rec	RH	No	Jeff. Co. HOME Funding Opp?
8	291-0815-0831-000	169.42	CITY OF WATERTOWN	\$0.00 (other exempt)	Planned Mixed Use / Rec	PO	No	Jeff. Co. HOME Funding Opp?
9a	291-0815-0543-083	81.98	DETTMANN DAIRY LLC	\$0.00 (other exempt)	Planned Neighborhood	SR-4	No	Jeff. Co. HOME Funding Opp?
9b	291-0815-0813-000	32.54	BETHESDA LUTHERAN COMMUNITIES	Not available (other exempt?)	Planned Neighborhood / Rec.	SR-4	No	Jeff. Co. HOME Funding Opp?
9c	291-0815-0824-001	10.46	DETTMANN DAIRY LLC	Not available (other exempt?)	Planned Neighborhood / Rec	SR-4	No	Jeff. Co. HOME Funding Opp?
9d	291-0815-0824-000	3.17	BETHESDA LUTHERAN COMMUNITIES	Not available (other exempt?)	Planned Neighborhood	SR-4	No	Jeff. Co. HOME Funding Opp?
10	291-0815-0814-001	48.53	BETHESDA LUTHERAN COMMUNITIES	\$0.00 (other exempt)	Institutional	MULTI	No	Jeff. Co. HOME Funding Opp?
11	291-0815-1033-002	19.99	CITY OF WATERTOWN	\$0.00 (other exempt)	Airport	PI	No	Jeff. Co. HOME Funding Opp?
12	291-0815-0443-020	4.59	TJ REISS JR PROPERTIES HOLDING	\$1,652,400	Planned Mixed Use	GI	Yes (#7)	Jeff. Co. HOME Funding Opp?
13	291-0915-3343-053	1.09	CADY EMERALD LLC	\$62,200	Central Mixed Use	GB	No	DODGE COUNTY / Adjacent to TID #5 / Within Opp Zone Boundary / New Market Tax Credits Available
14	291-0915-3413-014	20.00	WATERTOWN UNIFIED SCHOOL DISTRICT	\$0.00 (other exempt)	Institutional	SR-4	No	DODGE COUNTY

Source: Jefferson and Dodge County GIS, 2022.



These 19 parcels identified in the workshop were reviewed with City staff to confirm details of the properties, as well as discuss each one’s overall development potential and/or limitations based on ownership, proximity of utilities, funding opportunities, and other unique parcel characteristics. Based on these discussions and Cedar’s analysis of all identified parcels (regardless of ranking), a total of five sites are recommended as “potential development sites” to accommodate affordable workforce housing.

The five potential sites (Figures 3-5a through 3-5e) consist of three (3) parcels identified in the workshops that were ranked high for affordable housing development. After Cedar’s assessment, two additional parcels were added – the Ninth & Clark Street site (which did receive three workshop votes) and the 1215 Sherman Street site (which received one workshop vote). Even though these two parcels did not rank as high as others in the workshops, there were numerous qualities associated with the properties which make them good candidates for affordable housing development, including:

- 1) Being “infill” sites with reduced development costs due to existing/close-by infrastructure;
- 2) Given the surrounding housing density, new development could easily blend in with the character of their surrounding neighborhoods, and;
- 3) The sites’ general proximity to downtown, jobs, and services

The five “potential development sites” are referred to in specific actions contained in Chapter 4.

**Figure 3-5a: Potential Development Site for Affordable Workforce Housing**



**C. Watertown  
Priority Parcels for  
Workforce Housing**

Parcel Numbers: 291-0815-0912-014, 291-0815-0912-015, 291-0815-0912-016, 291-0815-0912-017  
 Address: 1400 and 1408 Ninth Street, 806 Clark Street  
 Owner: LOEB AND COMPANY LLP  
 Taxable Acres: 1.94, 1.935, 1.862, 1.935  
 Land Value (2021): \$14,500, \$8,500, \$8,000, \$19,000  
 Total Improved Value (2021): \$0  
 Est Fair Market Value (2021): \$17,700, \$10,400, \$9,800, \$23,200

- Notes:
- Comp Plan shows as Planned Mixed Use
  - Existing Zoning is General Industrial. Would require re-zoning.
  - Within TID #7 Boundaries
  - Potentially eligible for Jefferson Co. HOME Funds

**Figure 3-5b: Potential Development Site for Affordable Workforce Housing**



**C. Watertown  
Priority Parcels for  
Workforce Housing**

Parcel Number: 291-0815-0521-007  
 Address: 127 Dayton Street  
 Owner: H,H,E & I SAWALL  
 Taxable Acres: 12.973  
 Land Value (2021): \$500,000  
 Total Improved Value (2021): \$0  
 Est Fair Market Value (2021): \$611,000

**Notes:**

- Comp Plan shows as Multi-Family Residential
- Existing Zoning is MR-8
- Not in an existing TID
- Potentially eligible for Jefferson Co. HOME Funds

**Figure 3-5c: Potential Development Site for Affordable Workforce Housing**



**C. Watertown  
Priority Parcels for  
Workforce Housing**

Parcel Number: 291-0815-0333-003  
 Address: 1215 Sherman Street  
 Owner: LOEB AND COMPANY LLP  
 Taxable Acres: 8.330  
 Land Value (2021): \$104,000  
 Total Improved Value (2021): \$20,000  
 Est Fair Market Value (2021): \$151,500

**Notes:**

- Comp Plan shows as Multi-Family Residential
- Existing Zoning is General Industrial. Would require re-zoning.
- Within TID #7 Boundaries
- Potentially eligible for Jefferson Co. HOME Funds

Figure 3-5d: Potential Development Site for Affordable Workforce Housing



### C. Watertown Priority Parcels for Workforce Housing

Parcel Number: 291-0815-0443-013  
 Address: 304 Hart Street  
 Owner: SPX CORPORATION  
 Taxable Acres: 4.783  
 Land Value (2021): \$76,700  
 Total Improved Value (2021): \$0  
 Est Fair Market Value (2021): \$93,700

**Notes:**

- Comp Plan shows as Planned Mixed Use
- Existing Zoning is General Industrial. Would require re-zoning.
- Within TID #7 Boundaries
- Potentially eligible for Jefferson Co. HOME Funds
- On WDNR BRRTS site as an open site with groundwater remediation requirements (Lindberg/MPH Facility – BRRTS# 0228555133)

Figure 3-5e: Potential Development Site for Affordable Workforce Housing



### C. Watertown Priority Parcels for Workforce Housing

Parcel Number: 291-0915-3413-014  
 Address: 1310 Allwardt Street  
 Owner: WATERTOWN UNIFIED SCHOOL DISTRICT  
 Taxable Acres: 20.005  
 Land Value (2021): \$0  
 Total Improved Value (2021): \$0  
 Est Fair Market Value (2021): n/a

**Notes:**

- Comp Plan shows as Institutional
- Existing Zoning is SR-4
- Not in an existing TID
- Within Census Tract 9619 (WHEDA pts. For LIHTC)

**EXERCISE #6: COMMUNITY INVESTMENT (*Public & Council Workshops*)**

Participants were provided a single page survey which had three questions to measure the general level of support for how the City of Watertown might invest in new affordable workforce housing (Table 3-4).

**Table 3-4: Community Investment Results**

Question	PUBLIC Workshop # of Responses	PUBLIC Workshop % of Total	COUNCIL Workshop # of Responses	COUNCIL Workshop % of Total
<b>1. Should the City invest taxpayer dollars into new affordable workforce housing projects?</b>				
Strongly Agree	9	34.6%	0	0.0%
Agree	10	<b>38.5%</b>	2	<b>66.7%</b>
Neutral	4	15.4%	0	0.0%
Disagree	2	7.7%	1	33.3%
Strongly Disagree	1	3.8%	0	0.0%
<b>2. IF Investments in new affordable workforce housing were made by the City, under what conditions should they be considered? (check all that apply)</b>				
TIF	<b>22</b>	<b>84.6%</b>	<b>3</b>	<b>27.3%</b>
Grants	<b>14</b>	<b>53.8%</b>	<b>3</b>	<b>27.3%</b>
ARPA	<b>13</b>	<b>50.0%</b>	1	9.1%
General Tax Levy	6	23.1%	0	0.0%
Type of units	12	46.2%	1	9.1%
Location of units	12	46.2%	2	18.2%
Price point of units	11	42.3%	1	9.1%
Target income levels	<b>15</b>	<b>57.7%</b>	0	0.0%
<b>3. Should the City invest taxpayer dollars into the rehabilitation of existing, older housing stock?</b>				
Strongly Agree	<b>5</b>	<b>19.2%</b>	0	0.0%
Agree	<b>12</b>	<b>46.2%</b>	<b>2</b>	<b>66.7%</b>
Neutral	4	15.4%	0	0.0%
Disagree	4	15.4%	1	33.3%
Strongly Disagree	1	3.8%	0	0.0%

### Public & Council Workshop Analysis

A majority of respondents to both surveys agreed or strongly agreed that the City needs to invest in the creation of new affordable workforce housing units within the community. In contrast, just over 10 percent of the public responded that they disagree or strongly disagree with such investments.

Of the total responses received, the public workshop participants strongly supported the use of TIF funds for the creation of affordable workforce housing. Just over half of the responses also support the use of grants and ARPA funds to help fill these needs. TIF and grants also ranked highest amongst Council responses, but the use of ARPA funds was not as supported, perhaps due to their knowledge of other competing infrastructure needs. In addition, a fair number of responses (40% of the total or more) support the use of the conditions or criteria that should be considered when investing in new units such as the type/style, location, price points, and the targeted income levels.

When asked about City investments into the rehabilitation of existing, older housing stock, a majority of the public and council responses agreed or strongly agreed that these should be made. I should be noted that nearly 20 percent of the public disagreed or strongly disagreed with such investments.



Figure 3-6: Potential parcels for workforce housing are identified by workshop participants.

**EXERCISE #7: GET INVOLVED! (Public & Council Workshops)**

Using the provided Post-It notes, individual participants took about 10 minutes to write down their thoughts on who/where/how partnerships and collaborative efforts could occur or be created to further address the workforce housing shortage in the City of Watertown should be involved, to identifying specific solutions or programs that will need collaborative efforts to create and sustain.

**Public Workshop Analysis**

As shown in Table 3-5a, 42 responses were provided in this exercise. When consolidated based topic, the top three identified entity types that should be collaborated with in the affordable workforce housing issue included: local business and industry, local non-profit entities and service providers, and the education sector. The healthcare, lending, and business related organizations (whether public or private) were also mentioned as entities which may offer insights or expertise and, collaboratively, may find ways to apply their knowledge, capacity, and networks to dedicated efforts for resolving components of this housing issue.

**Table 3-5a: Summary of Responses to Entities Who Should Be Involved (Public Workshop)**

Count	Entity Type
11	Business/Industry/Employers
10	Non-profits (GWCHF, CAC, AmeriCorps, Main St. Pgm., etc.)
6	Education/School District
3	Health
2	Lending/Banking institutions
2	Business Related organizations (Chamber, Associations)
2	Redevelopment Authority (RDA)
1	Childcare providers
1	Church
1	Govt (Townships if acquiring land)
1	Homebuilders
1	Grant/funding community
1	Input from families in Watertown

Council Workshop Analysis

As shown in Table 3-5b, 24 total responses were received in this exercise. When consolidated into similar topics, the top three responses identified the local/regional developer and builder community, non-profit organizations, and various levels of government, as the key entity types that must collaborate to address many aspects of the affordable workforce housing issue within the community.

**Table 3-5b: Summary of Responses to Entities Who Should Be Involved (Council Workshop)**

Comment Count	Generalized Response
8	Local builders/developers (T-Wall, Movin’ Out, Irgens, Stonehouse, Bielinski, WIRC, Basco)
6	Non-profit organizations / Service Clubs (Yes Watertown, Kiwanis, Lions, Elks, Movin’ Out, GWCHF)
4	Government (Jeff. Co. EDC, Watertown RDA, State WDOA, Watertown Housing Authority)
3	Local Citizens & Landowners (neighborhoods, younger residents, Loeb Family)
2	Local Businesses/Large Employers
1	Building Trades

EXERCISE #8: BIG IDEAS!

The last exercise asked individuals to write down any BIG IDEAS they had which may provide a partial solution to mending the workforce housing situation in the City of Watertown.

Public Workshop Analysis

This exercise generated a total of 20 comments or ideas which are listed out in Table 3-6a. any of the ‘big ideas’ suggest direct solutions to components of the affordable housing issue such as the expansion of TIF districts, private sector involvement, energy efficiency needs, and the creation/support of homebuyer assistance programs. Most of these ‘big ideas’ have some application to the issues at hand and should be reviewed closely by the City Council for their potential.

**Table 3-6a: Summary of Responses to Big Ideas (Public Workshop)**

Response
1. Finding folks that want community involvement and want to contribute. More ways to get new community members ways to give to others in community. Government alone will not be the answer - how other groups can be part of creating "community".
2. My father's generation (WWII) built houses that could be expanded. Any chance you could "encourage" builders to build smallish home with say: 1) unfinished 2nd floor, but water & electricity stubbed in; 2) Pour a bigger foundation but save part of it for a later expansion.
3. Involve larger corporate employers to help fund affordable housing for their employees.
4. Solar paneling? Electric cars? Train - Chicago to Madison/Milwaukee/Up North?
5. Should consider extending TID 4 or TID 6 if City can earn necessary credits to move this forward
6. It is important to think about lack of transportation in rural communities when thinking about housing.
7. In our community (Lake Geneva) we have a room tax. As many who work in the tourism industry qualify for workforce housing, these taxes would be a big help for housing.
8. What would creating opportunities for local citizens to invest in funding some housing development / responding to housing need look like? i.e., setting up a joint investment (may be the wrong word) but basically encouraging people who want to invest in their community directly but don't want to become developers or builders.
9. Work with non-profits involved with workforce as business solution. Colleges, especially private institutions (future workforce). Trade Colleges (what do they need?). Relocation assistance availability (local employers, non-profit orgs). Access to transportation services from workforce housing. Office accessibility, reduced rent for attached housing units. Gig economy prospects, incentives for robust internet users. Talk to IT companies for future-proof housing/longevity.
10. I like the idea of low-interest loans for works to begin the delve into ownership in order to build equity. Perhaps a developer makes the initial investment and other agencies support purchases. This would eliminate the idea of depreciation of property values.
11. Help target new homebuyers struggling to purchase: 1) Have saved down payment but can't compete; 2) live affordably but can't compete; 3) pay more in rent than mortgage payments.
12. Provide a session like this for local investors - with help on how to develop with grant dollars.
13. As we are learning from Main Street, need to get started! Change our planning consultant; Identify Initial Site - perhaps Bethesda Site? How do you maintain historic flavor of Watertown?
14. Would like existing blighted industrial or commercial sites prioritized for redevelopment. Continue to focus on high quality restoration and infill in the downtown. Prioritize restoration and reactivation of historic properties/buildings.
15. I would love to see community spaces connected to any developments. Such as parks, trails, YMCA. Mixed use property w/potential childcare, or non-profit space could benefit targeted tenants as well. In addition, considering the amount of individuals that commute to another community for work, access to Hwy 16, 26, & 19 could be a draw to bring individuals to our great community.
16. Stop chasing out companies and small businesses
17. Housing is energy efficient
18. I hope employers are really engaged in this conversation. I hope we consider transportation to jobs. I hope we will look at ALL options - Single family, townhomes, and multi-family uses.
19. Can we create homeownership vs. renting? More skin in the game while providing an asset to improve wealth generation.
20. Build new middle school by high school - put multi-family housing where existing middle school is: 1) creates new building for school; 2) would help school district with student transportation; 3) consolidates school resources.

Council Workshop Analysis

This exercise generated a total of only 4 comments or ideas which are listed out in Table 3-6b. All four comments were distinctly different, but relevant to the issues at hand.

**Table 3-6b: Summary of Responses to Big Ideas (Council Workshop)**

Response
The City could do more outreach and marketing of available land for developers
Hire someone to be a planner so these items have full focus and attention
City has funding to maintain communication/messaging about this topic so we don't have a bunch of barriers at the time of approvals and scare off developers.
Do not keep low income housing all in one area, they should be scattered throughout the City.



Figure 3-7: "Cottage Style" development of independent homes and common greenspace.

# Chapter 4

## 2022-2024 Action Plan for Affordable Workforce Housing

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### OVERVIEW

To successfully address the multitude of barriers that are impacting the ability to construct new affordable workforce housing, the City must be deeply engaged and committed to its resolve. While the City cannot address every aspect of this issue, it can play a prominent role in creating an environment which is conducive to generating interest and opportunity for the development community. As such, the City will need a clear path to effect short-term changes in the planning for, approval of, and financing of new housing construction to meet the needs of its residents and employers. This 3-year Action Plan offers guidance on the solutions to its affordable workforce needs and should be placed near the top of the City's overall priorities if it expects to make any headway on the issue.

### 2022-2024 ACTION PLAN

Based on the information gathered from the education and brainstorming process, Cedar Corporation and Movin' Out have developed the following 3-year Action Plan for the City of Watertown. The Action Plan contains a variety of recommendations (actions) that are based on six distinct strategies (Figure 4-1) centered around the creation of a supportive environment for the development of new affordable workforce housing. These strategies align and also directly address five of the top barriers identified in the Brainstorming Session as shown below:

1. Education and engagement of public / reduce stigma of affordable workforce housing.
2. Density and design of affordable housing.
3. Increasing development costs (land, building, infrastructure, interest rates).
4. Challenge to attract developers to Watertown and perceived lack of available land.
5. Lack of investment capital, both public and private.

The six proposed strategies also align well with the citizen identified values and concerns as which resulted from the public visioning session held by the City during the development of its 2019 Comprehensive Plan, particularly those statements below:



Top Community Values

- Small town feel

Top Challenges

- Redevelopment – downtown, blight, dilapidated buildings, stagnant ownership, and location of non-profit land
- Recession recovery – industries leaving, needing to retain jobs, and lack of revenue/taxes
- Demographic shifts – aging population, changing family structure, and the ability to attract young families

Top Opportunities

- Incentives – TIF, subsidies, tax abatement, and other grants
- Improve infrastructure
- Code enforcement/absentee owners
- Attract new residents, businesses, and visitors

Top Priorities for the City to Address (\*top 3 highest priorities in a poll of all attendees)

- \*Redevelopment – downtown, River District, 100 block, blight, absentee owners, and non-profit locations
- Funding – TIF/Opportunity Zones, Wheel Tax, and public/private partnerships

**Figure 4-1: Affordable Housing Strategies & Target Dates**



The six recommended strategies outlined in Figure 4-1 are accompanied by specific target dates by which the City can use to measure its initial success. Each action step has also identified the entity responsible for its initiation and completion so that the City can effectively guide its efforts and resources into the areas which are most impactful for the short-term. In addition to the action items presented within this document the community should be continuously studying the housing market and developing additional action items so that a new 3-year Action Plan can be developed for 2026-2029.

## 1. Provide Leadership and Education



### ACTION TARGET: CONTINUAL

The City of Watertown needs to play an active leadership role in addressing factors that they can control or influence the future construction of new affordable workforce housing units.

#### 1.1) PROVIDE LEADERSHIP ON LOCAL AFFORDABLE WORKFORCE HOUSING ISSUES

1.1.1) **Create an Affordable Workforce Housing Task Force consisting of a cross-section of community individuals to conduct and oversee tasks outlined in this Action Plan (City Council).** The Task Force should be created for a three-year period to coincide with the timeline of the Action Plan. It can be renewed based on its effectiveness and the level of interest in continuance by its members. The Task Force could include representation by the following types of entities, but should be customized as the City feels appropriate:

- City Council Member
- Plan Commission Member
- City Administrator
- School District
- Chamber of Commerce
- Local/Regional Housing Authority
- Large Local Business
- Small Local Business
- Bank/Lending Institution
- Housing Developer/Builder
- Local Economic Development practitioners
- A person(s) with “Lived Experience” (worker, lower income, younger person in need of housing, etc.)

1.1.2) **Proclaim a particular month in 2022 as “Affordable Workforce Housing Month” (City Council).** Use this opportunity to announce the creation of the Affordable Workforce Housing Task Force and the City’s adoption of, and intent to implement, this Action Plan. Share information, facts about affordable workforce housing, and lists of resources for housing assistance. Take this action annually and announce future successes and progress reports to the community.

- 1.1.3) **Conduct an annual on-line survey to poll residents on their current housing status and future housing needs (Task Force).** The first year should serve as a benchmark with subsequent year surveys being used to measure changes in affordable workforce housing conditions. The survey could be implemented annually during the month selected for Action 1.1.2.

## 1.2) PROVIDE EDUCATION ON AFFORDABLE WORKFORCE HOUSING ISSUES

As documented and discussed during the educational session and the brainstorming workshops, the City acknowledges that there is often a stigma associated with affordable workforce housing. Many concerns – some founded and some unfounded - may be raised by the community if and when such developments are proposed. Such prejudices can be hard to challenge and change, but it seems clear that more work is needed to counter the root causes of opposition to affordable housing development projects. Therefore, the City should take proactive steps to address these potential issues and biases before they affect the decision-making process. As such, the City should take a lead in providing educational opportunities to residents, businesses, and elected officials on the short and long-term issues associated with the shortage of affordable workforce housing.

- 1.2.1) **Develop a dedicated website page for the affordable workforce housing issue and what it means for the City of Watertown (Planning Staff).** Post copies of this Action Plan, the Comprehensive Plan, and other resource materials (pdfs and links to articles and affordable housing support agencies, etc.). In addition, using it as an area to provide reports on Task Force activities, GIS inventory maps (see Recommendation 3.2.1), as well as successes and ongoing challenges with the implementation of the Action Plan.
- 1.2.2) **Create an Annual Report of current housing-related statistics, metrics, and progress on meeting the targets outlined in this Action Plan (Planning Staff).** Tracking information about how the City is progressing towards its goals will be important. Not only for the general public's knowledge, but also for future elected officials and leaders as this issue will span across several election terms. Common sources of housing data can be obtained from the U.S. Census and other state agencies and can be appended with local data generated as part of the City's broader effort. A template for reporting data and progress should be developed so that information can be generated consistently from year to year. Data sets to consider include local building permits, number of platted lots, and information about the City's population, income, and housing stock. Two such sources are as follows:

- The U.S. Census American Community Survey (ACS), which provides annual information by community on “housing burden” defined as the number of families spending more than 30% on housing costs. For example, the City of Watertown’s 2019 ACS 5-Year Estimate data on Financial Characteristics can be found here (Table S2503): <https://data.census.gov/cedsci/table?q=1600000US5583975&tid=ACSST5Y2019.S2503>
- Data on the physical attributes of the City’s housing stock can be located here (Table S2504): <https://data.census.gov/cedsci/table?q=1600000US5583975&tid=ACSST5Y2019.S2504>

**1.2.3) Leverage local media to regularly report on affordable workforce housing issues (Mayor).** Garnering the attention of the public on the affordable workforce housing issue, and the City’s efforts to address it, will raise awareness, empathy, and engagement within the community. Outreach can consist of regular press releases and the encouragement of locally-focused articles on affordable workforce housing.



Figure 4-2: New affordable workforce housing in Eau Claire, WI.

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## 2. Remove Local Regulatory Barriers



### ACTION TARGET: AMEND PLANS & CODES BY DECEMBER 2022

Local regulatory barriers are commonplace in communities with respect to deterring or preventing affordable housing. Single-family only zoning districts, large lot size minimums, lot frontage minimums, excessive road width dimensions, and even parking requirements can all contribute to the increase cost of housing. Local zoning and land division policies must be a driver in the effort to significantly reduce development costs, operating costs, or both in order to help reduce the affordability gap.

#### 2.1) MODIFY THE COMPREHENSIVE PLAN

The City of Watertown updated its Comprehensive Plan in 2019. As such, the new version contains significantly more information, discussion and content on the subject of housing, and affordable workforce housing in particular. While the plan provides some good information to substantiate the need for the City to move in the direction of creating or allowing for higher density, mixed residential uses, there are a few shortcomings which should be addressed in a high-level document such as this. The City should consider the adoption of various text and map amendments to the existing Comprehensive Plan which help to reinforce a realistic vision for, and commitment to, the provision of high quality, affordable workforce housing within the community.

2.1.1) **Increase density assumptions for single family residential development from an average of 4-6 units per acre to an average of 8-10 units per acre utilizing a variety of housing styles within the same development to accomplish this (Plan Commission).** The upside of this increase in density is threefold: Lower cost per unit for land, lower cost per unit for infrastructure, and a higher value per acre of land, which translates to higher tax revenues for the City.

- 2.1.2) **Add language which supports the concepts of supplying “Missing Middle” housing styles and the use of “gentle density” to illustrate that the character of both existing and new neighborhoods is being considered (Plan Commission).** The “missing middle” is a term used to describe housing types with densities that fall between detached single-family homes and larger mid-rise multi-family buildings. Housing types include duplex, triplex & fourplex, courtyard apartments, townhouses, live/work units, among others. While these unit types typically provide for medium density, they often have a lower perceived density due to their design and small building footprint. Missing middle building types can help developers maximize affordability and returns without compromising quality by providing housing types that are simple and affordable to build. The term “gentle density” refers to just that, a slow transition from single-family dwellings to a denser residential use that is designed to fit within the context and scale of the neighborhood. Gentle density would be the opposite of placing a 16 unit apartment building next to an existing single-family neighborhood and instead, would look at scattering the 16 units, in perhaps four 4-unit buildings across a broader development area which is interspersed with single-family and duplex housing. It is important to remember that the term “missing middle” also refers and directly ties to those in the workforce who are making 60-120% of the area’s median household income. The City may wish to expand this target population slightly, as lowering it to 50% MHI can increase opportunities for developer tax credit programs (see also Recommendation 5.2.4).
- 2.1.3) **Add additional statements which help to illustrate that solutions may require significant financial investment of the City through a range of financial incentives and commitments to invest in the provision of affordable workforce housing (Plan Commission).** The current plan does mention the use of incentives, but typically only within the economic development, historic preservation, or stormwater contexts. Finding key places to include the mention of incentives for affordable workforce housing can help to bolster the City’s future decisions for providing such support. A wide range of incentives could be provided through the general budget, tax abatement strategies, TIF, formal and informal public-private partnerships, and the leveraging of public and private grant funds.

**2.1.4) Prepare new Area Development Plans (ADPs) for potential development sites (Plan Commission).**

Although the “potential development sites” were targeted towards “infill” development, there will undoubtedly be a continued need for more traditional single family and multi-family uses around the periphery of the City in the future. As such, taking the time to pre-plan larger areas of vacant property (as much as 80+ acres at a time) would be beneficial in order to provide the preferred framework and context for new housing development, particularly in those areas designated as “mixed use”. Plans at this scale are meant to guide the developer while providing the most efficient and effective layout for major site infrastructure and services. Time spent on examining road layouts, block sizes, preferred land uses, densities, greenspaces, trails, and stormwater facilities is important as it will reduce time on the developer’s end spent trying to interpret what the community desires and what it will find acceptable. Area Development Plans are meant to offer some level of flexibility as well, so keep in mind the developer’s needs when specific proposals are made. See also Action 2.2.8 regarding follow-up Official Map amendments.



Figure 4-3: Example ADP for approx. 350 acre mixed use area.

**2.2) MODIFY CURRENT DEVELOPMENT CODES**

Communities in Wisconsin and across the nation are grappling with ways to foster increased housing types for all levels of the socio-economic ladder. Some of these ways involve new regulations, revising existing regulations, and/or creating incentives to encourage specific housing types, based on a community’s need. The following examples are ways the City of Watertown can assist or incentivize affordable workforce housing to meet the community’s needs. When utilized, these code changes may help reduce the costs associated with development and allow for a wider range of housing to be built. Also, see Strategy 5 for additional code recommendations that are related to creating incentives for affordable workforce housing.

**2.2.1) Consider the elimination of Exclusive Single-Family Residential Zoning (Plan Commission).** Larger communities are now eliminating exclusive single-family zoning districts and replacing them with residential zoning districts that allow single-family, duplexes, and triplexes within the same district. This does not restrict a developer from building all single-family homes, but it does allow the developer to create a mix of permitted housing types within one zoning district. The City can still require that any new development in existing neighborhoods match the aesthetics and setbacks typically found in that neighborhood to fit in.

2.2.2) **Amend the existing Zoning Ordinance to allow for the use of Accessory Dwelling Units (ADUs) in all residential districts of six units per acre or less as a permitted use with the currently adopted standards (Plan Commission).** Currently, the City of Watertown does have provisions for Accessory Dwelling Units (Sec. 550-56-AA) as only a conditional use. Allowing them as a permitted use may increase interest in providing this type of housing. ADUs provisions typically will allow a single-family or duplex zoned lot to have an additional dwelling on the property or inside the existing single-family home. An ADU can be above a garage, a separate structure in a backyard, or an apartment in the home and such provisions can not only help to provide lower cost, smaller homes, but also it allows for the aforementioned “gentle density” increases within established neighborhoods. Financing for ADU’s can be a barrier at times and the City may wish to reach out to area lenders and builders to help find solutions.



Figure 4-4: Example of a detached accessory dwelling unit.

2.2.3) **As recommended in the Comprehensive Plan, adopt single-family residential use standards that allow for lots less than 8,000 square feet (Plan Commission).** A wide variety of affordable “missing middle” housing styles, ranging from 700 to 1300 square feet can be built on lots as small as 5,000 square feet and with as little frontage as 30 feet. By using smaller front and side setbacks, denser – yet independent owner-occupied – housing can be built at a lesser cost, making them more affordable as starter or retirement homes. These types of small lot can often have garages and/or ADUs built behind the house as well and would require moving back towards the use of alleys for garage and parking access.

2.2.4) **Carefully review any proposed restrictive covenants or other deed restrictions when approving new housing developments (Planning Staff).** Besides zoning, restrictions on the use of property can be accomplished through deed restrictions or restrictive covenants, which “are restrictions contained in the deed that limit how a property can be used and what can be built on it.” These ‘run with the land,’ meaning that anyone who buys the property in the future is supposed to abide by the restrictions.” Developers include provisions that are more restrictive than local regulations and can include such items as house size, exterior materials, and other items which may increase the cost of a home and run counter to the income levels and lifestyles of those needing affordable housing.

- 2.2.5) **Review and amend Planned Unit Development (PUD) Overlay Requirements to provide more housing choices (Plan Commission).** The City’s Planned Unit Development (PUD) Overlay requirements are intended to encourage planned developments that offer greater creativity and flexibility in site plan design, affording possible relaxation of certain development standards pertaining to the underlying standard zoning district. The PUD designation can be beneficial to promoting affordable workforce housing and it appears that it has been utilized in the City. Additional statements could be added to the “Purpose” section which recognize the need for affordable workforce housing and that the PUD process is meant to offer flexibility to facilitate more housing choice. Currently, all districts can take advantage of the PUD Overlay and the City should use this tool as another incentive to promote and attract new workforce housing projects. The City may also wish to consider whether a Public Hearing is required for PUDs as this can often slow down the project approval process.
- 2.2.6) **Reduce parking requirements where appropriate (Plan Commission).** Higher density housing in areas which include good pedestrian and bicycle facilities can reduce the need for car ownership and hence the need for parking spaces. A reduction in parking requirements not only reduces affordable workforce housing project costs, but also increases the space available for housing units, thereby increasing opportunities for a greater number of housing choices. Smaller, multi-family units (4 to 6 units) that tend to be more compatible with the City’s walkable environments could potentially benefit from such reductions. The same applies to commercial and industrial properties, potentially freeing up more land for housing and keeping new neighborhoods walkable.
- 2.2.7) **Update and utilize the Official Map process to reserve critical infrastructure locations in newly developing areas (Plan Commission).** Once Area Development Plans (ADPs) are created (see Recommendation 2.1.5), ensure that all major connecting streets, desired park facilities, and stormwater management facilities are included on the City’s Official Map Ordinance.

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### 3. Identify, Acquire, and Promote Affordable Housing Sites



#### **ACTION TARGET: TWO SITES SECURED BY FEBRUARY 2023**

Within the City of Watertown there is a general lack of available existing lots and new lands ready to support affordable workforce housing projects. If the City intends on creating opportunities to expand affordable workforce housing, then it will need to play a strong role in providing this critical component. Land availability comes in many forms, including greenfield property on the edge of the City, existing vacant infill areas, underutilized properties for redevelopment, or through the adaptive re-use of existing vacant structures. Having a variety of these types of property available on the market, or in the control of the City, will help to create new opportunities to construct affordable workforce housing units. Even better, having property available that meets certain criteria could help with the City or developer obtaining grants, loans, or tax credits which will be necessary to support a project. Promoting and marketing these sites, once secured, will be imperative to achieving success.

#### **3.1) IDENTIFY AND LEVERAGE CONTROL OF FUTURE AFFORDABLE HOUSING SITES**

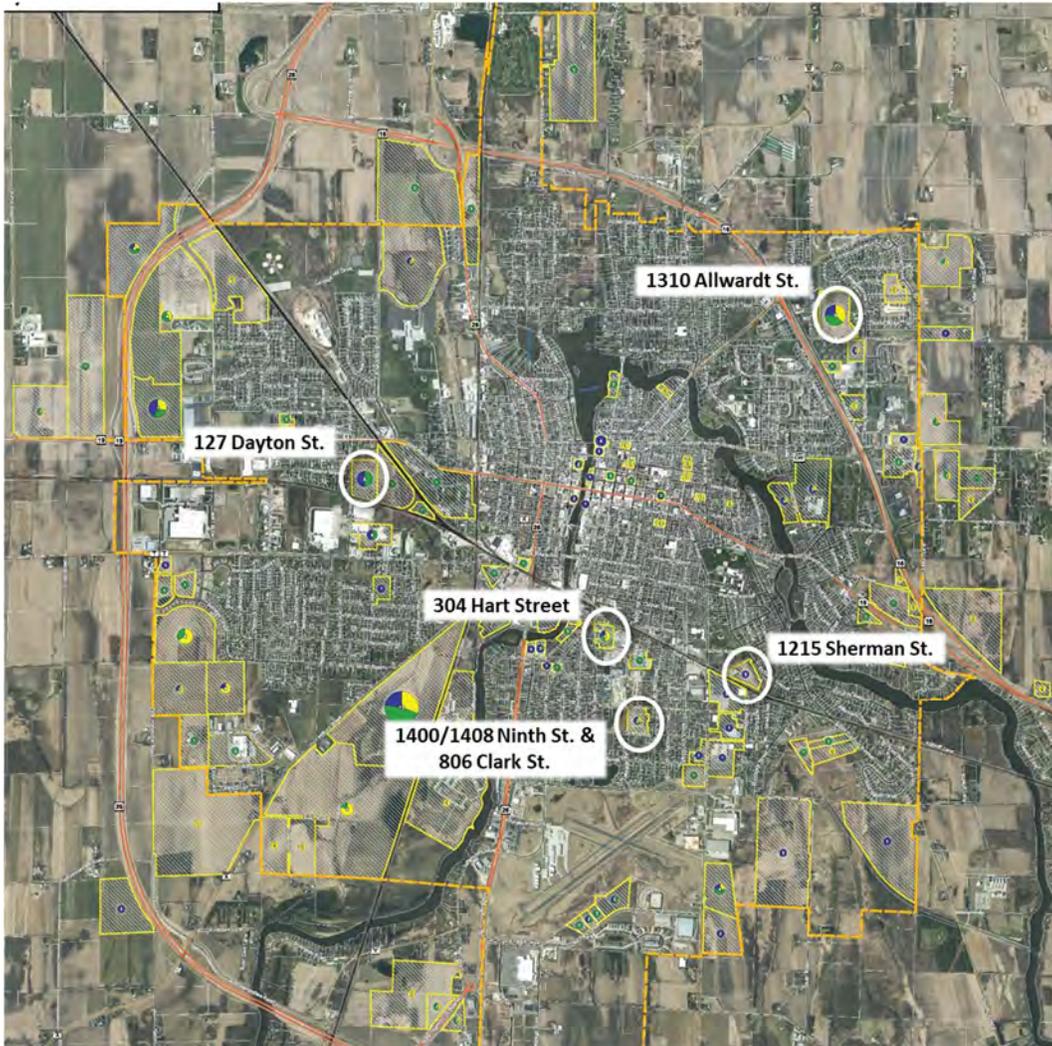
The previously held Brainstorming Sessions generated a significant amount of information pertaining to land suitability for affordable workforce housing projects. As shown in Figure 4-5, many parcels of land across the community were identified as being potential sites which could best accommodate new affordable workforce housing projects. These sites were narrowed down to five “potential development sites”, each with unique qualities in terms of location, access, ownership, and proximity to resident services and amenities.

**3.1.1) Focus the City’s efforts on securing interest or control of two (2) new locations for the development of new affordable workforce housing by October 2022 (Mayor/Planning Staff).** Of the five identified “potential development sites” in Figure 4-5 (and Figures 3-5a through 3-5e), it is recommended that the City attempt to secure interest or control of two of them (with the other three occurring later in this three-year plan’s lifetime) for the purpose of accommodating new affordable workforce housing projects. The City should reach out to the current landowners to initiate discussions on:

- Negotiating the direct purchase of these properties or option to purchase, or;
- Encouragement of the landowners to place the properties on the open real estate market.

In advance, the City should develop a strategy on how to control or purchase said properties, including the use of TIF dollars, grant sources, land donation programs, and its general levy.

**Figure 4-5: Potential Development Sites for New Affordable Housing**



3.1.2) **Evaluate opportunities for the acquisition of vacant infill properties and market them for affordable workforce housing projects (Plan Commission).** Infill development, or the utilization of smaller individual vacant lots located within an already developed area, is a haphazard approach to accommodating additional affordable workforce housing, but instead of the goal being quantity, the approach should be more about the creation of a quality, complete, and well-functioning neighborhoods. Infill development takes advantage of assets of land, infrastructure, or buildings that a community already possesses and repurposes them for future uses that will benefit local residents. Incentive for infill development can be created easily, such as waiving development permit or utility connection fees.

- 3.1.3) **Consider providing land at a reduced or no cost option to support affordable workforce housing projects (City Council).** Often called “land banking,” some communities have taken a more active, hands-on role in the development and sale of land, including providing land at a reduced or no cost option to the developer. As an incentive, executing land contracts with developers that included a non-transferable credit towards the land value for every housing unit that is developed. For example, a developer could receive a \$6,000 credit/unit towards a \$100,000 property; with 16 units developed, the developer would only pay \$4,000 for the land.

### 3.2 PROMOTE AFFORDABLE WORKFORCE HOUSING DEVELOPMENT SITES

The City of Watertown needs to ensure that any available land or redevelopment opportunity for affordable workforce housing is adequately promoted amongst the development community. Many methods exist to accomplish this and the City can raise its profile amongst the home-building industry by putting forth effort to gather, maintain, and distribute key information regarding housing needs and housing development opportunities.

- 3.2.1) **Develop and maintain a set of GIS-based maps which identify critical information for use by the City and private or non-profit developers to assist in capturing new affordable workforce housing opportunities (Planning Staff)** Such maps can be placed on the City’s website (Recommendation 1.2.1) and will take some commitment to maintain, however; they can be used as a resource for contractors and housing developers to locate cost effective and affordable building opportunities in the City using the ability to view various attributes of properties such as:
- **An “Infill” map identifying vacant lots, adaptive re-use, and redevelopment opportunities within existing neighborhoods that already have utility services.** Such a map can be used as a resource for contractors and housing developers to promote more cost effective and affordable building opportunities in the City.
  - **Areas of Naturally Occurring Affordable Housing (NOAH).** Naturally Occurring Affordable Housing is a subset of all the housing units contained within the City. Many of the existing homes, while occupied, represent the bulk of the City’s affordable workforce housing. It is important to know where these units are, and their general condition. The inventory can be based on existing parcel assessment data and should focus on those units which have a current ownership market values of \$180,000-\$250,000 (approx. 60%-90% CMI, 4-persons), and/or rental units that are \$1,182 or less (60% CMI, 4-persons). The inventory should also track new affordable units that are being planned or in the pipeline.

- 3.2.2) **Utilize the City’s variety of existing and new publicly accessible maps to highlight areas in the community and individual parcels for new housing development (Planning Staff).** Utilize the City of Watertown Comprehensive Plan, Housing Affordability Report, TIF District Project Plans, and utility maps to identify and promote sites that are ready for new affordable workforce housing. Each of these maps can serve a purpose in terms of marketing.
- 3.2.3) **Create a list of active housing developers for marketing opportunities within the City (Planning Staff).** Particularly those developers who utilize tax credits for affordable workforce housing projects, share the City of Watertown Residential Development Marketing Kit, and explore ways to collaborate with the developers to build new affordable workforce housing.
- 3.2.4) **Develop “Gold Shovel” or similar “site certification” information for two (2) of the five (5) “Potential Development Sites” as a method to promote them as being ‘development ready’ for affordable workforce housing projects (Planning Staff).** The current “Gold Shovel” program targeted towards industrial sites can be used as a model for promoting and marketing housing development sites as essentially the same information is required. Such certifications can help to attract developers as they are assured of the site’s conditions prior to purchase. Also be aware that the State Legislature is currently developing bills for consideration which would require the WEDC to develop such a program. The City of Watertown can get ahead of this by preparing “Gold Shovel” information for two (2) of the five (5) potential development sites. After additional review, including discussions with the site owners, Cedar Corporation recommends that the Dayton Street and Clark Street sites (figure 4-6) be selected for this program. Cedar Corporation, with funding from the Greater Watertown Community Health Foundation, stands ready to prepare this information upon approval by the City.

**Figure 4-6: Potential development site recommended for Gold Shovel Certification process**



- 3.2.5) **Create and distribute a Request for Information (RFI) for any City-owned property to promote any sites that are suitable for affordable workforce housing (Planning Staff).** The RFI would specify types of housing required and amenities and request examples of past similar projects and financial assistance needed to construct the housing specified. The City would evaluate the RFIs and choose a developer to work with to develop housing.
- 3.2.6) **Create a City of Watertown Residential Development Marketing Kit to give to housing developers (Planning Staff).** The Kit would contain information related to stormwater regulations, subdivision ordinances, zoning ordinances, preliminary plat review requirements, final plat requirements, Plan Commission and Common Council schedules, potential incentives, and associated fees to help developers or contractors to submit complete information to shorten the time between concept and construction. At a minimum, the Kit should contain the following information to help developers or contractors to submit complete information to shorten the time between concept and construction:
- a) Map(s) showing public and private undeveloped residentially zoned parcels
  - b) Map showing existing TIF Districts that allow housing
  - c) City of Watertown Housing Study and Needs Analysis
  - d) UW-Whitewater – Watertown County Housing Study
  - e) Zoning Ordinance
  - f) Subdivision Ordinance
  - g) Stormwater Ordinance
  - h) Preliminary Plat Review Requirements
  - i) Final Plat Requirements
  - j) Plan Commission and Common Council Meeting Schedules
  - k) List of Development Fees
  - l) List of Potential Development Incentives (Local, State, Federal)



Figure 4-7: Pinney Lane Apartments (Madison), a 70-unit affordable workforce housing development financed by Movin' Out.

3.2.7) **Actively promote sites through the set-up of informational booths or distribution of flyers at various trade shows focused on the development, real estate, and homebuilding sectors (Task Force).** Sharing information and/or engaging directly with those audiences who participate in the affordable workforce housing market is a good way to bring attention to the City’s sites and opportunities to a statewide or national audience. The following conferences may offer promotional opportunities:

- Wisconsin Housing and Economic Development Authority (WHEDA) Annual Conference
- Wisconsin Builder’s Association (WBA) Annual Conference (Better Buildings: Better Business [B4])
- Associated Builders & Contractors (ABC) Annual Conference (SuperCon)
- Wisconsin Realtors Association Annual Conference
- Wisconsin Economic Development Association (WEDA) Annual Conference

3.2.8) **Consider participation in a larger, regional-scaled event based on the concept of “speed-dating” to promote affordable workforce housing development opportunities (Task Force).** Work with local public and private entities to develop and coordinate a day-long event which would serve to connect the City and several of its neighboring communities with affordable workforce housing developers from across the State. Each community would have information available in a consistent format that outlines greenfield, redevelopment, and re-use opportunities. Details about the communities’ long-range plans, current regulations, incentives, and other funding opportunities would also be made available.



Figure 4-8: Example of duplex design on 50 foot wide lot with rear alley access

## 4. Preserve the City's Existing Affordable Housing Stock



### ACTION TARGET: CONTINUAL

The City's current comprehensive plan already does a good job of documenting the issues, needs, and opportunities associated with maintenance and preservation of its existing housing stock. Recommendations already exist for the City to leverage funds from the CDBG program to utilize for home rehabilitation activities, but also expands this notion by addressing areas such as enforcement, community policing, and landlord training. All items listed in the Comprehensive Plan should be addressed, however; in the context of this focused report, there are a few additional actions that should be considered.

#### 4.1 SUPPORT THE MAINTENANCE OF THE CITY'S EXISTING AFFORDABLE WORKFORCE HOUSING STOCK

The City of Watertown needs to continue its efforts to maintain its existing housing stock as it is one of the primary assets of the community and of great importance to area businesses in terms of providing employee housing. Efforts to maintain, repair, or renovate older housing stock are often much less expensive than creating quality housing through new construction. This in turn helps to keep these properties affordable and marketable.

4.1.1) **Assemble and promote current information on all existing home repair/maintenance funding and program sources that are available directly to City residents (Planning Staff).** A number of existing resources are available to Watertown residents that qualify. These programs can assist residents and thereby assist the City in meeting its goals for maintaining its existing housing stock. Such programs include but may not be limited to:

- Jefferson County Economic Development Consortium Home Buyer Program
- HOME Consortium Pre or Post-Purchase Rehab Program
- Southern Housing Region CDBG Rehabilitation Program
- Wisconsin Home Energy Assistance Program (WHEAP)
- Focus on Energy

- 4.1.2) **Develop the Comprehensive Plan’s recommended City funded home repair and maintenance program within a broader Affordable Housing Fund (See Action 6.1) (Task Force).** Exterior repairs, major system replacement, new windows, and energy efficiency are all critical to keeping the City’s older housing stock habitable and affordable. With increasing prices across the entire home spectrum, some residents may have limited resources to keep up with the maintenance necessary on a home. Programs for rehabilitation and repair are common in many communities across the State and can be supported with tax dollars to leverage state program funds, and private contributions of money, materials, and labor. It should be noted that the current Affordable Housing TIF Extension does allow for TIF funds to be used for such purposes.
- 4.1.3) **Work with Habitat for Humanity to be part of the Rock the Block program (Planning Staff).** Habitat’s Rock the Block is a neighborhood revitalization effort that involves several simultaneous community projects spearheaded by neighborhood groups that improves the lives of families by focusing on exterior home repairs, preservation projects for low-income homeowners, and community projects to improve and beautify the neighborhood surrounding the home.
- 4.1.4) **Work with high schools, vocational and tech schools to develop a program which teaches home maintenance and places students “in the field” to assist with home repairs (Task Force).** Such educational opportunities not only prepare future-homeowners, but also generates additional local capacity to address needed repairs to the City’s existing affordable housing stock.

## 4.2 CREATE A FORMALIZED NEIGHBORHOOD PLANNING & SUPPORT PROGRAM

Neighborhoods are the fabric of a community and can provide numerous social, economic, and health benefits for their residents. Having more formalized and more engaged neighborhoods can result in increased social interaction (reduced isolation), community pride, and resident participation in important neighborhood and community-wide issues. Bottom-up planning is essential to the success of strong neighborhoods and communities can both empower and support formal and informal processes which leverage the resources and values of its residents. There can be many rewards to increasing residents’ “pride of place” including a well-maintained housing stock.

- 4.2.1) **Explore the establishment of a City-wide Neighborhood Program with a modest budget to initiate support activities (Planning Staff).** A supportive Neighborhood Program can help to build bonds and foster communication between City Hall and Watertown neighborhoods. With a goal of strengthening neighborhoods, the City could develop a formal (self-defined) neighborhood registration program and create a short list of initial services or programs from which a registered neighborhood can benefit.

4.2.2) **Explore the City’s involvement in the NeighborWorks America program to create opportunities for people to live in affordable homes, improve their lives and strengthen their communities (Planning Staff).** NeighborWorks America brings existing organizations into their network in order to offer programs and support establish and maintain healthy operations, measure the reach of their efforts, expand their program offerings to meet community needs, and move toward long-term stability and growth. NeighborWorks builds the skills, supplements the resources and amplifies the reach of network organizations so they can empower more individuals and transform more communities than they could on their own. Green Bay NeighborWorks, formed in 1982, is a great example of the power of this program in terms of providing its broader community with homeownership preparation services, down payment and closing cost assistance lending, community-interest real estate development, and other services. They are a resident-led 501(c)(3) nonprofit corporation and a Community Housing Development Organization (CHDO).

4.2.3) **Explore engagement opportunities with Neighborhood Partners, a program of NeighborWorks Green Bay (Planning Staff).** Neighborhood Partners supports neighbors in working together for the common good of their neighborhoods. Neighborhood Partners employs an Asset-Based Community Development (ABCD) approach to helping neighbors work together to create the quality of life they want and deserve. They then coordinate the resources of nonprofits, businesses and governmental agencies to come alongside this important work.



Figure 4-8: Before and after shots of a NeighborWorks Green Bay home acquisition and renovation project

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## 5. Leverage Financial Resources & Incentives



### ACTION TARGET: INCENTIVE PACKAGE DEVELOPED BY DECEMBER 2023

Affordable workforce housing is becoming increasingly difficult to finance by the private sector and oftentimes, direct financial assistance is needed from the local governmental unit to ensure that the project ‘pencils’ so as to leave a reasonable profit margin for the developer.

A variety of funding strategies and mechanisms can be developed and implemented by the City in a manner which makes the development community aware of base-level incentives, while at the same time reducing the risk of the City’s investments and ensuring the project meets its housing goals.

#### 5.1 MAKE IMMEDIATE AND DIRECT INVESTMENTS IN AFFORDABLE WORKFORCE HOUSING

- 5.1.1) **Apply fee reductions for new housing development that benefits those households within the 50%-120% median household income (MHI) range (Plan Commission).** The City could develop a policy to reduce, waive, or defer certain permit fees, developer fees, or impacts fees in order to encourage housing development or individual projects that address housing needs that fit the 50%-120% MHI segment of the population, or for specialized housing (elderly, disabled, etc. that meets the community’s needs. Per Wisconsin Statutes 66.0617(7), impact fee waivers can specifically be used for providing low-cost housing.
- 5.1.2) **Expedite the housing development approval process (Plan Commission).** The process of re-zoning properties for denser multi-family uses can be cumbersome and time-consuming for a developer. As an incentive, consider modifying existing regulations so that a public hearing is NOT required if the proposed re-zoning is consistent with the City’s Comprehensive Plan. Shortening the approval timeframe for a developer helps to lower the project’s carrying costs, thereby making it more affordable to finance.

- 5.1.3) **Consider the creation of a “Below-Market-Rate Program” (Plan Commission).** Upon consultation with the City’s attorney, consider ordinance-based requirements for the inclusion of 10-15% below-market-rate units for any converted or new housing development, whether ownership or rental, which creates more than 5 units. A fee in lieu of may otherwise be paid to a new Housing Fund. The in-lieu fee would be based on a formula that considers the difference between the price of market- rate units and the price of below-market-rate units.
- 5.1.4) **Explore the use of Incentive Zoning (Plan Commission).** Incentive zoning is a zoning tool that offers developers regulatory allowances in exchange for public benefits, such as the development of affordable workforce housing units and/or for low-to-moderate-income persons. Incentives could include density bonuses, flexible development regulations, parking reductions (and/or the aforementioned fee waivers, permitting priority, etc.).

## 5.2 MAKE LONG TERM INVESTMENTS IN AFFORDABLE WORKFORCE HOUSING

- 5.2.1) **Maximize the use the Tax Incremental Financing (TIF) Districts to promote and support new affordable workforce housing projects (Planning Staff).** Watertown uses Tax Increment Financing (TIF) Districts to fund infrastructure and other eligible improvements by leveraging new property tax values generated by new development within the TID. A Mixed-Use TID allows for a combination of residential, commercial, and industrial uses within the District. Mixed-Use TIDs can only include lands proposed for newly platted residential use if no more than 35%, by area of the real property in the TIF District is designated for such use, and the residential development meets other qualifications. Mixed-Use TIDs can be used to help offset development costs related to streets, utilities, land acquisition or site preparation, among other things, to make residential development and new housing more cost effective to build and less expensive to the buyer or renter. Whether it’s for existing or newly created TIDs, the City should craft a general TIF incentive policy that determines the types of housing development (type, price range, single-family vs multi-family, etc.) that could be assisted with TIF funds when developers seek financial assistance. Additionally, the policy should determine how the assistance could be used to support housing projects. Examples include; land acquisition, streets and infrastructure, site prep, etc. By having such a policy, the City can promote this incentive, as well as be consistent with its application.

5.2.2) **Make use of the current Tax Incremental Financing-Affordable Housing Extension (AHE) on existing TIDs when appropriate (Planning Staff).** Watertown may extend the life of a Tax Incremental Financing District for one year to support affordable housing if all the TID debt is paid. Under this provision one year of tax increment can be used for affordable housing anywhere in the City. At least 75% of the increment must benefit affordable housing in the community and 25% must be used to improve the housing stock. State TIF law defines "affordable housing" as housing that costs a household no more than 30% of the household's gross monthly income. Monies can be used for older housing stock rehabilitation, the purchase of land or existing properties for new development or redevelopment, or to install infrastructure for housing. Watertown has four TIDs (all within the Jefferson County portion of the community) with expiration dates ranging from 2025 to 2049. The City should begin planning for the use of these extensions at least 18-24 months before the respective TID's expiration date. The City should also keep in mind that these funds can be a great source of local matching funds to complement a variety of housing grant programs. Part of the planning for the TID extensions should include an examination of projects and grant funding opportunities.

5.2.3) **Create an Affordable Housing Fund specifically for the City utilizing ordinance provisions (City Council).** The ordinance would aim to establish "Community Affordable Housing Trust Fund," which would use 2 percent of the city's general fund annually (or about \$50,000). Consider phasing the program to begin with 1 percent of the city's general fund being allocated to the trust the first year (2023) then 1.5 percent the year after (2024) and, finally, a whole 2 percent of the Fiscal Year 2025 budget. The funds would be used to fuel affordable housing development within the City. It may also be possible to use these funds as a source of match for HOME funding that Watertown County can access. HOME requires that a project generate a minimum of 25% match for each dollar of HOME utilized. The match cannot be other federal funding but city tax levy would count as well as discounted value of land and reduced fees.

**TYPICAL FINANCING RESOURCES FOR AN AFFORDABLE HOUSING DEVELOPER**

CAPITAL STACK

- \$ FIRST MORTGAGE DEBT
- \$ FEDERAL HOME AND CDBG FUNDS
- \$ FEDERAL HOME LOAN BANK AHP
- \$ WHEDA LOW-MODERATE INCOME HOUSING TAX CREDITS (LIHTC)
- \$ WSHS HISTORIC TAX CREDITS
- \$ PROJECT-BASED RENT ASSISTANCE
- \$ PACE

LOCAL INCENTIVES

- \$ TAX INCREMENT FINANCING
- \$ LOCAL "AFFORDABLE HOUSING FUND"
- \$ LAND COST WRITE DOWNS
- \$ WAIVER OF IMPACT FEES
- \$ WAIVER OF DEVELOPMENT APPROVAL FEES

5.2.4) **Maximize opportunities for developers to obtain affordable housing tax credits (City Council).** Support a developer’s application for affordable housing tax credits by ensuring City policies/actions align with the application process of the affordable housing tax credit program. By simply setting the City’s target household incomes to 50% (vs. 60%) of MHI, it will open up the use of WEDA’s Low Income Housing Tax Credit (LIHTC) to projects that may still have a majority of units catering to the 60%-120% MHI segment. In addition, the City should remember that a good number of retail positions fall within the 50%-60% MHI segment, thereby providing more opportunities for these working individuals. Under WHEDA’s current Qualified Allocation Plan (QAP) which includes the scoring system used by to award Section 42 tax credits under its annual 9% tax credit competitive process there are at least two things a community can consider doing:

- One scoring area is Financial Leverage – to the extent the city can contribute funding or reduced land costs the developer can claim scoring points for these resources – the city can make prospective developers aware of this.
- A second scoring area called Areas of Economic Opportunity – if a city utilizes an RFP/RFQ process to conduct a project on publicly controlled land and the developer documents they were awarded the site through this process the project is eligible for additional scoring points
- Lastly, the City should consider advocating to WHEDA during its upcoming review of the QAP scoring process, recommending that points be awarded for the completion of local Affordable Workforce Housing Plans (similar to this document). Public hearings will be held on this issue during the first one-half of 2022.

5.2.5) **Leverage the role of the City’s Redevelopment Authority (RDA) to advance future affordable workforce housing projects (RDA / Mayor):** A Redevelopment Authority (RDA) is a separate political body that can conduct blight elimination, slum clearance, urban renewal programs/projects, and housing projects. An RDA can issue tax-exempt bonds to fund projects that are within a district identified in a redevelopment project plan. An RDA can be a valuable tool for funding improvements and financing projects because the RDA has borrowing authority that does not count against General Obligation debt capacity of the City. Working with the RDA, the City should amend existing plans to include supporting housing development as a priority.

- 5.2.6) **Leverage the existing Opportunity Zone to generate interest in new affordable workforce housing projects (RDA / Planning Staff).** The City of Watertown has one designated Opportunity Zone (OZ) encompassing the west-central portion of the community (see map next page). OZs are low income census tracts nominated by governors and certified by the Treasury into which investors can put capital to work financing new projects and enterprises in exchange for certain federal capital gains tax advantages. OZs offer investors a significant incentive: They can defer and even reduce their federal tax liability on the sale of appreciated assets if they place their gains into a new vehicle called an Opportunity Fund. These funds then channel pooled capital into equity investments in small businesses and real estate in distressed communities. The OZ program optimizes flexibility, allowing different types of investments that could benefit multiple parts of the community development ecosystem. For example, developers, service providers, and other small businesses critical to affordable housing delivery could receive new equity investments and could possibly fill a capital gap that has been a
- 5.2.7) **Seek out and utilize available grants to facilitate affordable workforce housing projects (Planning Staff).** Incorporate a grant writing strategy to all residential development projects so that city and private sector investments are leveraged to the maximum extent. This includes seeking grants to reduce infrastructure, park and recreation, trail construction, and even land acquisition and building costs. Use any available grants as a negotiating item during the creation of developer’s agreements. Potential sources of grant funding, dependent on the situation, could include:
- Planning – WDOA CDBG Planning Grants
  - Housing – WDOA CDBG Housing Grants
  - Redevelopment – EDA/WEDC
  - Infrastructure – WDOA CDBG Public Facilities (LMI requirements)
  - Stormwater/Green Infrastructure – WDNR, FEMA
  - Recreation/ Trails - WDNR Stewardship Grants
  - Brownfields/Site Clean Up – WDNR, WEDC



## 6. Create Public/Private Partnerships



### ACTION TARGET: IMPLEMENT AT LEAST TWO IDEAS BY 2024

Some of today's most creative affordable-housing solutions arise from innovative collaborations among nonprofit groups, private companies, and government agencies. Private companies that partner with public and nonprofit groups to pursue these projects have produced a number of profitable, successful projects. As the need for affordable housing alternatives grows nationwide, nonprofit organizations and federal and state government-sponsored entities will likely seek to partner with the for-profit real estate community, lenders, and investors to complete these important projects.

Financing and developing affordable housing are challenging since projects involve more planning and entail greater risks than similar market-rate projects due to the layers of financing required and the complexities of the public/private partnerships. Leveraging a pool of money from local entities can create opportunities for the dollars to be used in a variety of ways to support new affordable workforce housing or with the rehabilitation of existing affordable housing stock. Partnerships such as this combine the speed and flexibility of the private sector with essential subsidies and support from the public sector, both of which are needed to acquire, build, operate, and maintain affordable housing projects in urban areas.

#### **6.1) CREATE A NEW PUBLIC/PRIVATE AFFORDABLE WORKFORCE HOUSING FUND TO UTILIZE IN ONE OR MORE OF THE FOLLOWING WAYS:**

**6.1.1) In partnership with the business community, create an Employee Home Purchase / Rental Program. (Task Force).** Particularly well suited to larger industries who need to attract employees and/or ensure that existing employees live within the community, private funds are utilized and offered as a no-interest loan over a 10-year period with the possible incentive of eliminating the last year's payment if the household can show documented improvements to the home. This program can be adjusted to help with rent security deposits as well. This type of program does not need to have income requirements and may offer tax break to investors.

- 6.1.2) **Creation of program to ensure new affordable housing development is also energy efficient (Task Force).** Energy costs are part of the 30% of housing costs measure. As such, it is critical that energy efficiency and the use of renewable energy be considered up front in any new housing development. At times, these additional costs may not make a development ‘pencil’ and therefore it may be advantageous to design a program which can assist the developer with grants or no/low interest loans ensure it is addressed. Other programs and funding opportunities through local utilities and the Wisconsin Public Service Commission should also be evaluated for their potential to increase the energy efficiency of new affordable workforce housing construction.
- 6.1.3) **Creation of a Shared Equity Program for down-payment assistance (Task Force).** A shared equity program provides eligible buyers with down payment assistance in exchange for a percentage of equity upon sale of the home. For example, if a home has a purchase price of \$200k, the program provides \$40k (20%) for down payment assistance with no payments or interest accruing during ownership. When the home sells, let’s say 10 year later for \$240k, the original \$40k is paid back plus 20% of the shared appreciation (20% of \$40k, or \$8k). This gives the homeowner \$36k in equity, plus any equity gained while the mortgage is paid down. Examples of this type of program are present in the Cities of Wausau and Menomonie. The City of Menomonie program obtains some of its funding from TIF as well as private sector businesses.
- 6.1.4) **Creation or management of a Community (or Housing) Land Trust (Task Force).** The use of community/housing land trusts (CLTs/HLTs) is becoming an increasingly common strategy ensure the availability of permanently affordable housing for residents who might otherwise be priced out of their neighborhoods. A community land trust (CLT) is a nonprofit corporation that holds land communally and can buy lots, develop housing and keep it affordable indefinitely. Under such arrangements, only the buildings on the land are owned or leased by residents there reducing the overall cost for a home. Although they are employed much less often than other approaches to housing affordability, CLT’s/HLT’s can be particularly powerful tools in areas facing rapid economic change and/or appreciation in land values. The Madison Area Community Land Trust is just one example of a CLT/HLT and has been in existence since 1991. This approach is found useful to reposition the existing mobile home park ownership models from privately owned to a CLT form of ownership.

## 6.2) COLLABORATE WITH OTHERS TO SUPPORT EXISTING AND CREATE NEW AFFORDABLE WORKFORCE HOUSING OPPORTUNITIES

6.2.1) **Work with a variety of public, quasi-public, and non-profit partners to ensure that housing support services are readily available for new and existing residents of the City of Watertown (Task Force).** A number of existing entities offer housing services including programs related to financial self-sufficiency, down-payment assistance program, child-care, and job training. All of which can help to make ownership attainable. Some organizations may not have the City of Watertown in their service area, in which case the City may wish to inquire about the expansion or replication of their services. Entities to reach out to include, but are not limited to:

- Watertown Community Foundation
- Community Action Coalition of Southeastern Wisconsin
- Greater Watertown Community Health Foundation
- Waukesha County Housing Coalition
- Habitat for Humanity (Dodge and Jefferson Counties have programs)
- THRIVE
- The HOME Consortium (a four county consortium that receives annual allocations of federal HOME funding)

6.2.2) **The City of Watertown should play an advocacy role in supporting beneficial changes to the State's housing-related programs (Task Force/Mayor).** It is in the interest of the City to have sufficient resources at the Statewide level for addressing the affordable workforce housing crisis. Increases in funding, program improvements and streamlining, and ensuring that state laws do not hinder the ability of the City to develop or implement programs and policies should be of high importance. Engaging directly with State Legislators on this issue and being part of the larger voice (i.e., League of Wisconsin Municipalities, Wisconsin Economic Development Association, Wisconsin Manufacturers & Commerce, etc.) can help to ensure that the City has the resources necessary to address workforce housing shortage in its community.

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# City of Watertown - Affordable Workforce Housing Action Plan Summary 2022-2024

 = Priority Action

## 1. Provide Leadership and Education

### ACTION TARGET: CONTINUAL

#### 1.1) PROVIDE LEADERSHIP ON LOCAL AFFORDABLE WORKFORCE HOUSING ISSUES

#### RESPONSIBILITY

- 1.1.1) Create an Affordable Workforce Housing Task Force consisting of a cross-section of community individuals to conduct and oversee tasks outlined in this Action Plan. City Council
- 1.1.2) Proclaim a particular month in 2022 as “Affordable Workforce Housing Month”. City Council
- 1.1.3) Conduct an annual on-line survey to poll residents on their current housing status and future housing needs. The first year should serve as a benchmark with subsequent year surveys being used to measure changes in affordable workforce housing conditions. The survey could be implemented annually during the month selected for Action 1.1.2. Task Force

#### 1.2) PROVIDE EDUCATION ON AFFORDABLE WORKFORCE HOUSING ISSUES

- 1.2.1) Develop a dedicated website page for the affordable workforce housing issue and what it means for the City of Jefferson. Planning Staff
- 1.2.2) Create an Annual Report of current housing-related statistics, metrics, and progress on meeting the targets outlined in this Action Plan. Planning Staff
- 1.2.3) Leverage local media to regularly report on affordable workforce housing issues. Mayor

## 2. Remove Local Regulatory Barriers

### ACTION TARGET: AMEND PLANS & CODES BY DECEMBER 2022

#### 2.1) MODIFY THE COMPREHENSIVE PLAN

#### RESPONSIBILITY

- |   |   |                 |
|---|---|-----------------|
|  | 2.1.1) Increase density assumptions for overall residential development from an average of 4-6 units per acre to an average of 8-10 units per acre utilizing a variety of housing styles within the same development to accomplish this.              | Plan Commission |
|  | 2.1.2) Add language which supports the concepts of supplying “Missing Middle” housing styles and the use of “gentle density” to illustrate that the character of both existing and new neighborhoods is being considered.                             | Plan Commission |
|  | 2.1.3) Add additional statements which help to illustrate that solutions may require significant financial investment of the City through a range of financial incentives and commitments to invest in the provision of affordable workforce housing. | Plan Commission |
| <input data-bbox="201 773 243 805" type="checkbox"/>                              | 2.1.4) Prepare new Area Development Plans (ADPs) for the identified potential development sites.  | Plan Commission |

#### 2.2) MODIFY CURRENT DEVELOPMENT CODES

- |  |   |                 |
|--|---|-----------------|
| <input data-bbox="201 896 243 928" type="checkbox"/>   | 2.2.1) Consider the elimination of Exclusive Single-Family Residential Zoning   | Plan Commission |
| <input data-bbox="201 959 243 992" type="checkbox"/>   | 2.2.2) Amend the existing Zoning Ordinance to allow for the use of Accessory Dwelling Units (ADUs) in all residential districts of six units per acre or less as a permitted use with the currently adopted standards | Plan Commission |
| <input data-bbox="201 1057 243 1089" type="checkbox"/> | 2.2.3) As recommended in the Comprehensive Plan, adopt single-family residential use standards that allow for lots less than 8,000 square feet  | Plan Commission |
| <input data-bbox="201 1105 243 1138" type="checkbox"/> | 2.2.4) Carefully review any proposed restrictive covenants or other deed restrictions when approving new housing developments .   | Planning Staff  |
| <input data-bbox="201 1187 243 1219" type="checkbox"/> | 2.2.5) Review and amend Planned Unit Development (PUD) Overlay Requirements to provide more housing choices.  | Plan Commission |
| <input data-bbox="201 1252 243 1284" type="checkbox"/> | 2.2.6) Reduce parking requirements where appropriate.   | Plan Commission |
| <input data-bbox="201 1317 243 1349" type="checkbox"/> | 2.2.7) Update and utilize the Official Map process to reserve critical infrastructure locations in newly developing areas.  | Plan Commission |

## 3. Identify, Acquire, and Promote Affordable Housing Sites

### ACTION TARGET: TWO SITES SECURED BY FEBRUARY 2023

#### 3.1) IDENTIFY AND LEVERAGE CONTROL OF FUTURE AFFORDABLE HOUSING SITES

#### RESPONSIBILITY

- |   |  |
|---|--|
| <p> 3.1.1) Focus the City's efforts on securing interest or control of two (2) locations for the development of new affordable workforce housing by October 2022 (<i>refer to table and map</i>).</p> <p><input type="checkbox"/> 3.1.2) Evaluate opportunities for the acquisition of vacant infill properties and market them for affordable workforce housing projects.</p> <p><input type="checkbox"/> 3.1.3) Consider providing land at a reduced or no cost option to support affordable workforce housing projects.</p> | <p>Mayor / Planning Staff</p> <p>Plan Commission</p> <p>City Council</p> |
|---|--|

#### 3.2) PROMOTE AFFORDABLE WORKFORCE HOUSING DEVELOPMENT SITES

- |  |   |
|--|---|
| <p><input type="checkbox"/> 3.2.1) Develop and maintain a set of GIS-based maps which identify critical information for use by the City and private or non-profit developers to assist in capturing new affordable workforce housing opportunities.</p> <p><input type="checkbox"/> 3.2.2) Utilize the City's variety of existing and new publicly accessible maps to highlight areas in the community and individual parcels for new housing development.</p> <p><input type="checkbox"/> 3.2.3) Create a list of active housing developers for marketing opportunities within the City.</p> <p> 3.2.4) Develop "Gold Shovel" or similar "site certification" information for two (2) of the five (5) "Potential Development" sites as a method to promote them as being 'development ready' for affordable workforce housing projects</p> <p><input type="checkbox"/> 3.2.5) Create and distribute a Request for Information (RFI) for any City-owned property to promote any sites that are suitable for affordable workforce housing.</p> <p> 3.2.6) Create a City of Watertown Residential Development Marketing Kit to give to housing developers.</p> <p><input type="checkbox"/> 3.2.7) Actively promote sites through the set-up of informational booths or distribution of flyers at various trade shows focused on the development, real estate, and homebuilding sectors.</p> <p><input type="checkbox"/> 3.2.8) Consider participation in a larger, regional-scaled event based on the concept of "speed-dating" to promote affordable workforce housing development opportunities.</p> | <p>Planning Staff</p> <p>Planning Staff</p> <p>Planning Staff</p> <p>Planning Staff</p> <p>Planning Staff</p> <p>Planning Staff</p> <p>Task Force</p> <p>Task Force</p> |
|--|---|

## 4. Preserve the City's Existing Affordable Housing Stock

### ACTION TARGET: CONTINUAL

#### 4.1 SUPPORT THE MAINTENANCE OF THE CITY'S EXISTING AFFORDABLE WORKFORCE HOUSING STOCK

#### RESPONSIBILITY

- |                                     |   |                |
|-------------------------------------|---|----------------|
| <input checked="" type="checkbox"/> | 4.1.1) Assemble and promote current information on all existing home repair/maintenance funding and program sources that are available directly to City residents             | Planning Staff |
| <input checked="" type="checkbox"/> | 4.1.2) Develop the Comprehensive Plan's recommended City funded home repair and maintenance program within a broader Affordable Housing Fund (See Action 6.1)                 | Task Force     |
| <input type="checkbox"/>            | 4.1.3) Work with Habitat for Humanity to be part of the Rock the Block program  | Planning Staff |
| <input type="checkbox"/>            | 4.1.4) Work with high schools, vocational and tech schools to develop a program which teaches home maintenance and places students "in the field" to assist with home repairs | Task Force     |

#### 4.2 CREATE A FORMALIZED NEIGHBORHOOD PLANNING & SUPPORT PROGRAM

- |                                     |   |                |
|-------------------------------------|---|----------------|
| <input checked="" type="checkbox"/> | 4.2.1) Explore the establishment of a City-wide Neighborhood Program with a modest budget to initiate support activities  | Planning Staff |
| <input type="checkbox"/>            | 4.2.2) Explore the City's involvement in the NeighborWorks America program to create opportunities for people to live in affordable homes, improve their lives and strengthen their communities | Planning Staff |
| <input type="checkbox"/>            | 4.2.3) Explore engagement opportunities with Neighborhood Partners, a program of NeighborWorks Green Bay  | Planning Staff |

## 5. Leverage Financial Resources & Incentives

### ACTION TARGET: INCENTIVE PACKAGE DEVELOPED BY DECEMBER 2023

#### 5.1 MAKE IMMEDIATE AND DIRECT INVESTMENTS IN AFFORDABLE WORKFORCE HOUSING

#### RESPONSIBILITY

- |   |   |                 |
|---|---|-----------------|
| <input type="checkbox"/>  | 5.1.1) Apply fee reductions for new housing development that benefits those households within the 50%-120% median household income (MHI) range. | Plan Commission |
|  | 5.1.2) Expedite the housing development approval process.   | Plan Commission |
| <input type="checkbox"/>  | 5.1.3) Consider the creation of a “Below-Market-Rate Program”.  | Plan Commission |
|  | 5.1.4) Explore the use of Incentive Zoning.   | Plan Commission |

#### 5.2 MAKE LONG TERM INVESTMENTS IN AFFORDABLE WORKFORCE HOUSING

- |  |   |                      |
|--|---|----------------------|
| <input type="checkbox"/>   | 5.2.1) Maximize the use the Tax Incremental Financing (TIF) Districts to promote and support new affordable workforce housing projects. | Planning Staff       |
| <input type="checkbox"/>   | 5.2.2) Make use of the current Tax Incremental Financing-Affordable Housing Extension (AHE) on existing TIDs when appropriate.          | Planning Staff       |
|  | 5.2.3) Create an Affordable Housing Fund specifically for the City utilizing ordinance provisions.                                      | City Council         |
| <input type="checkbox"/>   | 5.2.4) Maximize opportunities for developers to obtain affordable housing tax credits.  | City Council         |
| <input type="checkbox"/>   | 5.2.5) Leverage the role of the City’s Community Development Authority to advance future affordable workforce housing projects.         | RDA / Mayor          |
| <input type="checkbox"/>   | 5.2.6) Leverage the existing Opportunity Zone to generate interest in new affordable workforce housing projects.                        | RDA / Planning Staff |
| <input type="checkbox"/>   | 5.2.7) Seek out and utilize available grants to facilitate affordable workforce housing projects.                                       | Planning Staff       |

## 6. Create Public/Private Partnerships

**ACTION TARGET: IMPLEMENT AT LEAST TWO IDEAS BY 2024**

### 6.1) CREATE A NEW PUBLIC/PRIVATE AFFORDABLE WORKFORCE HOUSING FUND

#### RESPONSIBILITY

- |                                     |   |            |
|-------------------------------------|---|------------|
| <input checked="" type="checkbox"/> | 6.1.1) In partnership with the business community, create an Employee Home Purchase / Rental Program. | Task Force |
| <input type="checkbox"/>            | 6.1.2) Creation of program to ensure new affordable housing development is also energy efficient.     | Task Force |
| <input type="checkbox"/>            | 6.1.3) Creation of a Shared Equity Program for down-payment assistance.                               | Task Force |
| <input type="checkbox"/>            | 6.1.4) Creation or management of a Community (or Housing) Land Trust.                                 | Task Force |

### 5.2) COLLABORATE WITH OTHERS TO SUPPORT EXISTING AND CREATE NEW AFFORDABLE WORKFORCE HOUSING OPPORTUNITIES

- |                                     |  |                    |
|-------------------------------------|--|--------------------|
| <input checked="" type="checkbox"/> | 6.2.1) Work with a variety of public, quasi-public, and non-profit partners to ensure that housing support services are readily available for new and existing residents of the City of Watertown. | Task Force         |
| <input checked="" type="checkbox"/> | 6.2.2) The City of Watertown should play an advocacy role in supporting beneficial changes to the State's housing-related programs.  | Task Force / Mayor |

# Appendix A

## Detailed Workshop Results

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## **December 4, 2021 Public Brainstorming Workshop**



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**Exercise #1: Taking the Pulse**

Responses % of Total

<b>1. What is your current housing status?</b>		
<b>Own (&lt;30% of income)</b>	<b>21</b>	<b>60.0%</b>
Own (>30% of income)	4	11.4%
Rent (<30% of income)	3	8.6%
Rent (>30% of income)	3	8.6%
Other	4	11.4%
<b>2. What is YOUR future need or desire for housing 10 years from now?</b>		
<b>Stay where I'm at</b>	<b>30</b>	<b>85.7%</b>
Move from rent to own	4	11.4%
Move from own to rent	1	2.9%
<b>3. In the next 10 years, will you need or be contemplating a change to:</b>		
Upsize	4	11.4%
Downsize	12	34.3%
<b>Neither</b>	<b>19</b>	<b>54.3%</b>
<b>4. What condition is your house/apartment in?</b>		
New/Nearly New/No Repairs Needed	11	31.4%
<b>Needs minor repair</b>	<b>19</b>	<b>54.3%</b>
Needs major repair	5	14.3%
Don't know	0	0.0%

**Exercise #1 - Barriers to Affordable Housing.**

Higher utility costs

High taxes

City giving away money to developers

Too expensive

Rents too high need at least 2 people to share rent

Low salaries

Not enough to do - just bars

Watertown is a bedroom community

Not much for teenagers to do

Watertucky (stigma of hillbilly rednecks)

"Why would anyone want to live here" mentality

"We need to bring better paying jobs to the community first"

People not realizing they are the housing sector we are working toward

We don't need more multi-family housing

To many housing rules

Difficult/inconsistent development process

NIMBY

Those people

It can only be multi-family, not single-family

**Exercise #5: Community Investment**

1. Should the City invest taxpayer dollars into new affordable workforce housing projects?	# of Responses	Percent of Total
Strongly Agree	9	34.6%
Agree	10	38.5%
Neutral	4	15.4%
Disagree	2	7.7%
Strongly Disagree	1	3.8%
<b>2. IF Investments in new affordable workforce housing were made by the City, under what conditions should they be considered? (check all that apply)</b>		
TIF	22	84.6%
Grants	14	53.8%
ARPA	13	50.0%
General Tax Levy	6	23.1%
Type of units	12	46.2%
Location of units	12	46.2%
Price point of units	11	42.3%
Target income levels	15	57.7%
<b>3. Should the City invest taxpayer dollars into the rehabilitation of existing, older housing stock?</b>		
Strongly Agree	5	19.2%
Agree	12	46.2%
Neutral	4	15.4%
Disagree	4	15.4%
Strongly Disagree	1	3.8%

## **Exercise #5: Get Involved**

Business

Business / Mfg.

Businesses

Chamber of Commerce

Companies

Companies

Corporations

Employers

Employers

Employers

Employers

Industry

Small Business Assn.

Churches

Homebuilders

Education (K-12/Univ.)

School District

School District

Schools

Schools (need for more schools?)

Schools (need to improve accountability)

Townships if acquiring land

Healthcare

Healthcare companies

Hospital/Healthcare

Banks

Banks

Americorps

Community Action Council (CAC)

Community Agencies (CAC)

Foundations

GWCHF

GWCHF

Non-profits

Non-profits

Transitional Housing Assn.

Child care

Grant community

Input from broader range: families, new families. Today primarily empty nesters

Main St. Program

RDA

RDA

### **Exercise #6: Big Ideas**

Finding folks that want community involvement and want to contribute. More ways to get new community members ways to give to others in community. Government alone will not be the answer - how other groups can be part of creating "community".

My father's generation (WWII) built houses that could be expanded. Any chance you could "encourage" builders to build smallish home with say: 1) unfinished 2nd floor, but water & electricity stubbed in; 2) Pour a bigger foundation but save part of it for a later expansion.

Involve larger corporate employers to help fund affordable housing for their employees.

Solar paneling? Electric cars? Train - Chicago to Madison/Milwaukee/Up North?

Should consider extending TID 4 or TID 6 if City can earn necessary credits to move this forward

I think it is important to think about lack of transportation in rural communities when thinking about housing.

In our community (Lake Geneva) we have a room tax. As many who work in the tourism industry qualify for workforce housing, these taxes would be a What would creating opportunities for local citizens to invest in funding some housing development / responding to housing need look like? i.e. setting up a joint investment (may be the wrong word) but basically encouraging people who want to invest in their community directly but don't want to Work with non-profits involved with workforce as business solution. Colleges, especially private institutions (future workforce). Trade Colleges (what do they need?). Relocation assistance availability (local employers, non-profit orgs). Access to transportation services from workforce housing. Office accessibility, reduced rent for attached housing units. Gig economy prospects, incentives for robust internet users. Talk to IT companies for future- I like the idea of low-interest loans for works to begin the delve into ownership in order to build equity. Perhaps a developer makes the initial investment and other agencies support purchases. This would eliminate the idea of depreciation of property values.

Help target new homebuyers struggling to purchase: 1) Have saved downpayment, but can't compete; 2) live affordably but can't compete; 3) pay more Provide a session like this for local investors - with help on how to develop with grant dollars.

As we are learning from Main Street, need to get started! Change our planning consultant; Identify Initial Site - perhaps Bethesda Site? How do you Would like existing blighted industrial or commercial sites prioritized for redevelopment. Continue to focus on high quality restoration and infill in the downtown. Prioritize restoration and reactivation of historic properties/buildings.

I would love to see community spaces connected to any developments. Such as parks, trails, YMCA. Mixed use property w/potential childcare, or non-profit space could benefit targeted tenants as well. In addition, considering the amount of individuals that commute to another community for work, access to Hwy 16, 26, & 19 could be a draw to bring individuals to our great community.

Stop chasing out companies and small businesses

Housing is energy efficient

I hope employers are really engaged in this conversation. I hope we consider transportation to jobs. I hope we will look at ALL options - Single family, Can we create homeownership vs. renting. More skin in the game while providing an asset to improve wealth generation.

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## **December 15, 2021 City Council Brainstorming Workshop**





**Exercise #2: A Home for Everyone (Barriers & Stigma)**

Fast food-ville  
Cost of tearing down existing vs. remodeling  
For people who aren't responsible / hard-working  
Crime  
Close minded community?  
Dislike change  
That just encourages people to NOT work hard  
Congested rural feel  
Violence/unsafe  
Affordable gets segregated into specific areas  
Change the feel of the City  
It'll be crowded  
Lack of greenspace  
Parking  
Old apartment buildings become slums full of crime (aka Boughton Street)  
Need more affordable rental housing that is easily accessible  
Proximity to daily needs  
Provide landlords with more help in dealing with rental problems. Many landlords don't know how to deal w/drugs. Most landlords are "small" landlords.  
Those type of people are just trouble  
I hope they are integrated into the communities. Meaning I believe we have "silos" of "affordable" housing.

Take down dilapidated / rundown houses and create new.  
It will devalue my property value  
Crime  
Lack of outdoor space  
Drug issues  
They don't want it in their backyard  
Increased needs for services and community help  
Drunkenness  
Low income housing = poor quality people (crime, etc.)  
The City penalizes builders  
The City taxes lots too high  
The fees to build are too high  
Cheap looking  
Not consistent with current nature/design of community  
Definition confusion of 'workforce housing'  
Doesn't fit the "look" of the community  
City drain on resources  
Parking  
In general, we need additional housing at the median-upper level  
If you live outside of Watertown, the opinions are that our community in general has affordable housing

Attractiveness  
Bait & switch  
Stigma of renters  
Concerned on "who" may live there  
Welfare hacksters  
Not enough land space  
Crowded housing  
Trailer trash  
Attracts crime  
Cookie cutter  
Vagrant people  
The community doesn't believe there is a significant need  
Blocks river frontage  
Can't build here, there's no parking  
Connection of locations to parks?  
Lower values  
Lessen our quality of life  
Stigma with CHEAP construction  
A bunch of druggies will live there  
Why build workforce housing when there are no jobs?  
Maintained poorly  
More apartments means more police calls  
Durability  
The Globe  
Awful curb appeal  
Clutter  
Infrastructure costs  
Affordable  
Many children into education system  
Location in city center  
Bridge financing  
Attracts "outsiders"  
Poor design  
Damaged goods  
Hoarders  
Second hand  
Drives up prices of housing I might want  
Sidewalk maintenance  
Increase traffic congestion  
Built cheap / doesn't last  
Poor upkeep  
Lack of available land  
Prostitute rings  
More drug problems  
Clientel attracted to them  
More "riff-raff"  
Drug infested  
Dirty  
Not built well  
Needs to be in small clusters and blended into neighborhoods. Not larger development, but duplex, single-family, 4 unit whenever possible

#### **Exercise #4 - Get Involved!**

Large employers

Businesses in area

Local Trade Union (carpenters, electricians, etc.)

Yes Watertown

Kiwanis

Lions Club

Elks Club

Movin' Out

Health Foundation

Loeb Family (landowner)

Those in the neighborhood

The younger citizen's input

Reach out to development Community

Twall

Movin' Out

Irgens

Stonehouse

Bielimski

WIRC - a local investment group

Basco Development - existing developer

JCEDC - Jefferson County

City authority - RDA

State of WI - WDOA

Watertown Housing Authority

**Exercise #5: Community Investment**

RESPONSES

	1	2	3	# of Responses	Percent of Total
<b>1. Should the City invest taxpayer dollars into new affordable workforce housing projects?</b>					
Strongly Agree				0	0.0%
Agree	1	1		2	66.7%
Neutral				0	0.0%
Disagree			1	1	33.3%
Strongly Disagree				0	0.0%
<b>2. Should the City invest taxpayer dollars into the rehabilitation of existing, older housing stock?</b>					
Strongly Agree				0	0.0%
Agree		1	1	2	66.7%
Neutral				0	0.0%
Disagree	1			1	33.3%
Strongly Disagree				0	0.0%
<b>3. IF Investments in new affordable workforce housing were made by the City, under what conditions should they be considered? (check all that apply)</b>					
TIF	1	1	1	3	27.3%
Grants	1	1	1	3	27.3%
ARPA		1		1	9.1%
General Tax Levy				0	0.0%
Type of units			1	1	9.1%
Location of units	1		1	2	18.2%
Price point of units	1			1	9.1%
Target income levels				0	0.0%

**Exercise #6: Big Ideas**

The City could do more outreach and marketing of available land for developers

Hire someone to be a planner so these items have full focus and attention

city have funding to maintain communication/messaging about this topic so we don't have a bunch of barriers at the time of approvals and scare off developers.

Do not keep low income housing all in one area, they should be scattered throughout the City.





**THANK YOU**

FOR YOUR TRUST  
FOR YOUR BUSINESS

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