

ENVISION CAMBRIDGE

Housing Working Group

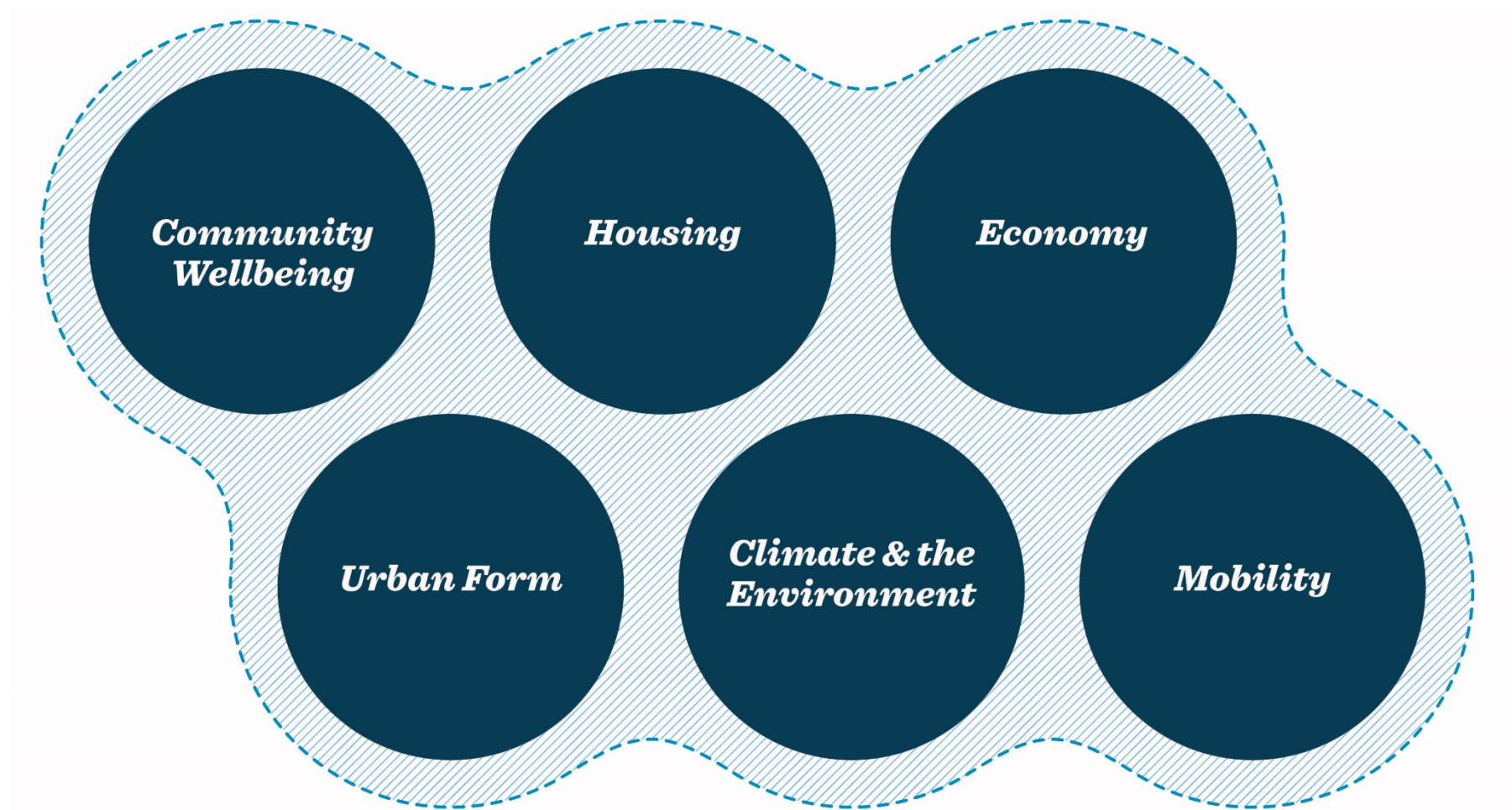
September 13, 2018



Agenda

- New Policy Ideas Generated from the Envision Cambridge Process
- 100% Affordable Citywide Overlay Analysis
- Development Projections Comparing Current Zoning and New Policy Ideas:
 - Super-inclusionary housing program
 - Environmental performance incentive
- Targets Discussion and feedback

Planning Topics



Hundreds of new policy and program ideas were generated from a wide-reaching engagement process

- Advisory committee and working groups
- Public workshops
- Street team events
- Focus groups
- Youth workshops
- Online and paper surveys
- Digital engagement
- Walking tours



We want to test the effectiveness of priority zoning-related ideas

- Some recommendations have a large-scale, measurable effect on development and its outcomes across all planning topics.
- Additional analysis is needed to understand range of impacts.

Ideas to test include:

- 100% affordable housing overlay
- “Super-inclusionary” housing program
- Environmental performance incentive



Members of the public discussed proposed recommendations at a public meeting in July.

Analysis of Working Groups' New Policy Ideas



100% Affordable Citywide Overlay Analysis



100% Affordable Housing Overlay: Background

- The City already partners with affordable housing developers (usually local nonprofits).
 - Development is subsidized by federal, state, and city government.
 - “Affordable” means income-restricted housing affordable to low-, moderate, and middle-income people
 - Two or three projects are typically completed each year.
- The production of 100% affordable housing units is limited by the subsidy funding available.
- The 100% Affordable Housing Citywide Overlay:
 - **would not** change the total number of units that can be built
 - **would** expand the options for where to locate 100% affordable developments
 - **would** make it easier to get 100% affordable developments permitted



625 Putnam Ave is an example of a 100% affordable housing development built by a nonprofit developer in Cambridge.

What would the 100% Affordable Housing Citywide Overlay entail?

For 100% affordable housing developments only:

- Offer density bonuses and relief from dimensional standards (height, setbacks, open space) and parking where necessary (varies by zoning district)
- Allow for as-of-right approvals with required design review and community input instead of discretionary permitting approvals
- Allow affordable multi-family and townhouse developments in all districts (e.g. not currently an allowed use in Residence A and B districts);
- Allow for conversion of any existing structure (including non-residential) to affordable multi-family housing
- A design review process would ensure good design without creating uncertainty about a project's fundamental viability



Four-story affordable development with family-sized homeownership units (821-825 Main Street).

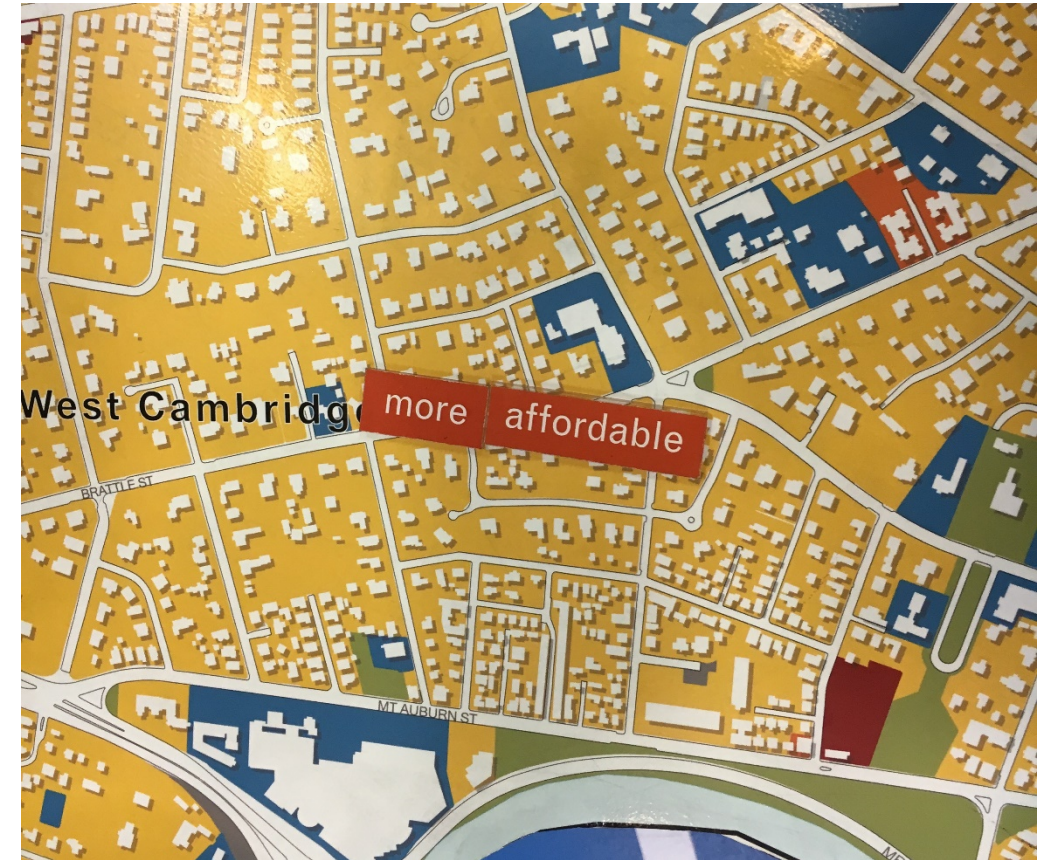
Why study a 100% Affordable Housing Citywide Overlay?

- Challenges to building affordable housing:
 - High land costs and competition from market-rate developers
 - Appeal of discretionary approvals can add significant cost, long delays, and significant risk to affordable housing developers.
 - Density is limited in Residence A and B districts (single or two-family units), making high land costs per unit infeasible for government-subsidized developments
- 100% Affordable Housing Citywide Overlay would:
 - Remove permitting uncertainty and subsequent additional costs, delay, and risks
 - Enable affordable housing developers to better compete with market-rate developers
 - Expand affordable housing's viability in areas where it's been more difficult to create new affordable units
 - Help keep per-unit development costs within reasonable limits for affordable developers

Why study a 100% Affordable Housing Citywide Overlay?

Advances Envision Cambridge shared community goals:

- Foster neighborhoods of opportunity and equitable distribution of affordable housing citywide.
- Provide a variety of housing options for people of different socioeconomic levels, life stages, and physical needs.
- Expand affordable rental and homeownership opportunities to enable Cambridge to thrive as a mixed-income community.
- Provide access to opportunities for all people regardless of differences.
- Work toward addressing race-based disparities and racial equity.
- Maintain the existing patterns of the city through a mix of preservation and complementary infill development.



100% Affordable Housing Overlay Ideas for Discussion

- The 100% Affordable Housing Overlay could apply to the entire city
 - In higher-density areas such as commercial corridors and areas of potential change, affordable developments would need 2.5 times the density allowed by current base zoning to be competitive in the market
 - In residential neighborhoods and other areas, affordable developments would need an FAR of 2.0 to be financially feasible in all areas



- Residential Neighborhoods
- Corridors and Areas of Potential Change

Examples of recent infill development in Cambridge

In these examples, the new developments are at a higher density than the surrounding buildings.



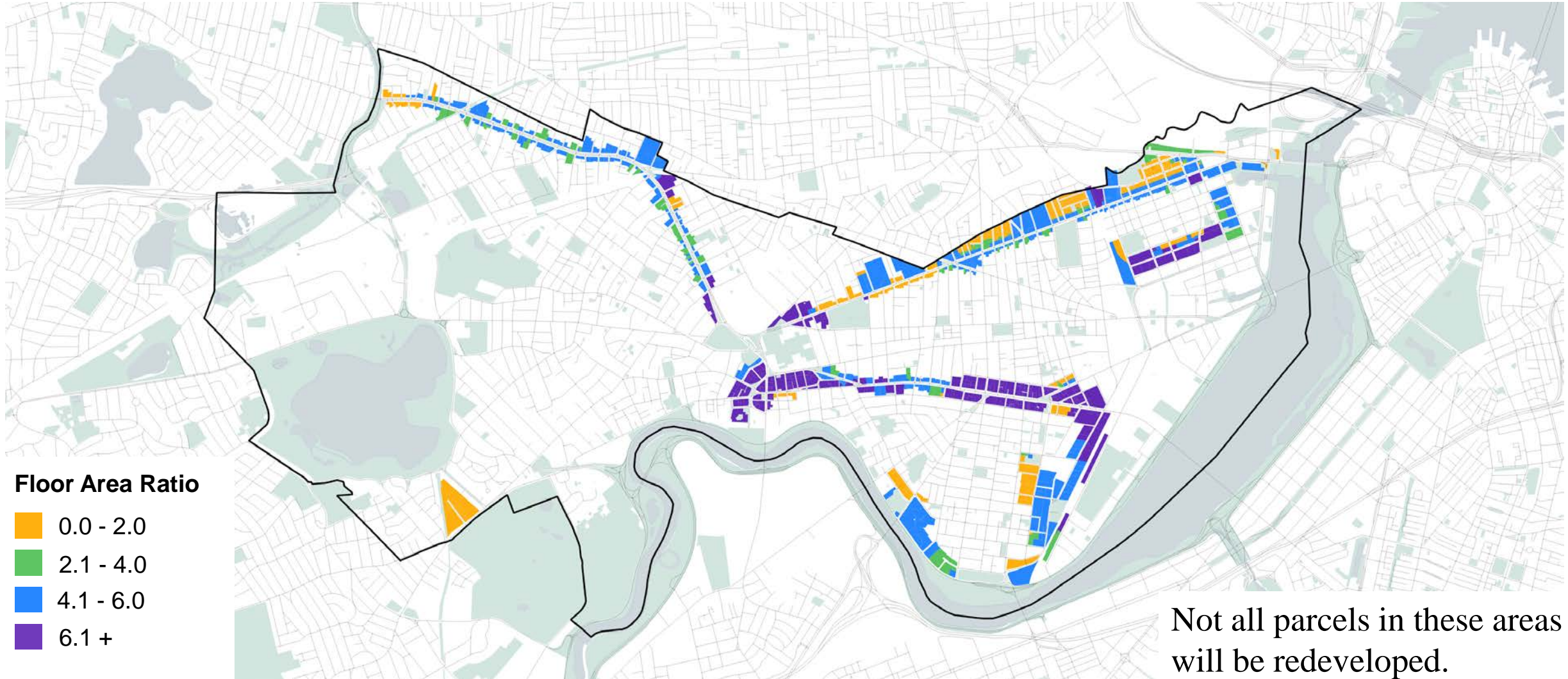
Urban Form Comparison – Existing Built Density



Urban Form Comparison – Density Allowed by Current Zoning



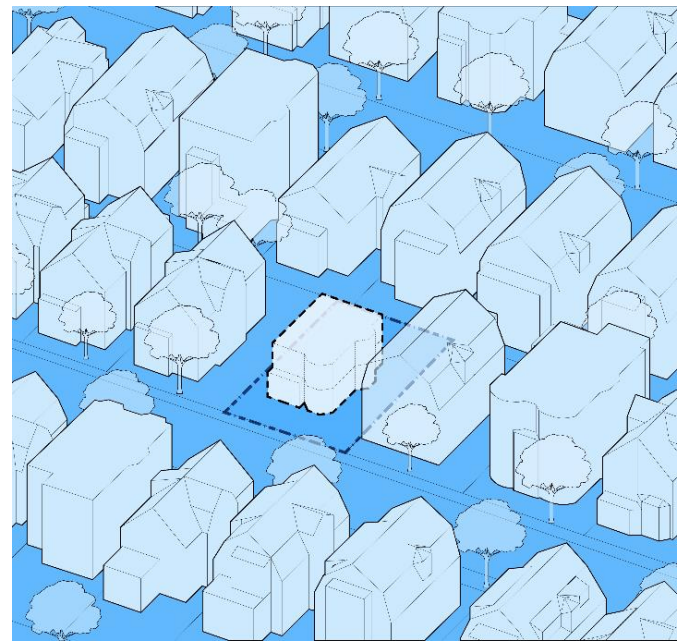
Urban Form Comparison – Max. Density under Affordable Overlay



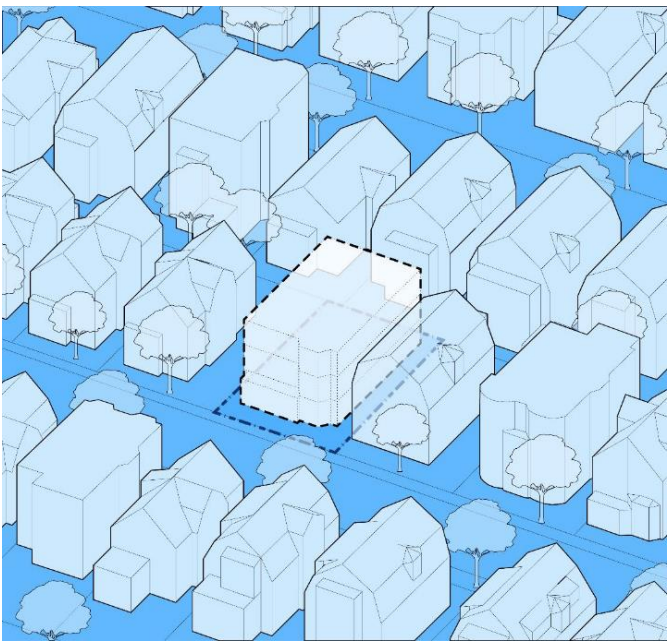
What would the 100% Affordable Citywide Overlay look like in residential neighborhoods?

100% Affordable Housing developments in residential zoning districts would take the form of mid-rise multifamily buildings, consistent with the historic mix of densities found throughout Cambridge.

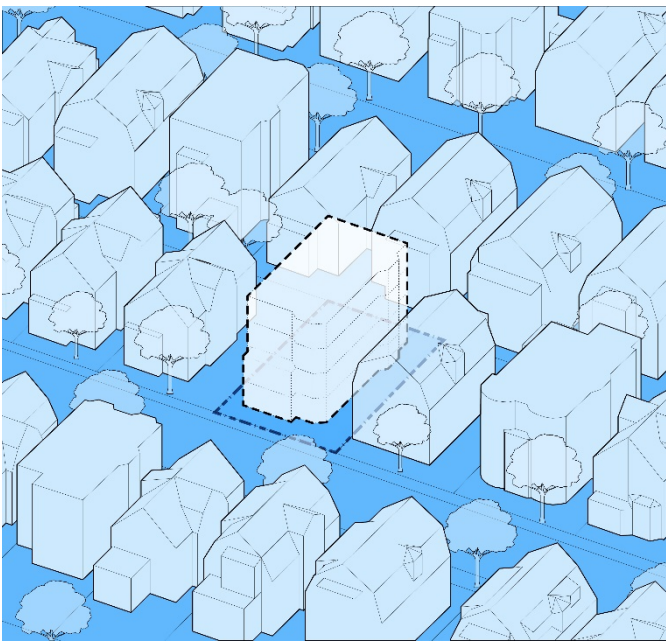
Examples of hypothetical buildout on small parcels (<5,000sf):



Maximum allowed under current zoning
(many existing buildings are non-compliant)
2 units, 2 stories



Example of buildout under 100%
Affordable Citywide Overlay
7 units, 3 stories



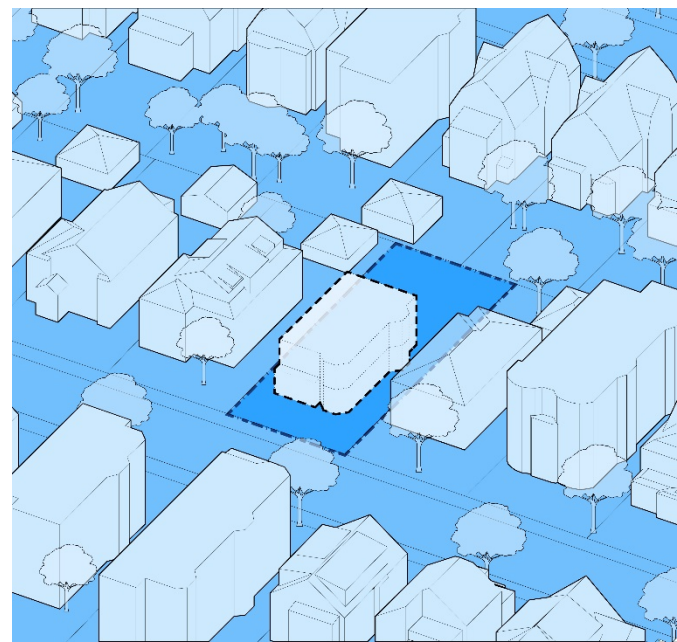
Example of buildout under 100%
Affordable Citywide Overlay
8 units, 4 stories

69% of existing buildings in residential neighborhoods are not zoning compliant, due to height, density, or both

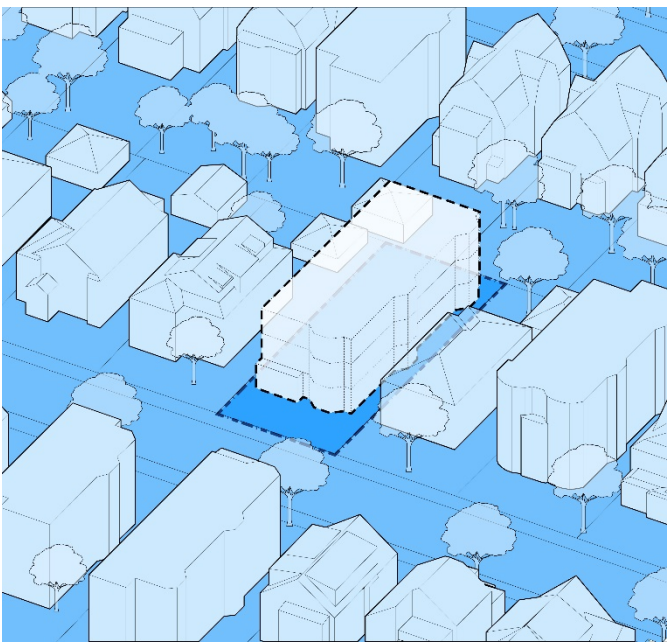
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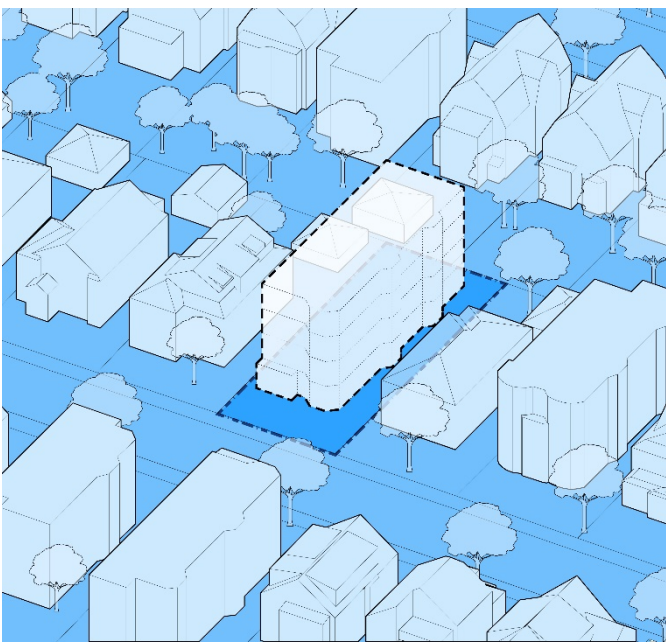
Examples of hypothetical buildout on medium-sized parcels (5,000sf – 10,000sf):



Maximum allowed under current zoning
(many existing buildings are non-compliant)
2 units, 2 stories



Example of buildout under 100%
Affordable Citywide Overlay
10 units, 3 stories



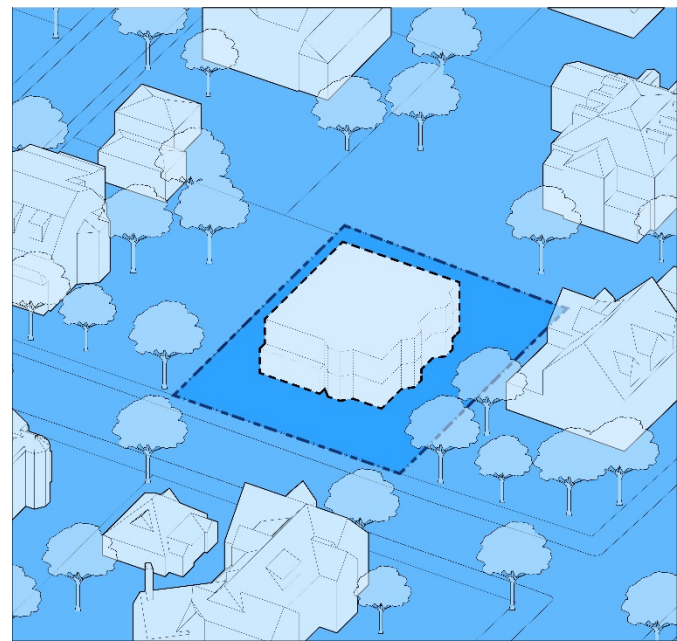
Example of buildout under 100%
Affordable Citywide Overlay
12 units, 4 stories

69% of existing buildings in residential neighborhoods are not zoning compliant, due to height, density, or both

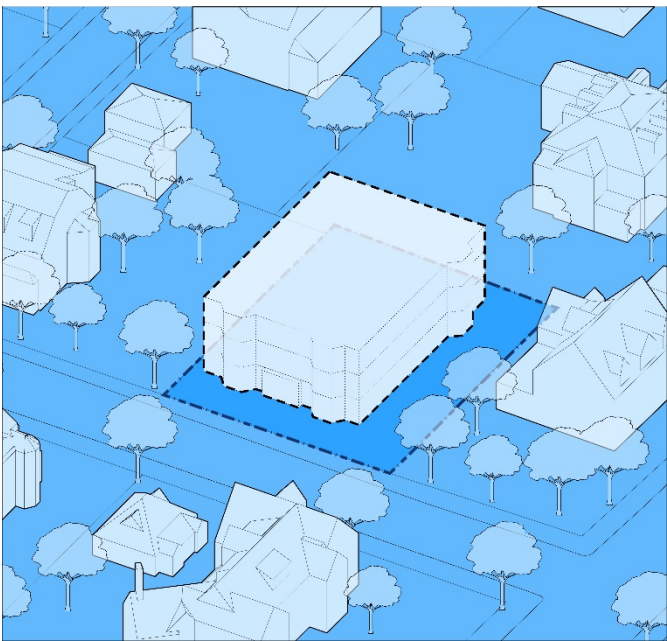
What would the 100% Affordable Citywide Overlay look like in residential neighborhoods?

100% Affordable Housing developments in residential zoning districts would take the form of mid-rise multifamily buildings, consistent with the historic mix of densities found throughout Cambridge.

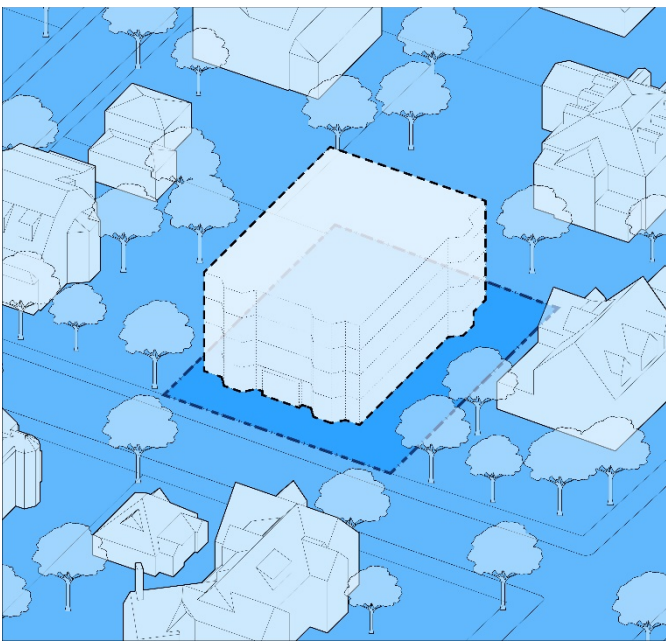
Examples of hypothetical buildout on large parcels (>10,000sf):



**Maximum allowed under current zoning
(many existing buildings are non-compliant)**
1 unit, 2 stories



**Example of buildout under 100%
Affordable Citywide Overlay**
17 units, 3 stories



**Example of buildout under 100%
Affordable Citywide Overlay**
23 units, 4 stories

69% of existing buildings in residential neighborhoods are not zoning compliant, due to height, density, or both

How does the 100% Affordable Housing Citywide Overlay relate to the other new policy ideas that were tested?

- The 100% Affordable Housing Citywide Overlay does not change the number of units produced because affordable housing production is determined by the availability of funding.
- The number of **City-subsidized** affordable units is therefore the same under all of the other policy ideas that were tested.
- City funding typically allows 50-60 affordable units to be created through new construction and acquisition of existing multi-family properties each year



Huron Ave. at Vassal Ln. has different densities together in close proximity.

Development Projections



Testing the impact of community-generated ideas

How do we test these ideas?

- Compare development projections through 2030 under current zoning and new policy ideas.
- Measure the hypothetical impact of these projections to enable a discussion about tradeoffs.

What's the purpose of testing these ideas?

- To help analyze impacts of policy ideas and shape proposals.
- To compare the scale of change under different policies.
- To help in decision-making

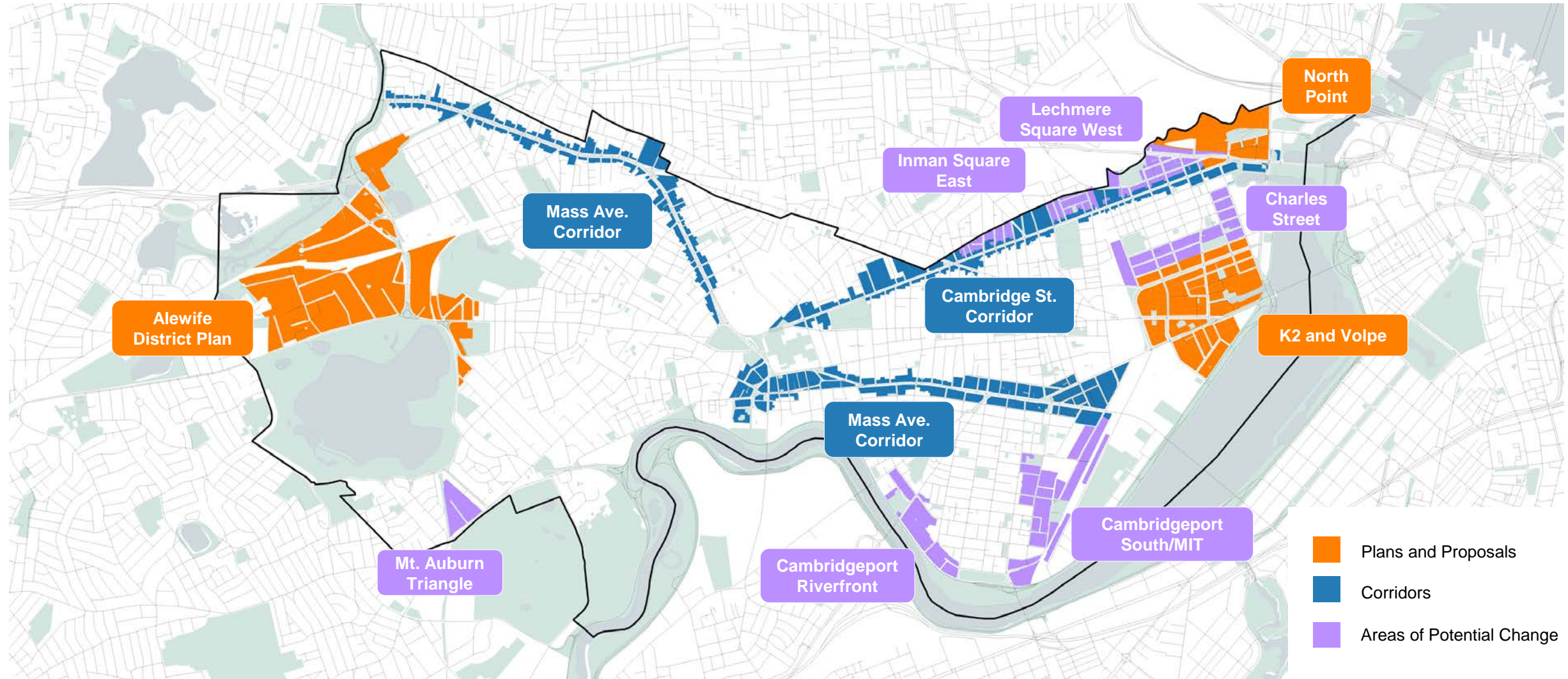
These tests are analysis, **NOT** recommendations or proposals.

- They **do not** address the effects of all regulations. Zoning laws are always more nuanced than what we can test.
- They **are not** perfect predictions of what will occur. The tests are based on various assumptions, and we cannot predict how individual landowners will act or how the real estate market might change over time.

Methodology

1. Identify areas with high redevelopment potential
2. Determine development capacity under current zoning and new policy ideas
 - Determine soft sites by comparing existing density to what is allowed under zoning
 - Assign a buildout rate for each area
 - Assume a mix of uses consistent with the market in each study area
3. Incorporate approved growth projections for recent plans (Alewife, K2C2, North Point)
4. Determine impacts of new development on housing, jobs, traffic, urban form, energy, and tax revenue

Study areas for development projections



What to consider when evaluating new policy ideas: Housing



Housing units: Number of housing units created to meet citywide housing needs

Affordable units: Number of units created



What to consider when evaluating new policy ideas: Urban Form



Context: How do existing surroundings inform the density and form of new development

Experience from the Street:
How can new development help define the public realm

Corridor 4-story (North Mass Ave)



Corridor 5-story (North Mass Ave)



Corridor High Rise (Kendall Square)



Historic 3-story (The Port)



5/6-story (Cambridgeport/University Park)



High-rise mixed-use residential (Kendall Square)





What to consider when evaluating new policy ideas: Jobs

Commercial space and jobs:

How many new jobs can be expected based on the amount of commercial space available

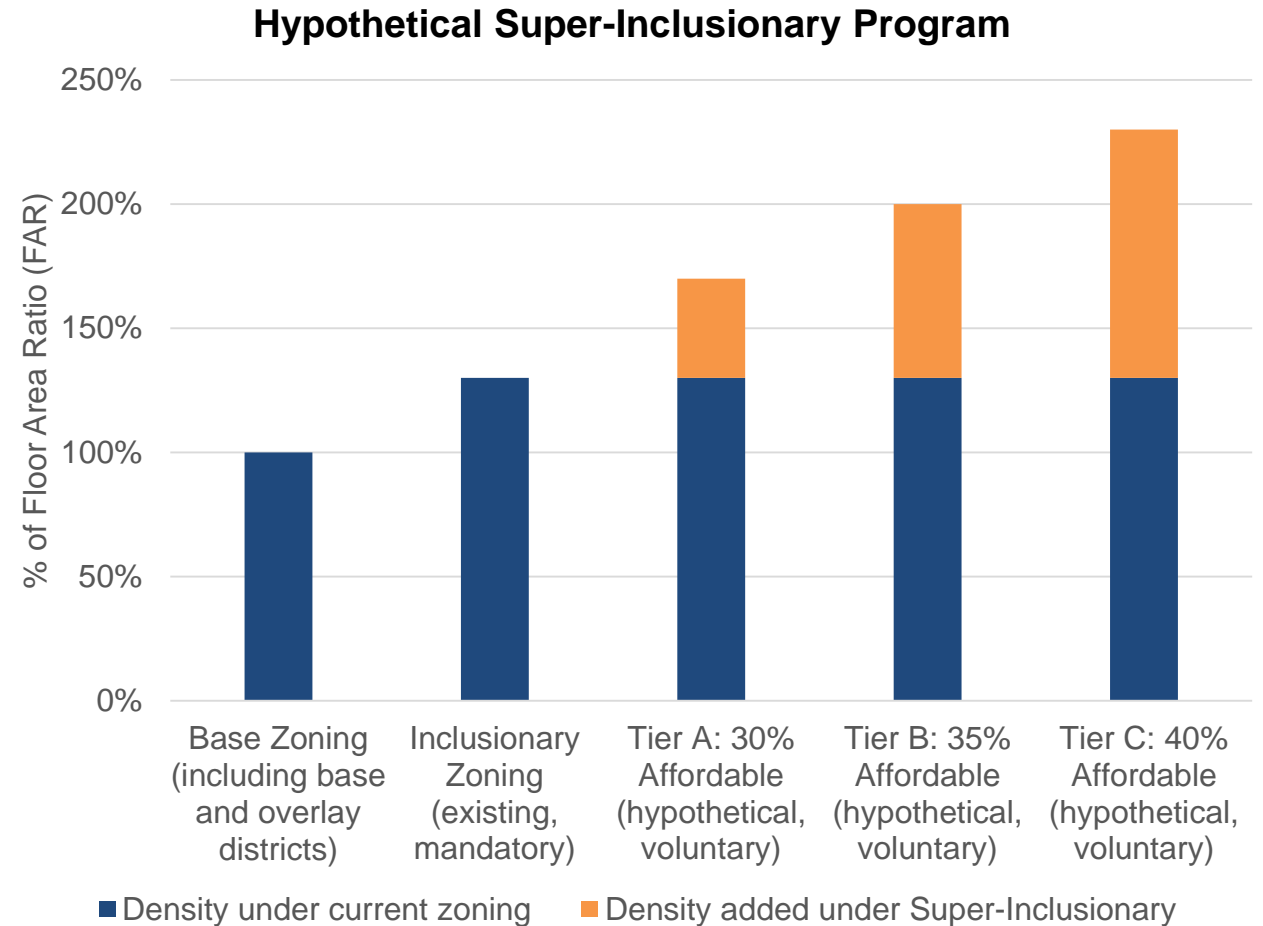


Super-Inclusionary Housing Program



What is a “super-inclusionary” housing program?

- Current inclusionary zoning requirements:
 - Mandates that 20% of new residential development is dedicated to affordable housing.
 - Gives a 30% density bonus
- Super-Inclusionary would be a voluntary program that provides a density bonus in exchange for additional affordable housing beyond the city’s current requirements
 - Like the existing policy, it would only apply to new residential buildings or conversions which create 10 or more new units or more than 10,000 square feet of residential space



Why study super-inclusionary housing program?

Advances Envision Cambridge shared community goals:

- Increase the overall housing supply and produce new affordable housing.
- Provide a variety of housing options for people of different socioeconomic levels, life stages, and physical needs.
- Expand affordable rental and homeownership opportunities to enable Cambridge to thrive as a mixed-income community.
- Foster neighborhoods of opportunity and equitable distribution of affordable housing citywide.
- Provide access to opportunities for all people regardless of differences.
- Work towards addressing race-based disparities and racial equity.
- Builds customer base for retail to attract and retain small businesses

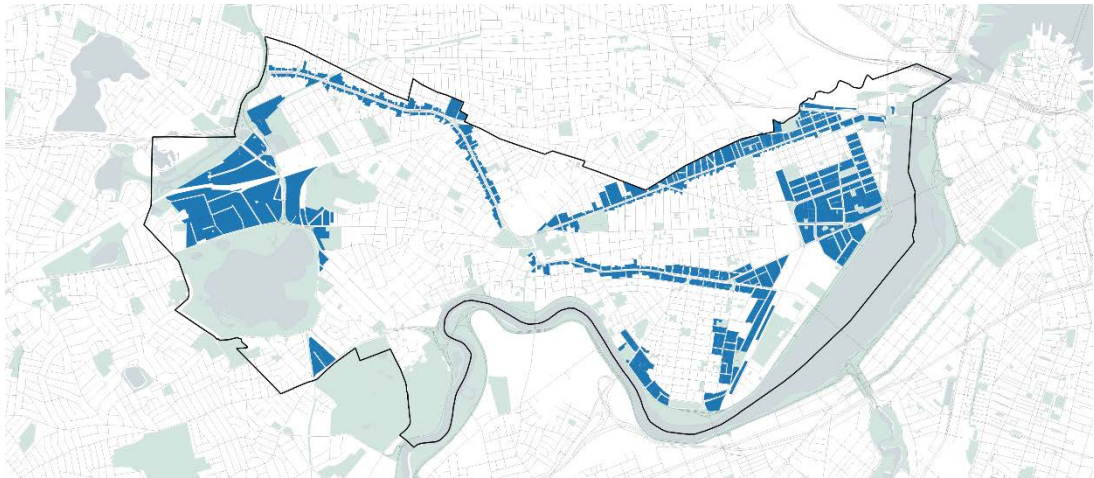
Other benefits:

- Inclusionary Zoning is a major driver of affordable housing development
- Leverages private investment for public benefit (no public subsidy)
- City-regulated program

Super-Inclusionary Housing Program Ideas for Discussion

- A voluntary, tiered increase to allowable density in exchange for additional affordable housing
 - Each density bonus was set to the minimum amount that allows the additional market-rate units to subsidize the affordable units and ensure that the incentive is financially viable
 - Special permit rules would not be changed. The present approval process would be maintained.
- Several different tiers of super-inclusionary incentives were tested:

Tier	Required Affordable Housing	Density increase over current zoning
Current Inclusionary	20% of floor area (mandatory)	30% over base FAR (given)
Tier A	30% of floor area	70% over base FAR
Tier B	35% of floor area	100% over base FAR
Tier C	40% of floor area	130% over base FAR



The Super-Inclusionary Housing Program would be along corridors and in areas of potential change.

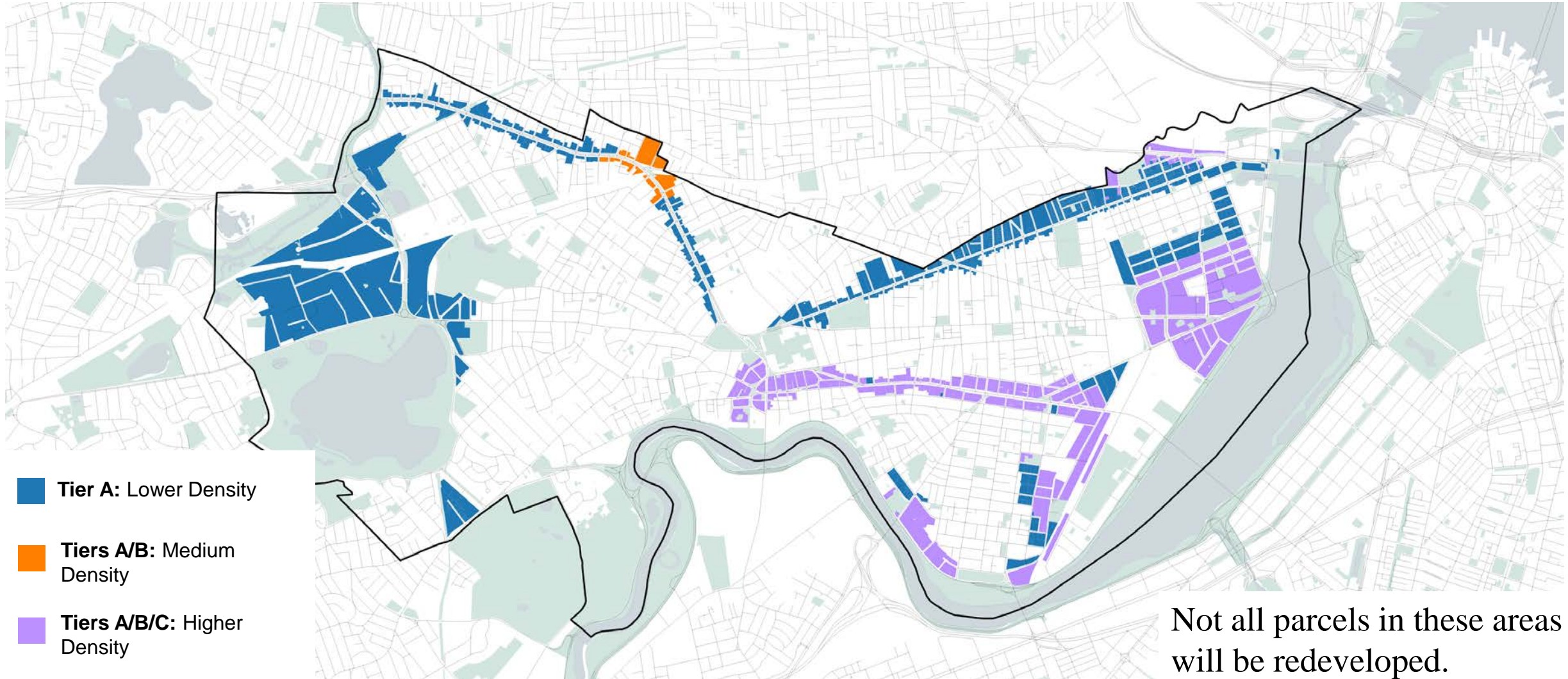
Super-inclusionary Housing Program: Adoption Rates

- Tier A is available in all parts of the city except traditional residential neighborhoods
- In the areas where the character and access to amenities can support additional density, higher tiers are available in order to produce a higher percentage of affordable units
- Adoption rates for each tier would vary by the area of the city, depending on the allowable base density and rents that are achievable in each area.
- Not all developments would opt for the highest tier available to it.
- Not all developments would opt for *any* super-inclusionary bonus.

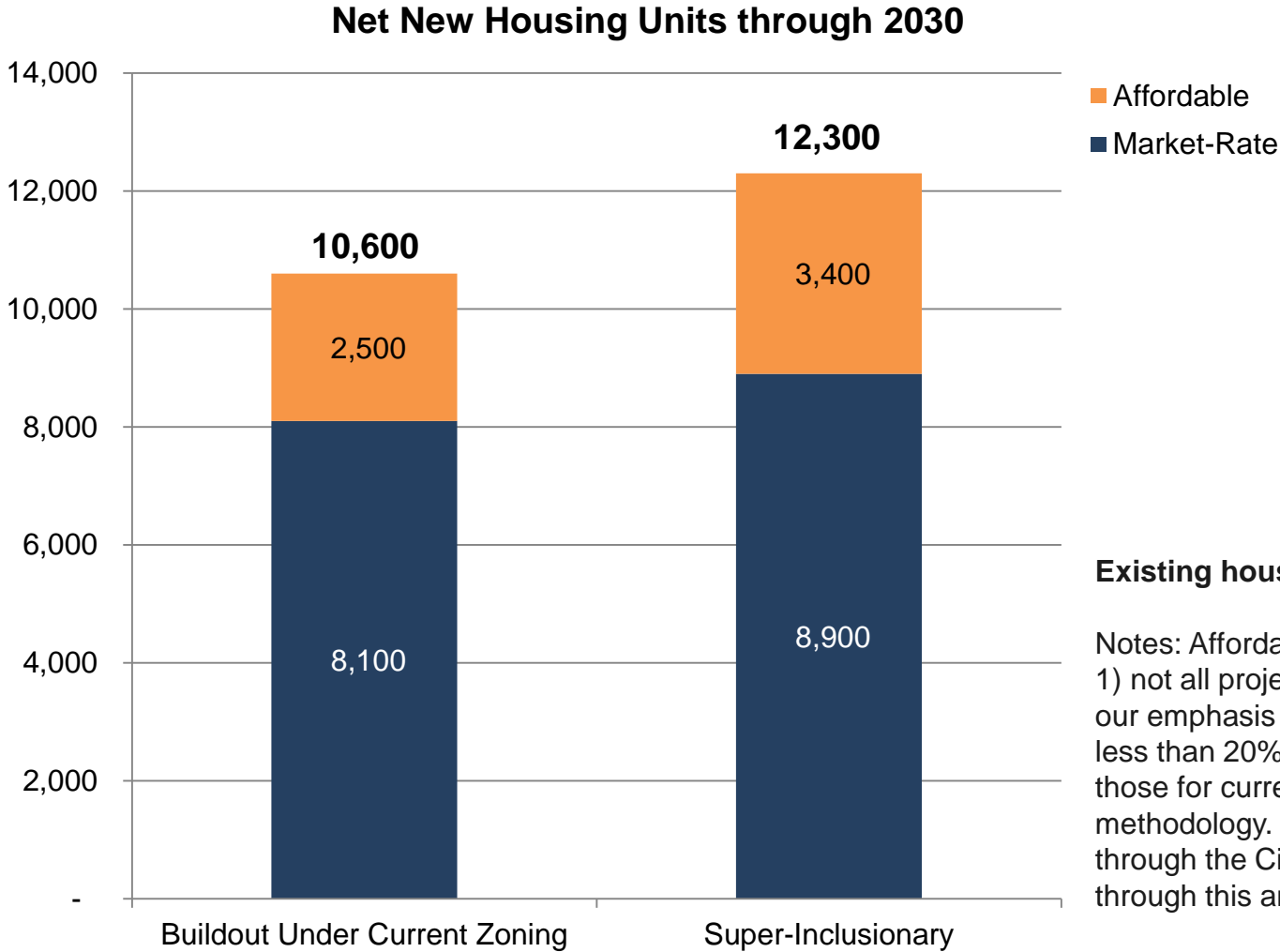
Tested adoption rates:

Area	Buildout under Current Zoning: 20% Affordable	Tier A: 30% Affordable	Tier B: 35% Affordable	Tier C: 40% Affordable
Lower density	50%	50%	0% (not allowed)	0% (not allowed)
Medium Density	50%	30%	20%	0% (not allowed)
Higher density	25%	30%	20%	25%

Super-Inclusionary Concepts and Tiers Analyzed



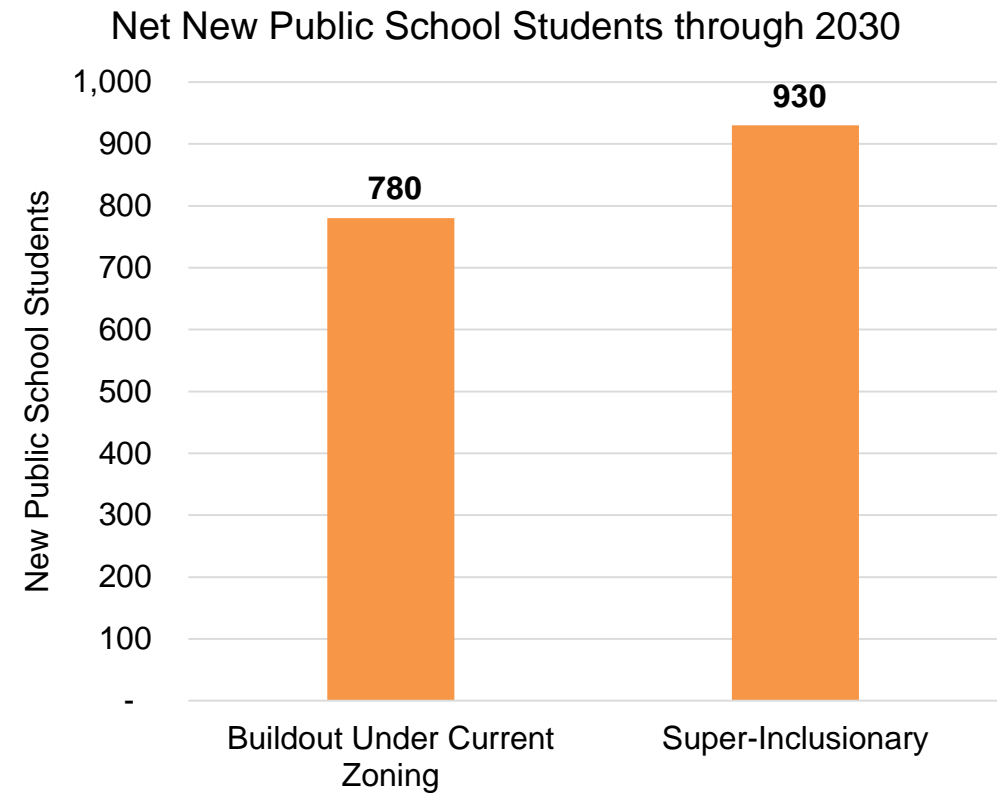
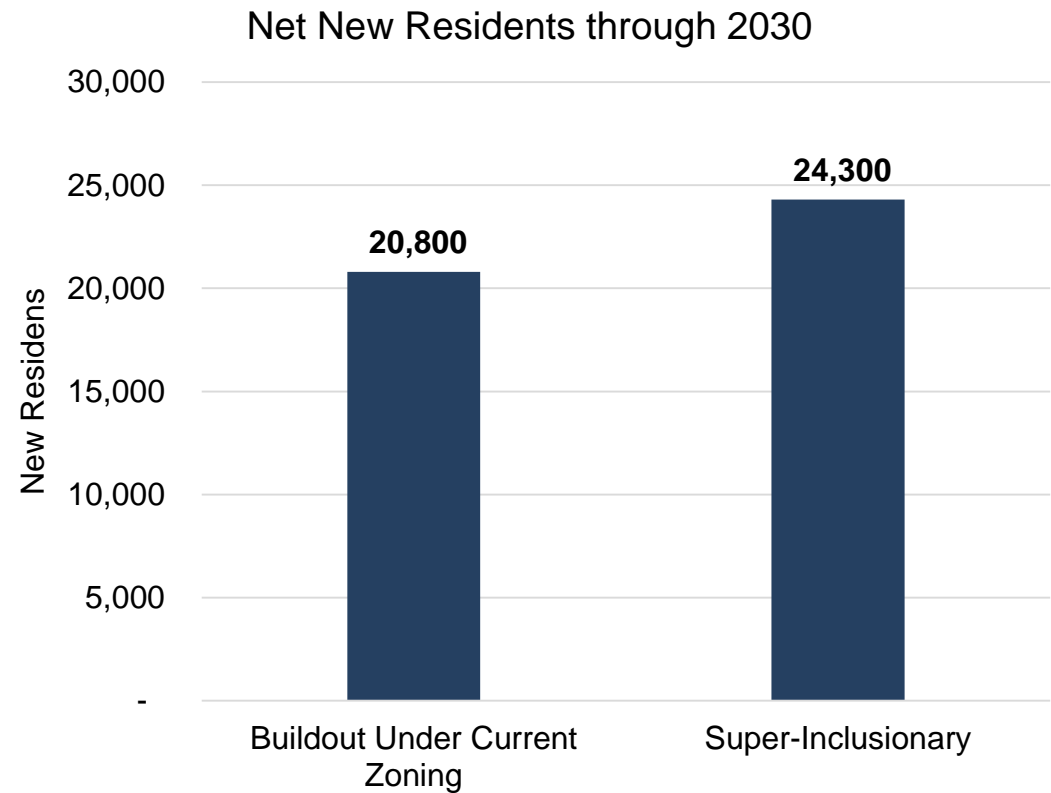
Comparison of Potential Housing Production – Super-Inclusionary



Existing housing stock: approximately 53,000 units

Notes: Affordable percentage for non-pipeline projects is assumed at 17.5% since 1) not all projects trigger IZ and 2) the IZ is 20% of square footage, not units. Given our emphasis on family sized units, the percentage of affordable units is likely to be less than 20% of total new housing units. All figures are rounded. Figures, including those for current zoning, will vary from past estimates due to changes in methodology. Figures include estimated affordable development that is funded through the City, in addition to the market and affordable development projected through this analysis.

Comparison of Potential New Residents and Public School Students



Figures, including those for current zoning, will vary from past estimates due to changes in methodology.

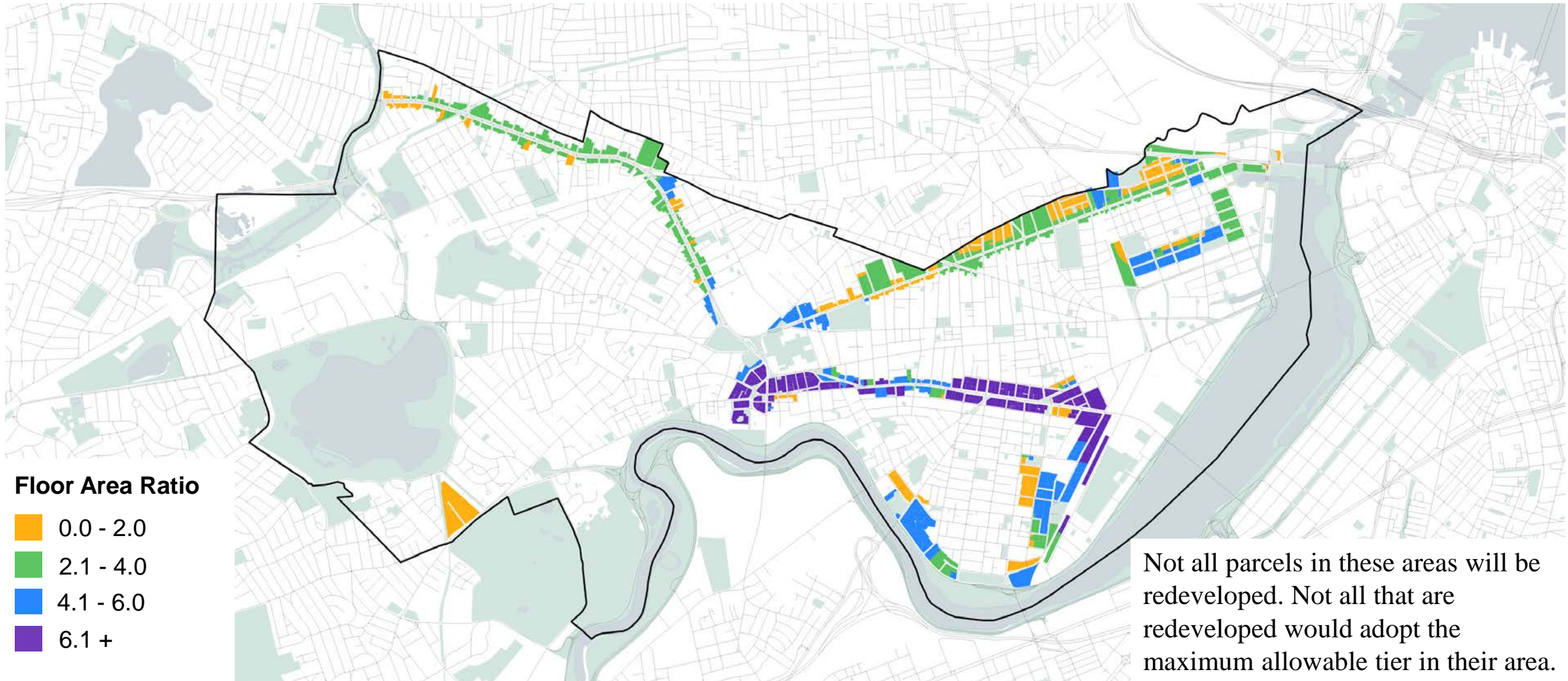
Urban Form Comparison – Existing Built Density



Urban Form Comparison – Density Allowed by Current Zoning



Urban Form Comparison – Max. Density under Super-Inclusionary

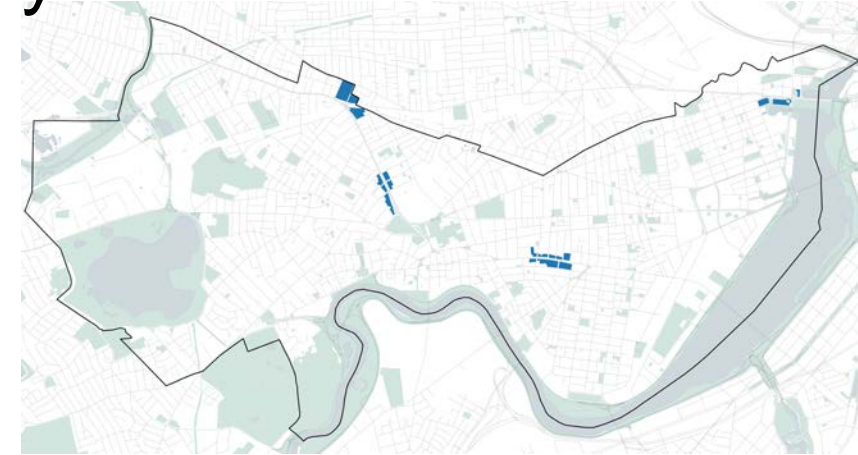


Urban Form Outcomes: Hypothetical Corridor Block under Super-Inclusionary Program – Low Density



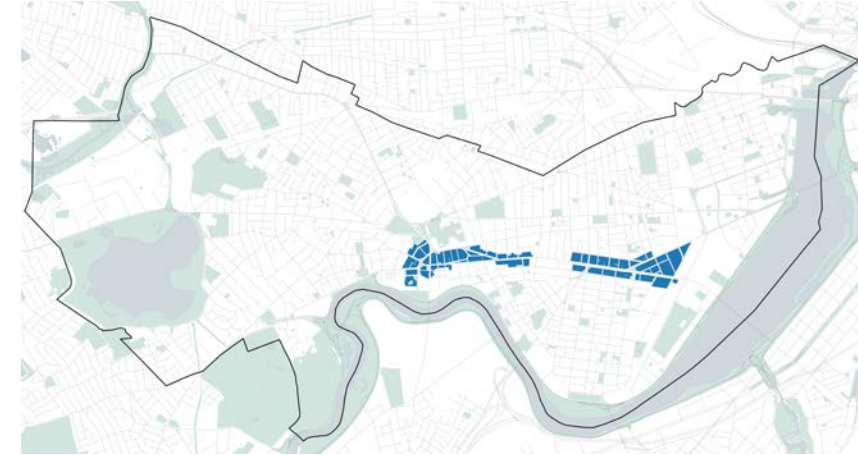
Study areas shown in the map have maximum super-inclusionary densities that might result in the density shown.

Urban Form Outcomes: Hypothetical Corridor Block under Super-Inclusionary Program – Medium Density



Study areas shown in the map have maximum super-inclusionary densities that might result in the density shown.

Urban Form Outcomes: Hypothetical Corridor Block under Super-Inclusionary Program – High Density

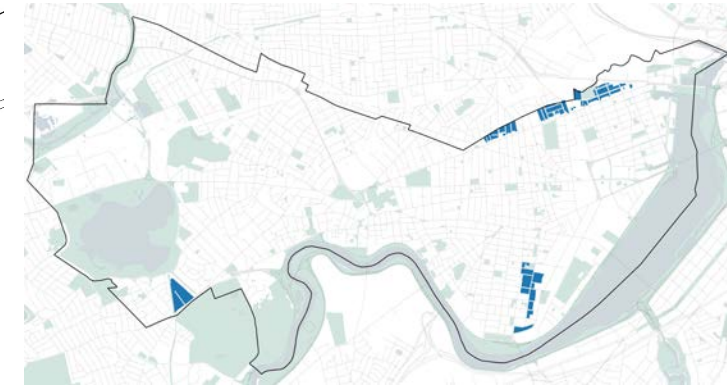


Study areas shown in the map have maximum super-inclusionary densities that might result in the density shown.

Urban Form Outcomes: Hypothetical Transitional Area under Super-Inclusionary Program – Existing Condition



Urban Form Outcomes: Hypothetical Transitional Area under Super-Inclusionary Program – Low/Medium Density



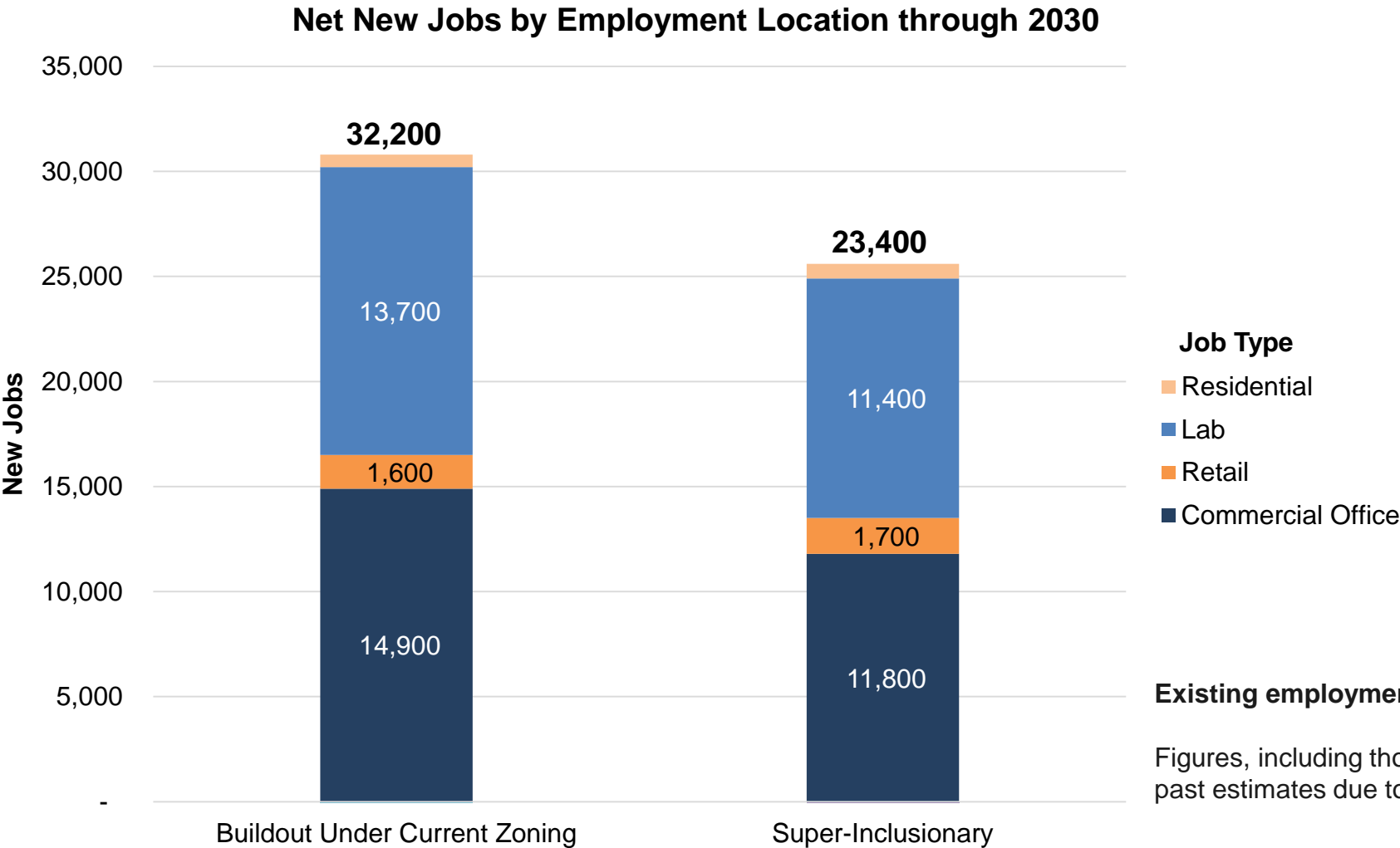
Study areas shown in the map have maximum super-inclusionary densities that might result in the density shown.

Urban Form Outcomes: Hypothetical Transitional Area under Super-Inclusionary Program – Medium/High Density



Study areas shown in the map have maximum super-inclusionary densities that might result in the density shown.

Comparison of Potential New Jobs – Super-Inclusionary



- Both current zoning and a Super-Inclusionary Policy would result in net new jobs.
- Net new jobs are lower under the Super-Inclusionary Program because residential construction is incentivized compared to commercial.

Existing employment: approximately 124,000 jobs

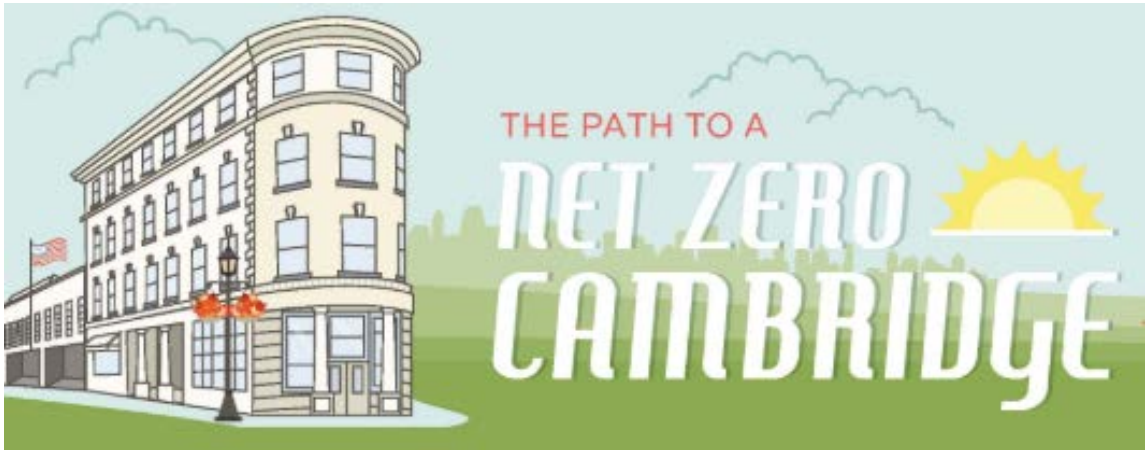
Figures, including those for current zoning, will vary from past estimates due to changes in methodology.

Environmental Performance Incentive



What is an environmental performance incentive policy?

- A voluntary program that provides a density bonus in exchange for improved environmental building performance, such as:
 - Net zero construction ahead of the requirements set forth by the Net Zero Action Plan
 - Net positive construction after net zero construction is required
 - District energy
 - Resiliency measures



Cambridge's 2015 *Getting to Net Zero Framework* is an action plan to get all buildings to net zero GHG emissions by mid-century.

Current Net Zero Action Plan requirements by use:

Type:	Municipal	Small Residential (1-4 units)	Multifamily	Commercial	Institutional	Laboratory
Target Year:	2020	2022	2025	2025	2025	2030

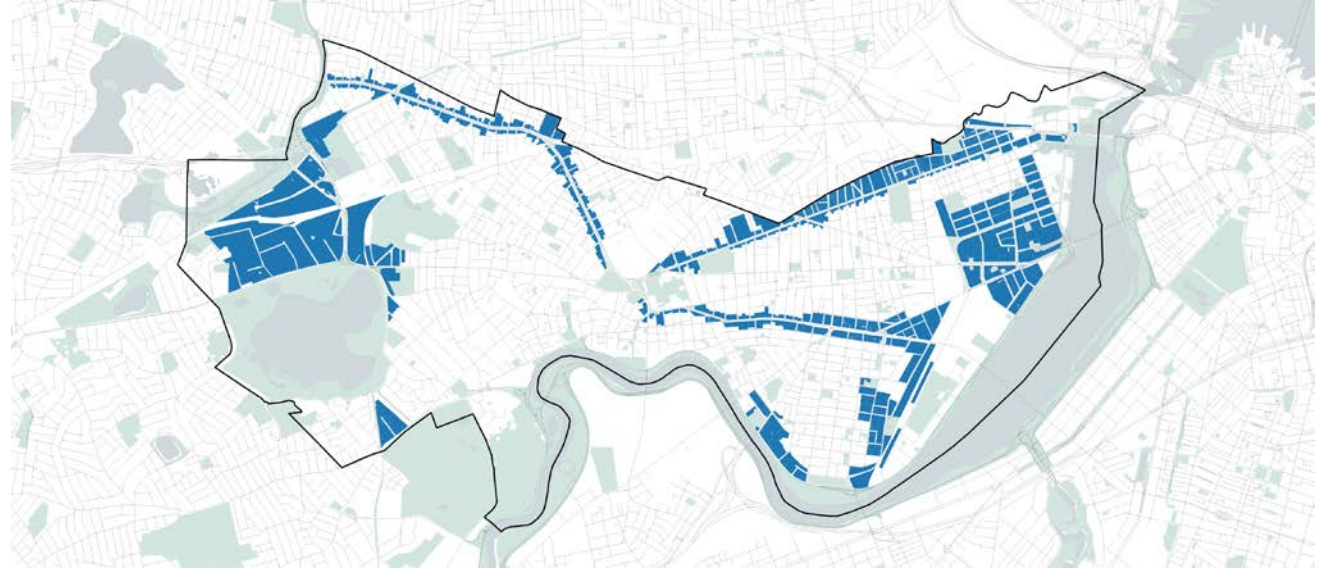
Why study an environmental performance incentive program?

Advances Envision Cambridge shared community goals:

- Prepare for impacts of climate change
- Accelerate net zero adoption
- Reduce building energy consumption
- Transition away from fossil fuels

What would the Environmental Performance Incentive entail?

- The incentive would require adoption of net zero construction for new buildings in the years before net zero is mandated, net positive construction after the mandates go into effect, or other measures that would increase environmental performance at a large scale.
- Limited to areas with the highest likelihood of change (not available in traditional residential neighborhoods).

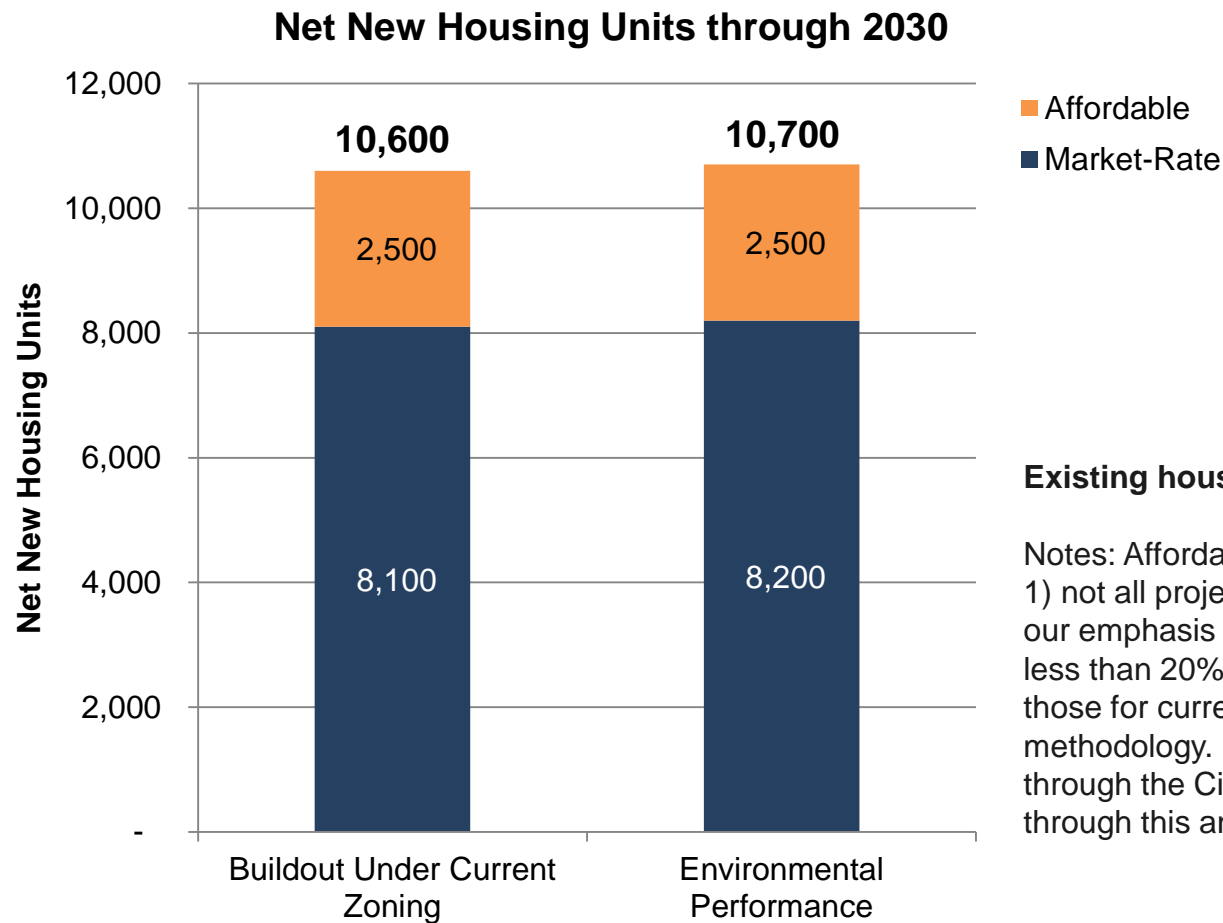


The Super-Inclusionary Housing Program would apply along corridors and in areas of potential change.

Environmental Performance Incentive Policy: Testing

- This analysis tested a version of a Environmental Performance Incentive bonus that offers a bonus to both residential and non-residential development
- Additional allowable density under this bonus:
 - Residential: 10%
 - Commercial: 15%
- Adoption of the bonus is assumed to be:
 - Residential: 70%
 - Commercial:
 - 40% in areas with higher density
 - 80% in areas with lower density

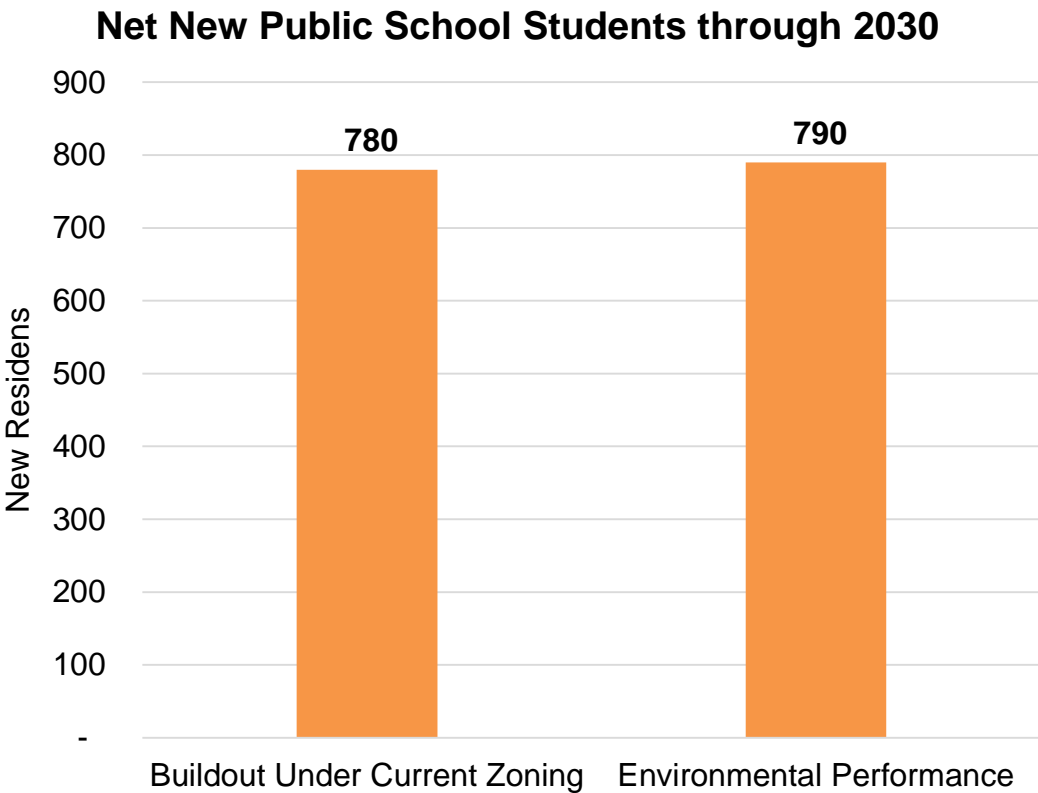
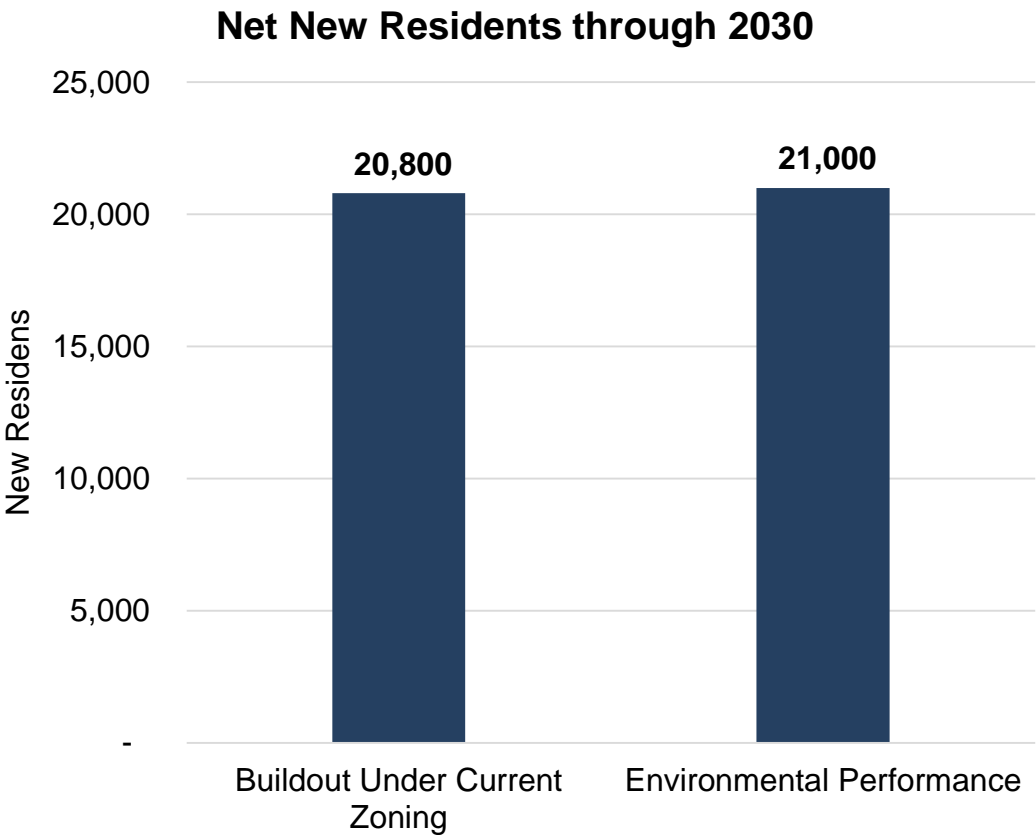
Comparison of Potential Housing Production – Environmental Performance Incentive



Existing housing stock: approximately 53,000 units

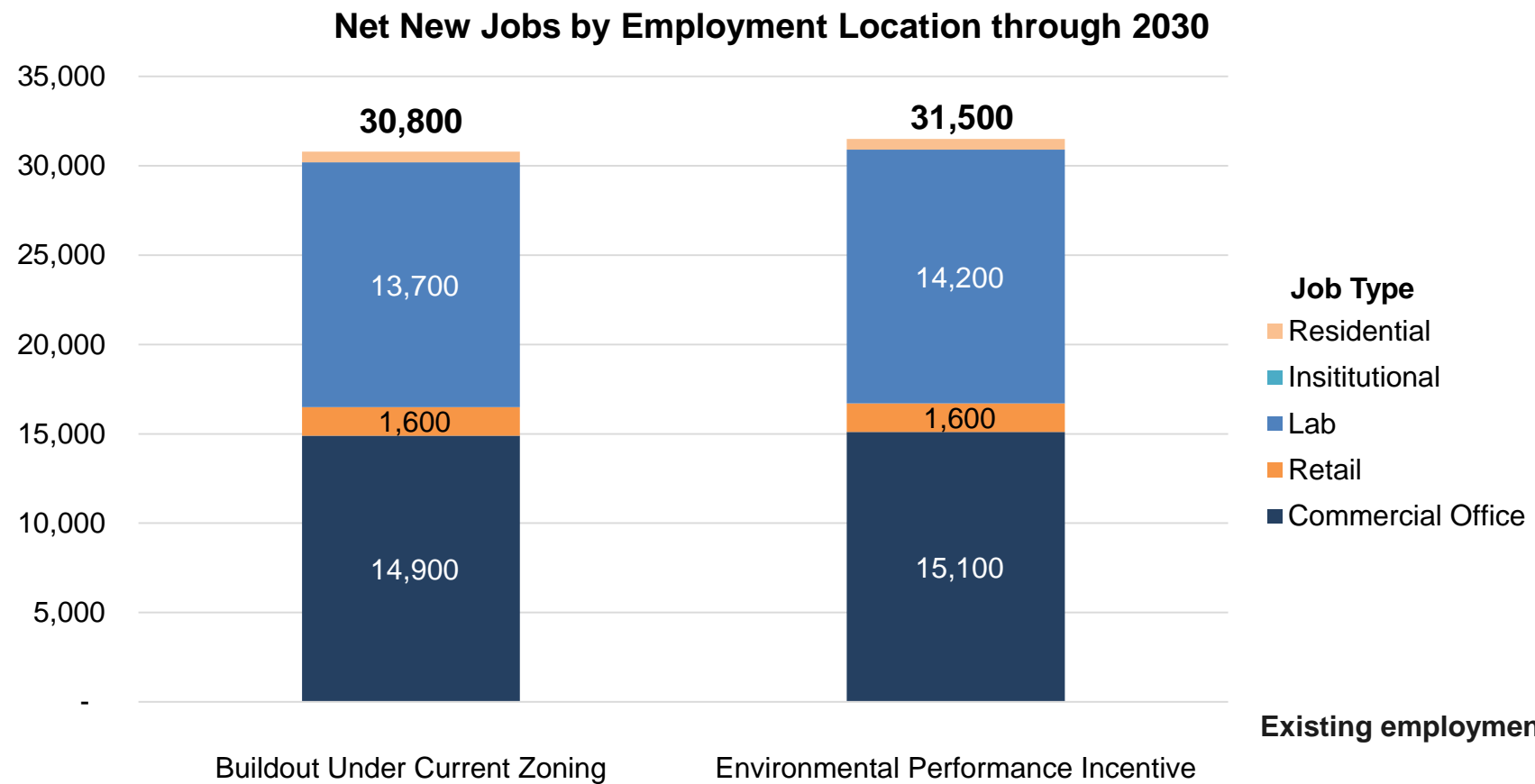
Notes: Affordable percentage for non-pipeline projects is assumed at 17.5% since 1) not all projects trigger IZ and 2) the IZ is 20% of square footage, not units. Given our emphasis on family sized units, the percentage of affordable units is likely to be less than 20% of total new housing units. All figures are rounded. Figures, including those for current zoning, will vary from past estimates due to changes in methodology. Figures include estimated affordable development that is funded through the City, in addition to the market and affordable development projected through this analysis.

Comparison of Potential New Residents and Public School Students



Figures, including those for current zoning, will vary from past estimates due to changes in methodology.

Comparison of Potential New Jobs – Environmental Performance Incentive



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Urban Form Comparison – Existing Built Density



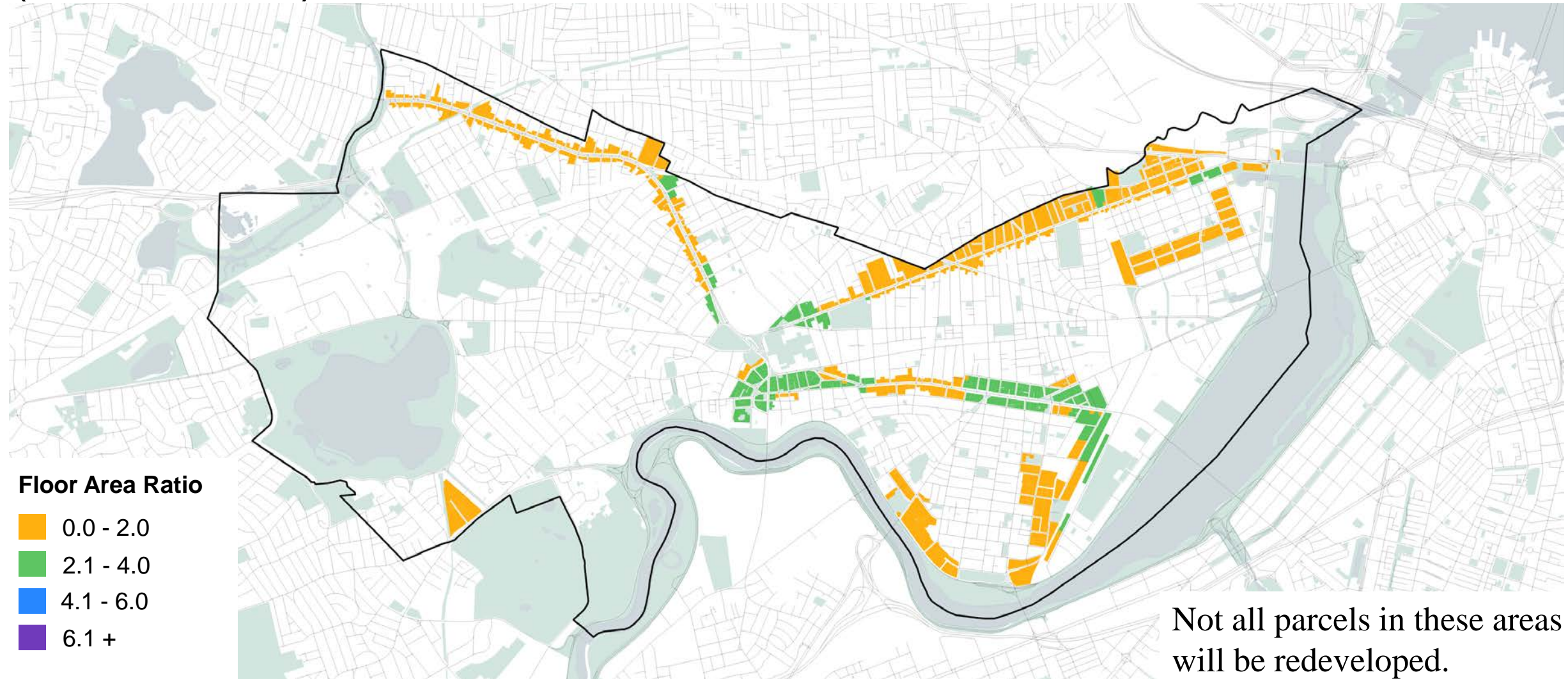
Urban Form Comparison – Density Allowed by Current Zoning (Residential)



Urban Form Comparison – Max. Density under Environmental Performance Incentive (Residential)



Urban Form Comparison – Density Allowed by Current Zoning (Commercial)



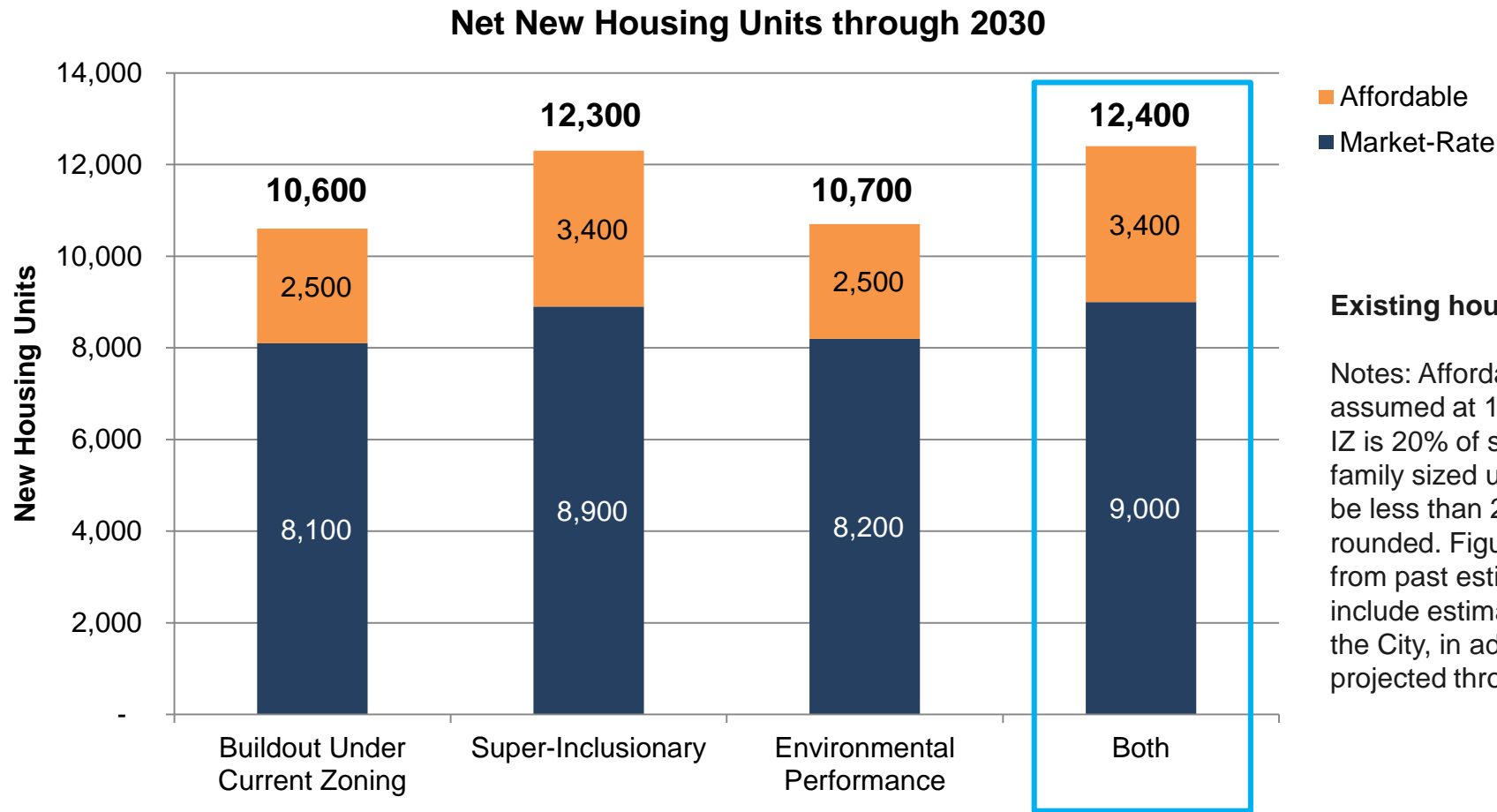
Urban Form Comparison – Max. Density under Environmental Performance Incentive (Commercial)



Combined Super-Inclusionary Program and Environmental Performance Incentive



Comparison of Potential Housing Production – Super-Inclusionary plus Environmental Performance

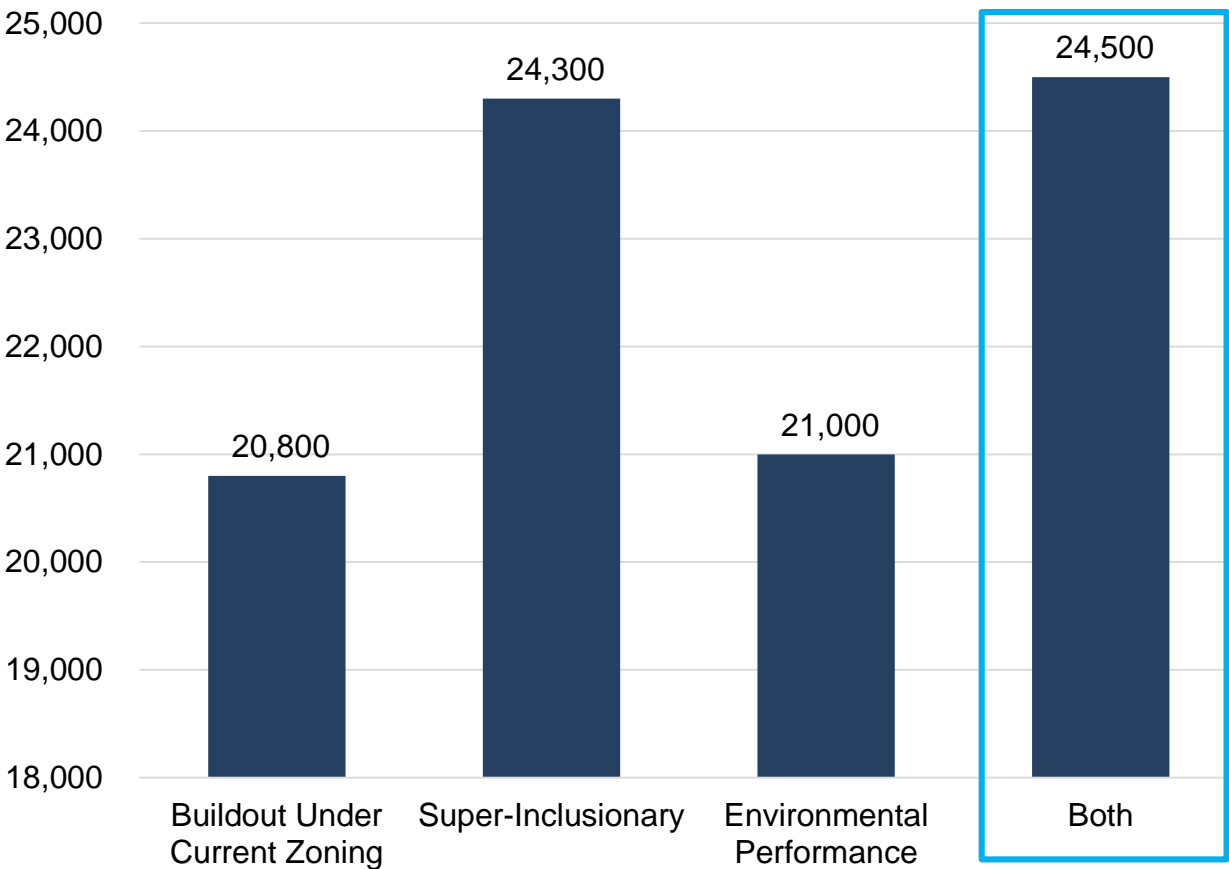


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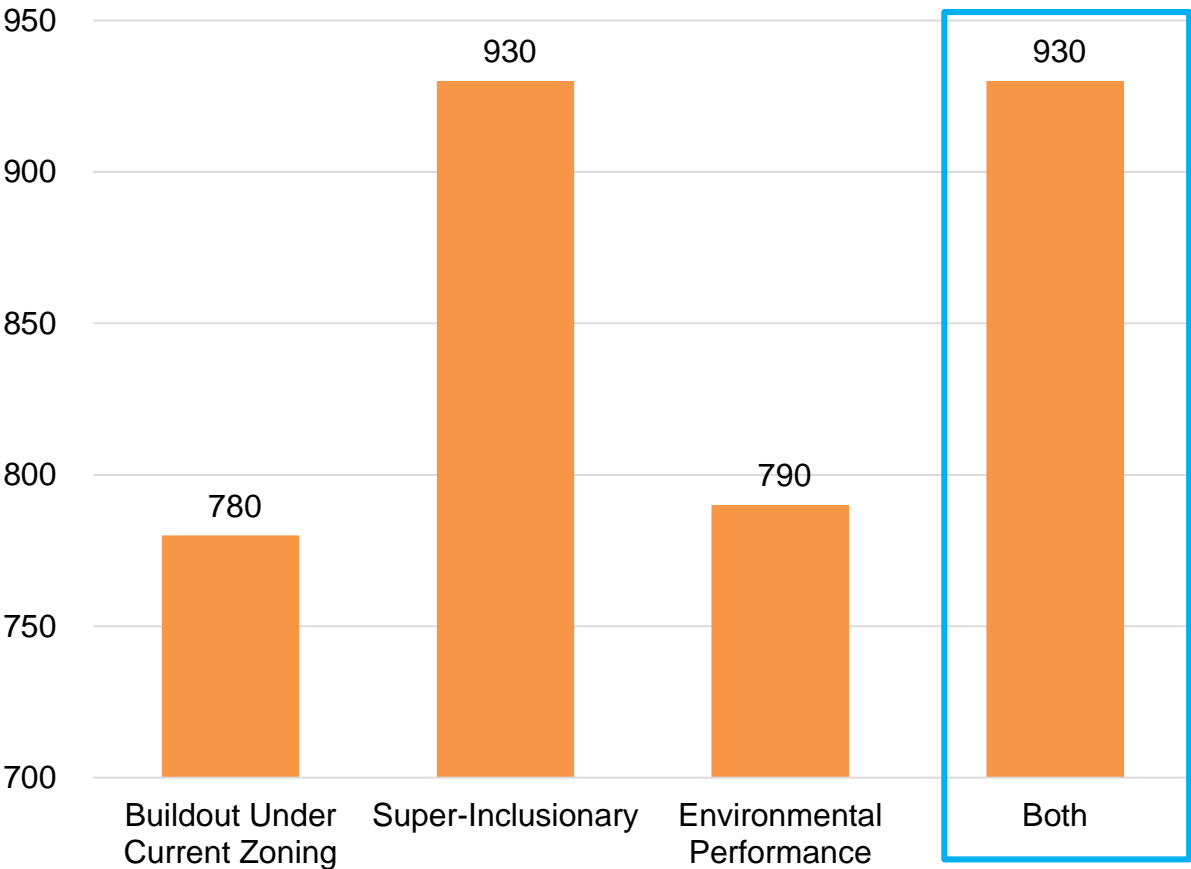
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Comparison of Potential New Residents and Public School Students

Net New Residents through 2030

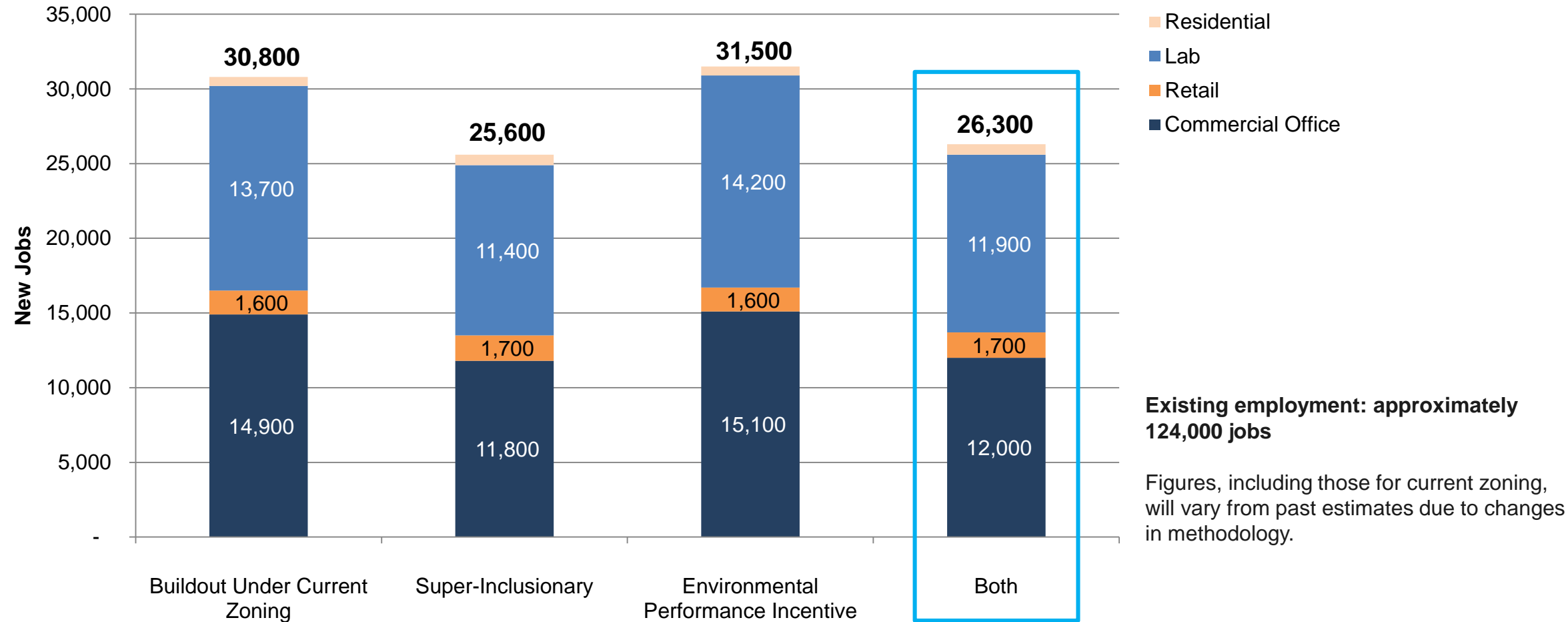


Net New Public School Students through 2030

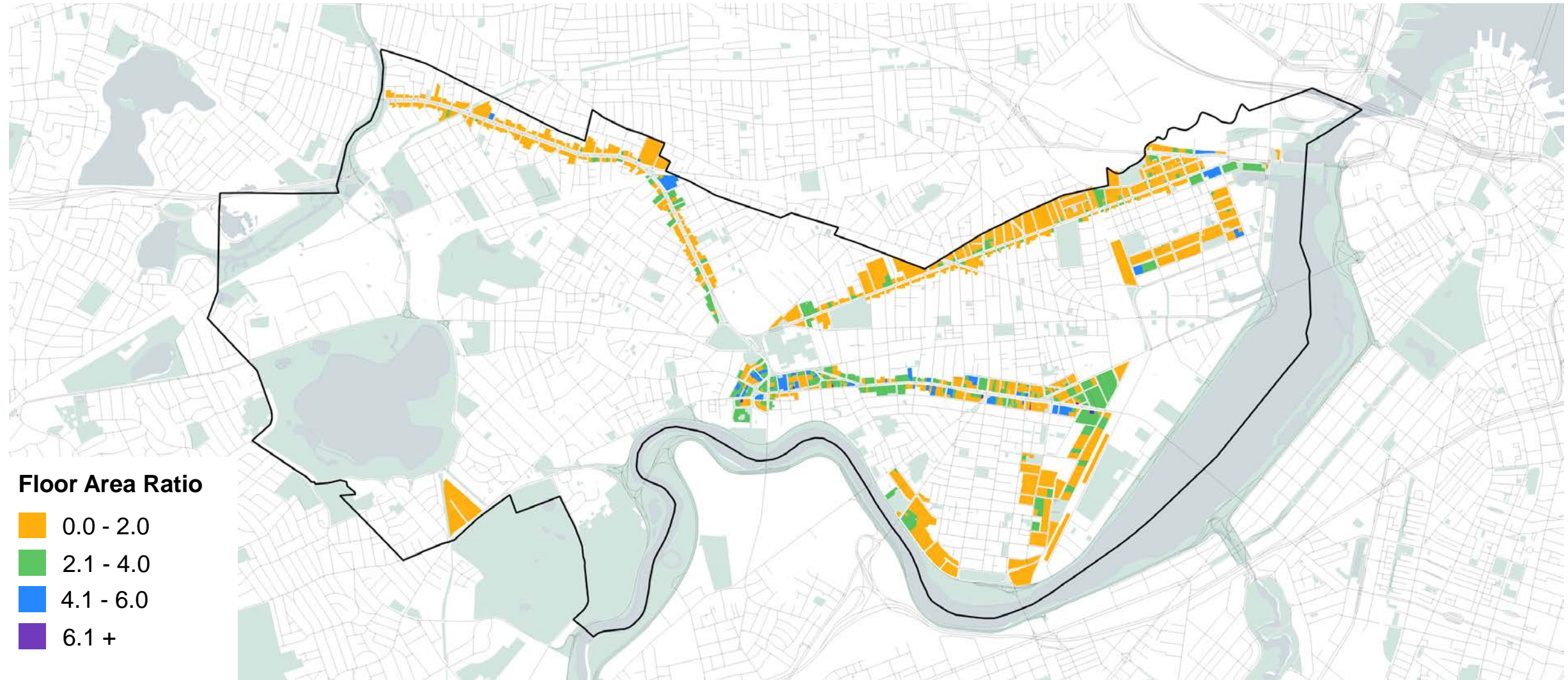


Comparison of Potential New Jobs

Net New Jobs by Employment Location through 2030



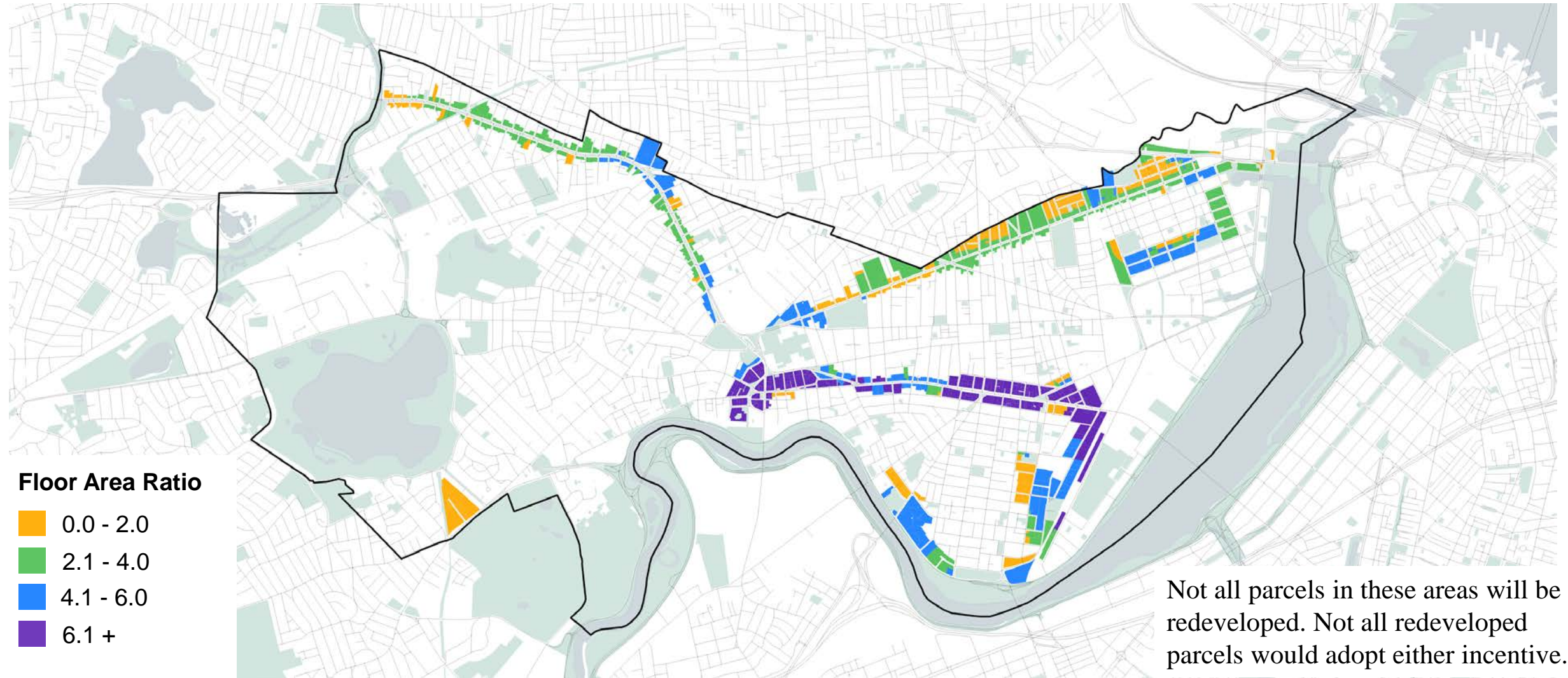
Urban Form Comparison – Existing Built Density



Urban Form Comparison – Density Allowed by Current Zoning (Residential)



Urban Form Comparison – Max. Density under Both Incentives



Targets Discussion



1. Share of dedicated affordable units as part of housing supply

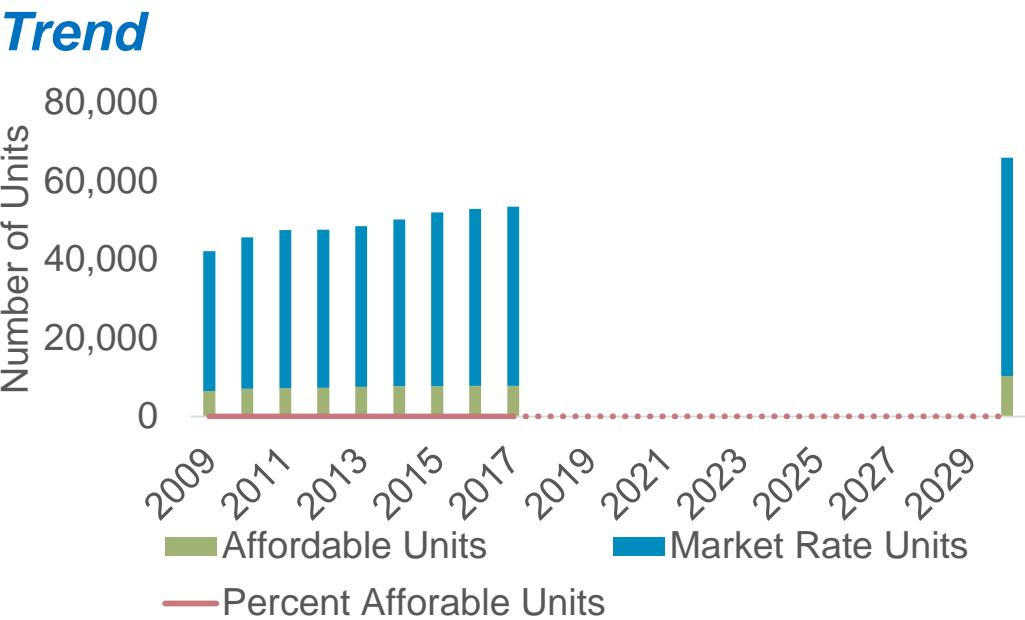
What Describes the portion of Cambridge’s total affordable stock relative to overall housing supply

Why Indicates the City’s holistic efforts to preserve and create dedicated affordable housing subject to rent or sales price limits and income restrictions

Data Source City of Cambridge Community Development Department

Targets

2030 For Discussion



2. Total new housing units produced

What Describes the total number of housing units added in the city over a specific period of time

Why Indicates Cambridge's ability to accommodate new residential development, which is important to increasing overall housing supply and mitigating cost increases

Data Source City of Cambridge Community Development Department

Targets

2030 For Discussion

