



To: Plan Commission

CC: Mayor McFarland

From: Mason Becker, Strategic Initiatives and Development Coordinator

Date: June 21, 2024

Re: Potential Housing Policy Ideas

Dear Plan Commission members,

The purpose of this memo is to summarize key items we are not currently engaged with (i.e. those we responded “No” to), listed in the More Housing Wisconsin *Municipal Housing Solutions* briefing document which was distributed by the League of Wisconsin Municipalities in Spring 2024. The purpose of this list is to offer suggested future opportunities to enable further housing development within the City of Watertown. I reviewed the mentioned list with the assistance of Brian Zirbes. The below list contains those recommendations we are **not** currently engaged in. We would like to gain feedback on whether City staff should pursue any of these items.

Has your community conducted a survey of the community’s existing housing stock?

While the City has not conducted a formal study of its own, other entities and groups have (for instance the Greater Watertown Community Health Foundation). Mayor McFarland and I do not currently feel that paying for a formal study would be needed at this time. We feel we have a firm grasp on the need for more housing in the community, and the demand is evidenced by the high level of interest we currently are seeing from developers.

Allow multi-unit housing (e.g. triplex and fourplex) as permitted uses in single-family residential districts that have historically included two-family and multi-family structures.

This item does not seem feasible in the City of Watertown currently. This may be something to revisit if substantial new home construction does not begin in the next 1-3 years.

Small or no minimum dwelling or floor area size for all housing types.

This would be a significant change in our zoning code. However, it is something that could be considered. Individual builders or developers could decide if they think their customers are interested in this type of product.

Do your community’s zoning and subdivision ordinances offer incentives for workforce housing including:

Density bonus when retaining open space.

Density bonus when a percentage of units are set aside for workforce housing.

Reduced number of parking spaces required.

Reduced impact fees and utility connection fees.

Reduced minimum dwelling and lot width and size for:

- *Below market-rate housing;*
- *Districts targeted for workforce housing;*
- *In-fill development*

Height bonuses if workforce residential is incorporated in a mixed-use building

The above items could all be considered, especially if the City is interested in further promoting the development of workforce housing. Guidance from the Plan Commission would help give staff some direction on whether or not any of these items should be explored. It should be noted that PUDs already exist as a tool to address some of these items in specific development projects.

Created a centralized One-Stop Permit Desk or taken other steps to streamline the subdivision process, such as imposing a time limit on the municipal review process?

While our Building, Safety, and Zoning Office already largely functions in this manner, it could be suggested that the development approval timeline could be streamlined in some instances. In general, we do not get feedback that the City of Watertown's timeline and process is more difficult than other communities in the region (some developers say that it is quicker). The consensus seems to be that this has improved significantly from a few years ago in Watertown.

Adopted a Traditional Neighborhood Development ordinance, which follows the historic compact development pattern of Wisconsin's older cities and villages? (Wis. Stat. § 66.0127 requires communities over 12,500 in population to adopt such an ordinance, but smaller communities could benefit from such an ordinance.)

We do not feel this is currently needed in Watertown or something the community is generally asking for.

Facilitating adaptive reuse of surplus and/or outmoded buildings, such as strip malls, factories, warehouses, or schools, to housing by developing more flexible ordinances, arranging for possible property transfers of publicly owned buildings, and providing assistance in obtaining sources of funding to help cover cost of conversion?

Watertown largely does not have these types of buildings currently vacant, which would seem to be viable for transition to housing. Typical examples of these cases would be older neighborhood school buildings, downtown factory buildings where the business has relocated, etc. The City is not considering vacating any of its own operational buildings at this time. There is some remote possibility that could change after the Space Needs Analysis is completed later this year.

Establishing a housing trust fund.

This would be an expensive undertaking, and housing trust funds require steady replenishment. A community land trust model is something that might be more logical to explore. However, these take quite a bit of work and stakeholder support to develop. They also must be managed. They operate in perpetuity, as opposed to being a short-term program.

Meeting the pre-conditions necessary to enable workforce and senior housing developers to qualify for infrastructure and other loans from WHEDA under programs created by 2023 Wisconsin Act 14. These include: making changes to zoning ordinances and subdivision regulations to increase development density, expedite approvals, reduce impact fees, or reduce parking, building, or other development costs with respect to an eligible project on or after January 1, 2023.

Watertown already meets these requirements and should be eligible for developers to pursue such WHEDA loans for qualifying projects.

While the City has already done a good deal to prepare itself to address its current shortage of both owner-occupied and rental housing, there are always additional areas of focus we can examine. The above list of potential initiatives hopefully serves as a helpful benchmark. We are looking for any direction on items commission members feel that City staff should look to pursue.

Sincerely,

A handwritten signature in black ink, appearing to read "Mason T. Becker". The signature is fluid and cursive, with the first name "Mason" being more prominent.

Mason T. Becker
Strategic Initiatives and Development Coordinator