

10 HOUSING AND NEIGHBORHOOD DEVELOPMENT



TEN: HOUSING AND NEIGHBORHOOD DEVELOPMENT

A community's housing stock is its most significant long-term capital asset. As is typical in most communities, housing is the largest single land use in Watertown. The purpose of this chapter is to provide an analysis of local housing trends and existing conditions. This analysis will shape the goals, policies, programs, and recommendations at the end of this chapter.

Existing Housing Stock

As of 2017, the City's housing stock was tallied at approximately 9,500 units distributed among single-family, two-family, and multi-family units. The City added 1,316 units between 1990 and 2000, a 16 percent increase, or an average of 132 new housing units per year over that decade. It then added another 704 units between 2000-2010. However, since 2010 there has only been an increase of 398 new total units, none of which were single-family. This is mostly a result of the housing market crash and subsequent slow economic recovery, but it also illustrates the increased demand for multi-family units. While single-family units are still the dominant unit type, both two-units and multi-family units have increased since 1990.

Figure 10.1: Housing Types, 1990-2017

Units per Structure	1990 Units	1990 Percentage of Total Units	2000 Units	2000 Percentage of Total Units	2010 Units	2010 Percentage of Total Units	2017 Units	2017 Percentage of Total Units
Single-family	4,714	67%	5,599	67%	5,842	65%	5,840	62%
Two Family	974	14%	1,036	12%	1,151	13%	1,253	13%
Multi-Family	1,240	18%	1,681	20%	2,036	23%	2,334	25%
Total	7,009		8,325		9,029		9,427	

Source: U.S. Census Bureau, 1990-2010 Census and U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates.

Due to a range of factors, housing affordability is now one of the most prominent issues of the decade. This is a result of a combination of factors, including the Great Recession and slow economic recovery, changing personal preferences, shifting demographics, tightened lending practices, lack of developers, and overall financial feasibility of building new housing in many areas of the country. As a result, the number of households that are cost burdened is on the rise. Cost burdened is defined as spending over 30% of a household's total income on housing costs. Households spending greater than 30% often have trouble paying for essentials, transportation, and have a greater chance of financial insecurity. While Watertown's figures are reflective of the state and both Jefferson and Dodge Counties, they show that 30% of the City's households are housing cost burdened and 12% spend over 50% of their income on housing. Housing affordability will remain one of the largest issues throughout the country over the next decade.

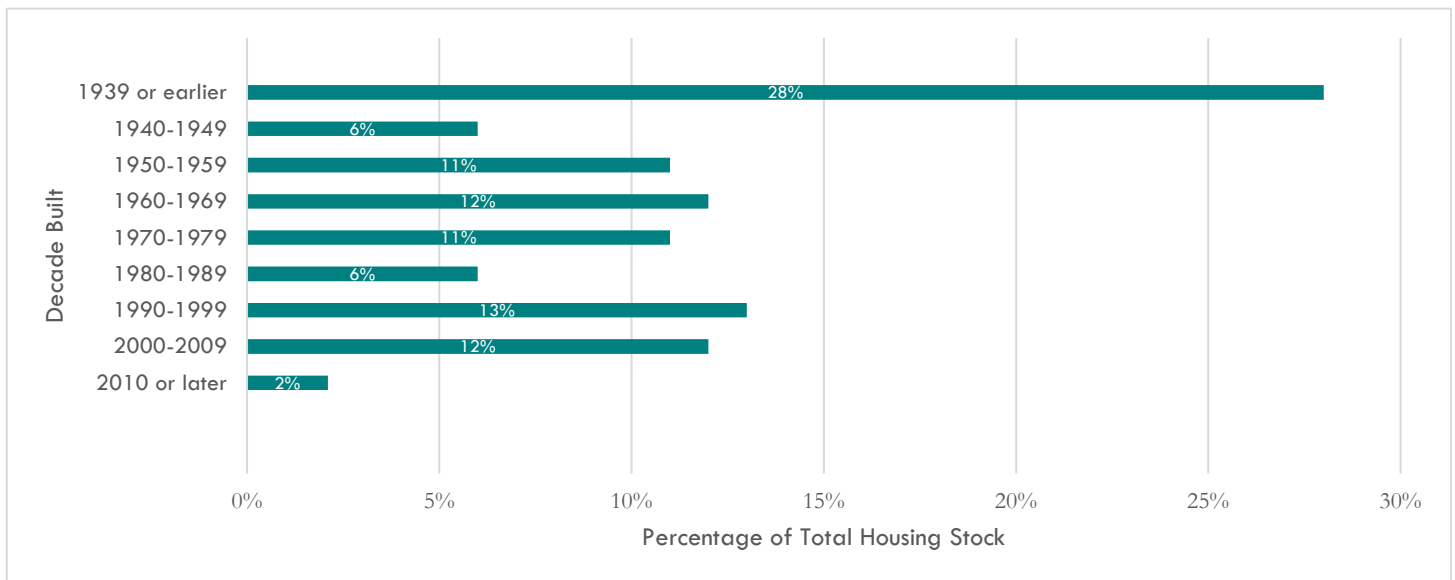
Figure 10.2: Percentage of Total Households That Are Housing Cost Burdened

	City	Jefferson County	Dodge County	Wisconsin
Cost Burden ≤30%	71%	72%	72%	70%
Cost Burden >30% to ≤50%	18%	17%	16%	17%
Cost Burden >50%	12%	11%	15%	13%

Source: U.S. HUD 2018 CHAS data calculated using ACS 2011-15

Watertown's housing stock is similar to many other communities throughout the Midwest in the amount of pre-1939 houses that remain today. This provides an opportunity to embrace the historic nature of the city through rehabilitation, however it has also led to issues of deterioration, neglect, absentee ownership, and owner-occupied conversions to renter-occupied units in the older sections of the City where these types of units are most prevalent. Additionally, it's also important to recognize that historically most decades are relatively similar in their housing growth rates, but since 2010 there have been very few new housing units built in the community. This is a result of the various factors documented throughout this Plan.

Figure 10.3: Age of Housing as a Percent of the Total 2017 Housing Stock



Source: 2013-2017 American Community Survey 5-Year Estimates.

Projected Housing Needs

Projecting future housing needs in Watertown is based on population forecasts and the estimated average household size in the community by the year 2040. Based on the projections in both Figure 2.2 and 2.10, the number of new households in 2040 will be approximately between 850 - 3,500. This factors in several different calculations and time frames. The chosen figure for this planning process was a projected 11,780 total households in 2040 or an increase of 2,300 new households over the next 20 years.

Figure 2.10 uses the six different population projection formulas used in Figure 2.2, which calculates compounded growth and linear growth between 1990-2017, 2000-2017, and 2010-2017. It also factors in the Wisconsin Department of Administration's projected household size in 2020, 2025, 2030, 2035, and 2040. It is important to note that while the population projections do not show a significant uptick in new residents, the projected continuation of decreasing household size has created a larger total for the number of projected households in 2040.

The Future Land Use map designates more than enough land for residential development to accommodate the City's projected housing needs over the planning period. However, it is recognized that not all of the open, developable land in the City's growth area will develop to full build-out capacity over the planning period. Furthermore, allocating more developable land than needed is a common planning practice as it discourages the opportunity for just a few developers to acquire a majority of parcels within the proposed growth areas.

Senior Housing Opportunities

The City of Watertown offers one of the widest selections of senior housing options in the Midwest for a community of its size. Housing options include private purchase settings, group facilities, and HUD assisted units. The following independent living and nursing home options are available to seniors seeking housing.

- Heritage Homes. The facility offers a countryside view; secure, underground parking; and activity rooms. Upscale apartments are available to seniors in condo ownership.
- Highland Village in Watertown is operated by the Watertown Regional Medical Center. Highland Village offers a variety of senior housing opportunities including: Highland House, a community based residential facility (CBRF); Highland Apartments, affordable units designed to meet the needs of seniors; and Highland Duplexes, a facility specifically designed to enhance the lifestyle of older adults.
- Golden Living Center is located next to Watertown Regional Medical Center. This 120-bed facility provides special emphasis on rehabilitation and return home.
- Johnson Arms is located along the Rock River in downtown Watertown. This convenient location is two blocks from the Watertown Public Library and six blocks from the Senior Community Center. It is a HUD based facility and was the first senior housing effort in the community.
- Marquardt Village is a senior retirement community overlooking Riverside Park. This facility is operated by the Moravian Church and is open to residents of all faiths. Housing options range from condos, apartments (HUD based

rent), community-based residential facility, and nursing home care. The Village includes multi-purpose rooms, a chapel, a chaplain, and a wide variety of programs and social services for residents.

- Riverview Commons is located along the Rock River in the south-central part of the City. The facility is situated near Church St. and close to shopping destinations. Riverview Commons is a HUD based facility.
- Swifthaven is located near downtown Watertown. The facility is located in a charming late Victorian neighborhood. The Swifthaven building is a historically renovated former hospital building dating back to 1918. The renovation included installation of an indoor pool and exercise room. Swifthaven is a State Certified Residential Care Apartment Complex (RCAC) that offers studio, one bedroom, and two-bedroom apartments.
- River Mill Senior Residences is a recently completed redevelopment project along the Rock River. It is located directly across the river from the Senior Community Center and near other downtown amenities. The building is another rental opportunity for individuals age 55 and older complete with a salon, business center, and fitness room.
- Briarwood Watertown is located on the far west side of the City near Heritage Homes. The complex is a collection of townhome-style units with individual garages and some shared open space. The units are market rate.

Housing Programs

The following programs and organizations provide assistance to homeowners and renters in the City of Watertown:

Watertown Housing Authority

The Watertown Housing Authority (WHA) operates the public housing program which provides government housing assistance to low income families as well as elderly, handicapped, or disabled individuals. WHA currently maintains 78 public housing units; 55 one-bedroom (62 years of age or older/disabled) units and 23 family units. These units are available to eligible applicants and rent is based on 30 percent of their household's income. WHA is responsible to maintain a safe, decent, and suitable living environment for its tenants. The overarching goal of the organization is to provide good low-income housing with 0% vacancies.

HOME Investment Partnerships Program

This program is a collection of Federal grants that provide money to states and localities that can be used to fund a range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people. Wisconsin prioritized homeownership and the conservation of quality owner-occupied housing for these federal funds. Homebuyer assistance and owner-occupied rehabilitation are some of the eligible activities the DEHCR offers.

HOME Consortium (Jefferson, Ozaukee, Washington, and Waukesha Counties)

A 4-county governmental body that was established to help advance home ownership opportunities and programs for low-income residents in Jefferson, Ozaukee, Washington, and Waukesha Counties. The Consortium works together to form a Participating Jurisdiction and become more eligible to receive formula funding through the HOME program.

Wisconsin Housing and Economic Development Authority

The state offers home buyer education, home loan lenders, and a variety of programs for purchasing or refinancing. They also work with municipalities and developers in promoting new affordable housing units throughout the state using low income housing tax credits (LIHTC). There are two types of LIHTC's that WHEDA administers, the 9% Federal Housing Tax Credit and the 4% State Housing Tax Credit.

Community Development Block Grant (CDBG) Small Cities Housing Program

Local governments and counties can apply for CDBG funds for a variety of projects to principally benefit low- and moderate-income households. Eligible projects include home rehabilitation assistance, programs to provide homeownership opportunities to renters, payment of relocation costs, small public facilities projects, demolition or removal of buildings, conversion of buildings to low- or moderate-income dwelling units, acquisition of property for the construction of low- to moderate-income dwelling units, and site improvements for the construction of low- to moderate-income dwelling units. This program is administered by the Wisconsin Department of Administration, Division of Energy, Housing, and Community



Resources (DEHCR). Watertown has an existing CDBG for home-owner rehab assistance. It is administered by MSA Professional Services, Inc.

Community Action Coalition (CAC) for South Central Wisconsin

The CAC offers a wide variety of programs and services to assist homeless households and low-income renters in Jefferson County. The organization offers 10-15 homeless households in the City with subsidized rent and case management, while also providing eviction prevention services. Additionally, the CAC uses workshops to educate residents in Landlord/Tenant Rights and Responsibilities as well as home budgeting. The organization's Jefferson County office is located in downtown Watertown and provides hundreds of Watertown households with information and referral services every year.

Leveraging Tax Increment Districts

In 2009, the state amended the TIF law to allow municipalities to keep a district open for an additional year and allocate that increment to affordable housing. In the future, Watertown should use this strategy in successful and expiring TID's to provide additional funds for affordable housing units in the city.

Wisconsin Rural Development Authority

The Wisconsin Rural Development Authority has partnered with the USDA to provide several housing programs to assist low to moderate income individuals in rural areas. Assistance via the following grants and/or loans is available to qualified individuals:

- Farm Labor Housing Direct Loans and Grants is a program developed by the Wisconsin Rural Development Authority. This program provides low cost financing for the development of affordable rental housing for domestic farm laborers. Funding may be used to build, buy, improve, or repair housing and to provide related facilities, such as on-site child care centers.
- Single-Family Housing Direct Home and Guaranteed Loans Program are for families needing financing for the purchase of a new or existing home, or to improve a home. This program offers down payment assistance to enable purchase with a loan through a private lending source or as a sole source of assistance for purchase, repair, or improvement. Sole source assistance is limited to families who are unable to obtain any part of the needed credit from another lending source. Guaranteed loans provide moderate income families financing to purchase a home with no down payment. This program also offers financing for loan closing costs and repairs up to the property's appraised value.
- Housing Preservation Grants provide funding for nonprofit and public agencies to assist very low- and low-income homeowners to repair and rehabilitate their homes in rural areas.
- Multi-Family Housing Loan Guarantees are available for the development of affordable rental housing in rural communities for very low to moderate income families and individuals. Guaranteed loans provide loan guarantees for the construction or rehabilitation of rental properties in rural areas. To be eligible, these properties must provide housing for tenants with very low to moderate incomes.



Housing and Neighborhood Development Goals, Objectives, and Policies

Goals:

1. Maintain the City of Watertown as a community of predominantly single-family residential neighborhoods by using the neighborhood balance policy within the areas of the Future Land Use maps designated for Planned Neighborhood development (see Recommendations section below).

Objectives:

1. Provide a range of safe, affordable housing options for all residents of Watertown.
2. Enhance and maintain existing neighborhoods in the City of Watertown.
3. Encourage pedestrian and bicycle-oriented neighborhood designs as new developments are platted and existing neighborhoods are revitalized.

4. Create safe, sustainable, and attractive neighborhoods that are well-served by essential municipal services and facilities (sanitary sewer, municipal water, stormwater management facilities, police, fire, etc.).

Policies:

1. Design mixed housing neighborhoods that maintain the predominantly single-family character of the community but also provide a range of housing types, densities, and costs.
2. Devise standards designed to provide for a minimum of 50 percent single-family dwelling units, a maximum of 30 percent multi-family units, and a maximum of 20 percent two-family residential units in each new Planned Neighborhood areas, as depicted on the Future Land Use Map.
3. Design livable neighborhoods that are well-served by sidewalks, bicycle routes, and other non-motorized transportation facilities and located within a ten-minute walk (approximately 1/3 mile) of a public park or open space area.
4. Enforce property maintenance codes and outdoor storage codes to maintain neighborhood quality and tax base stability.
5. Design new neighborhoods so that they are centered on civic spaces such as parks, schools, churches, monuments, and similar features.
6. Require new multi-family development to incorporate high-quality design features, materials, and styles.
7. Encourage residential uses for upper-story downtown buildings, infill, redevelopment, and new commercial/office development to increase the viability and vitality of the community.
8. Leverage the City's overall affordability compared to nearby metro areas, access to amenities, small-city feel, and proximity to job centers in attracting new residents and residential developers to Watertown.
9. Continue to enforce the City Sidewalk Infill Policy to increase the interconnectedness of the pedestrian network within existing neighborhoods.
10. Promote the use of Accessory Dwelling Units and In-Family Suites as an alternative affordable housing option that is allowed within the single- and two-family zoning districts.
11. Complete the Housing Affordability and Fee Report, as mandated by Wisconsin State Statutes. Utilize that information to improve City service, promote developable land, and monitor fees.



Housing and Neighborhood Development Programs and Recommendations

Building off of some of the policies listed above, the following are programs and recommendations to promote high-quality, affordable housing in Watertown, both in established neighborhoods as well as newer neighborhoods near the City's edge.

Support a Housing Balance Plan

The City should attempt to ensure that the historic balance between owner-occupied housing (approximately 60 percent) and rental housing (approximately 40 percent) remains stable. This is important to retain the community's existing character. To implement this important objective, the City should ensure that any new two-family or multi-family residential development is based on a Detailed Neighborhood Plan that pre-identifies an appropriate mixture and arrangement of areas for single-family, attached single-family, two-family, and both small-scale and mid-scale multi-family housing development.

The "planned neighborhood" provisions in the Land Use chapter are designed to promote a balance of residential dwelling types and to provide sound housing for a full range of income levels.

Support Affordable Housing and Rehabilitation Programs

The City should continue to support programs that provide affordable housing to low-income and moderate-income families in the community. These programs include the Community Development Block Grant (CDBG) program to undertake housing rehabilitation projects for low-to-middle income families; home mortgage and improvement loans from WHEDA; Section 8 and senior apartments through Dodge County; and home repair grants from the USDA.

Foster Housing Rehabilitation and Reinvestment

The City should continue to focus on improving the conditions of existing housing within neighborhoods throughout the City, through efforts such as:

- Provide incentives for housing upgrades and increased homeownership through use of CDBG funding and partnerships with other organizations.
- Within targeted neighborhoods, continue to pursue the purchase of vacant, dilapidated, and tax delinquent housing for rehabilitation and resale for owner-occupancy.
- Establish clear regulations and dedicate additional staff time to proactively enforce property maintenance codes and policies with strict consequences for continued violations.
- Continue community policing initiatives in the community.
- Promote rehab, repair, and remodeling of older homes through the creation of a City-wide home rehab loan program. This incentive could provide low or no interest loans to select property owners that choose to invest in their home.
- Implement the landlord training program, which the City is in the process of developing.

Promote Traditional Neighborhood Design

For areas designated as “Planned Neighborhoods” on the Future Land Use maps, the City intends to promote what is commonly referred to as Traditional Neighborhood Design. The implementation of Traditional Neighborhood Design will:

- Integrate a diversity of high-quality housing types to accommodate a variety of lifestyles and age groups.
- Ensure the long-term preservation of Watertown’s small-city character.
- Provide housing, parks, and schools within walking distance of shops, services, and/or jobs.
- Blend the convenience of the automobile with the creation of safe, comfortable places to walk and bike.
- Preserve environmental systems that define, sustain, and connect neighborhoods and communities.
- Provide neighborhoods that make efficient use of land and reflect neighborhood styles common in communities before World War II.

In the design and approval of new neighborhoods (subdivisions), the City and developers should employ the following Traditional Neighborhood Design principles.

- **Establish Community Gathering Places:** Design neighborhoods around community gathering places such as parks, public squares, outdoor dining establishments, schools, churches, and other community facilities.
- **Provide Housing Variety:** Incorporate a variety of housing types in a compact and interconnected form, paying particular attention to the scale of buildings, walking distances, and the design of other neighborhood features such as street lights and signage. Still, at least 65 percent of housing should be in single-family detached form.
- **Encourage New Smaller Lot Sizes:** Allow for single-family development to be on lots less than 8,000 square foot with design standards that are suited for smaller lots and promote high-quality design. These small lot single-family homes can provide lower development costs and lots prices, compact land use patterns, and affordable housing units. These lots may be as small as 5,000 square feet and as narrow as 50 feet.
- **Blend Land Uses:** Integrate neighborhood-scale commercial and office uses and other small-scale community facilities in appropriate locations, generally along busier streets and intersections to draw on a broader market. Bring housing into upper stories of such developments, where appropriate.
- **Promote Walkability:** Design the neighborhood to facilitate pedestrian movement and enhance mobility within the neighborhood and between the neighborhood and other nearby destinations, such as parks, schools, and business and job districts. Provide sidewalks and/or paths along all streets, and multi-use trails in the environmental corridor and park network. Require street trees to be planted along all new streets.



- **Promote Street Connectivity:** Interconnect nearly all streets both within the neighborhood and to existing and future adjoining neighborhoods. Minimize the creation of cul-de-sacs to places where environmental features and odd property configurations require them.
- **Calm Traffic:** Accommodate on-street parking and, where appropriate, promote narrower streets to calm traffic and increase pedestrian safety. Consider other traffic calming approaches on a case-by-case basis, such as traffic circles and medians. Integrate landscaped medians and boulevards into new neighborhood entryways and collector streets, using the City's mature neighborhoods as a model. These new boulevards may also serve stormwater management functions.
- **Establish Street Activity:** Focus new homes toward the street, and incorporate site and building design strategies like decreased setbacks, front porches, balconies, and other interesting architectural features that help create a safe, pleasant walking environment. Set back garages from the main body of the house wherever possible and incorporate alley-loaded garage options where practical.
- **Intertwine Natural Areas:** Integrate environmental features into the neighborhood as common open spaces for active or passive recreation, public gathering spots, or flood protection and stormwater management. Provide adequate vegetated buffers between development and natural features.

Foster New Entry-level Workforce and Affordable Housing in the City

Many cities have experienced an overall lack of new residential development since the Recession and anything that has been built is higher-end single-family homes. In an attempt to counter those trends and restart residential development, nonprofits and public organizations have started acquiring developable residential land to help foster new housing development. Usually the land is an unfinished subdivision or platted area where some infrastructure may already be in place. The idea is for the organization to own the land and allow individuals or developers to build homes on it. In turn, the City receives new taxes on the land and homes, the houses are much less expensive because land is not being purchased, and residential development is kick started again. This is an idea for the City, local organizations, or large employers to consider and would be an effective way to reduce the existing barriers to home ownership in the city.

