Planning Board Update
September 25, 2018
Agenda

• New Policy Ideas Generated from the Envision Cambridge Process
• Development Projections Comparing Current Zoning and New Policy Ideas:
  • 100% Affordable Citywide Overlay Analysis
  • Super-inclusionary housing program
  • Environmental performance incentive
• Draft Urban Form Recommendations
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.
What are we asking of you today?

- Tell us what you think about these ideas
  - What do you like about these ideas?
  - What do you dislike about these ideas?
  - What changes to these ideas would you make, if any?
  - Which additional considerations would be most important if these policies were moved forward as recommendations (e.g. dimensional controls, approval process)?
  - How should the urban form recommendations interact with these policy ideas?

Members of the public have already started to weigh in on this analysis.
Analysis of Working Groups’ New Policy Ideas
100% Affordable Citywide Overlay Analysis
Analysis of Working Groups’ New Policy Ideas

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 Citywide Overlay: Background

• The City already partners with affordable housing developers (usually local nonprofits).
  – Development is subsidized by federal, state, and city government.
  – “Affordable” housing is income-restricted where housing costs are affordable to low-, moderate, and middle-income people.
  – City-funded affordable housing is created through acquisition of existing multi-family housing and new construction.
  – FY19 funding for Affordable Housing Trust totals $13.6 million in City funds.
  – Two or three projects are typically completed each year (approx. 50-60 affordable units).

• The overlay does not change the number of units produced because affordable housing production is determined by the availability of funding.

• Main objectives are to:
  – Expand affordable housing's viability in areas where it's been more difficult to create new affordable units.
  – Enable affordable housing developers to better compete with market-rate developers in growth areas.

625 Putnam Ave is an example of a 100% affordable housing development built by a nonprofit developer in Cambridge.
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.
  – More difficult to build affordable housing in some areas of the city given zoning limitations (i.e. density is limited in Residence A and B districts, where high land costs make development infeasible for affordable housing developments without discretionary approvals and significant zoning relief)

• 100% Affordable Housing Citywide Overlay would:
  – Remove permitting uncertainty and subsequent additional costs, delays, and risks to make it easier to complete 100% affordable housing
  – 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 reduce costs for affordable housing development by balancing land costs with the number of units needed to make projects feasible and lowering soft costs through an expedited approval process
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 existing residential) to affordable multi-family housing
- A design review process would ensure good design without creating uncertainty about a project’s fundamental viability
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
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 – Density Allowed by Current Zoning (Residential)

Not all parcels in these areas will be redeveloped.

Floor Area Ratio
- 0.0 - 2.0
- 2.1 - 4.0
- 4.1 - 6.0
- 6.1 +

FAR is one of many urban form rules. FAR and rules about height, lot coverage, historic preservation, and design guidelines combine to manage the form of a building.
Analysis of Working Groups’ New Policy Ideas

Urban Form Comparison – Max. Density under 100% Affordable Overlay

Floor Area Ratio

- 0.0 - 2.0
- 2.1 - 4.0
- 4.1 - 6.0
- 6.1 +

Not all parcels in these areas will be redeveloped.

Floor Area Ratio Precedents

FAR is one of many urban form rules. FAR and rules about height, lot coverage, historic preservation, and design guidelines combine to manage the form of a building.
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.
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 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.
- FAR-based analysis. Any proposal would have to include further consideration of dimensional constraints.

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.
Study areas for development projections

- Alewife District Plan
- North Point
- Inman Square East
- Lechmere Square West
- Charles Street
- Cambridge St. Corridor
- K2 and Volpe
- Cambridgeport South/MIT
- Mass Ave. Corridor
- Mt. Auburn Triangle
- Cambridgeport Riverfront
- Cambridgeport South/MIT
- Mass Ave. Corridor
- Plans and Proposals
- Corridors
- Areas of Potential Change
What to consider when evaluating new policy ideas

**Housing**
- Housing units
- Affordable units

**Urban Form**
- Relationship to existing context
- Experience from the street

**Economy**
- Commercial space
- Jobs

**Mobility**
- Auto traffic impacts

**Climate and Environment**
- Greenhouse gas emissions

**Community Wellbeing**
- Residents
- Public school students
Super-Inclusionary Housing Program
What is a “super-inclusionary” housing program?

- Current inclusionary zoning requirements:
  - Requires 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 larger 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:

<table>
<thead>
<tr>
<th>Tier</th>
<th>Required Affordable Housing</th>
<th>Density increase over current zoning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Inclusionary</td>
<td>20% of floor area (mandatory)</td>
<td>30% over base FAR (given)</td>
</tr>
<tr>
<td>Tier A</td>
<td>30% of floor area</td>
<td>70% over base FAR</td>
</tr>
<tr>
<td>Tier B</td>
<td>35% of floor area</td>
<td>100% over base FAR</td>
</tr>
<tr>
<td>Tier C</td>
<td>40% of floor area</td>
<td>130% over base FAR</td>
</tr>
</tbody>
</table>

The Super-Inclusionary Housing Program was tested 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:**

<table>
<thead>
<tr>
<th>Area</th>
<th>Buildout under Current Zoning: 20% Affordable</th>
<th>Tier A: 30% Affordable</th>
<th>Tier B: 35% Affordable</th>
<th>Tier C: 40% Affordable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower density</td>
<td>50%</td>
<td>50%</td>
<td>0% (not allowed)</td>
<td>0% (not allowed)</td>
</tr>
<tr>
<td>Medium Density</td>
<td>50%</td>
<td>30%</td>
<td>20%</td>
<td>0% (not allowed)</td>
</tr>
<tr>
<td>Higher density</td>
<td>25%</td>
<td>30%</td>
<td>20%</td>
<td>25%</td>
</tr>
</tbody>
</table>
Analysis of Working Groups' New Policy Ideas

Super-Inclusionary Concepts and Tiers Analyzed

Not all parcels in these areas will be redeveloped.
Comparison of Potential Housing Production – Super-Inclusionary

Net New Housing Units through 2030

- Buildout Under Current Zoning
  - Affordable: 8,100
  - Market-Rate: 2,500
- Super-Inclusionary
  - Affordable: 8,900
  - Market-Rate: 3,400

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

Analysis of Working Groups’ New Policy Ideas

Figures, including those for current zoning, will vary from past estimates due to changes in methodology.
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.
Comparison of GHG Emissions – Super-Inclusionary

Existing Building Emissions: approx. 1 million tonnes

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

Current Net Zero Action Plan requirements by use:

<table>
<thead>
<tr>
<th>Type</th>
<th>Municipal</th>
<th>Small Residential (1-4 units)</th>
<th>Multifamily</th>
<th>Commercial</th>
<th>Institutional</th>
<th>Laboratory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target Year:</td>
<td>2020</td>
<td>2022</td>
<td>2025</td>
<td>2025</td>
<td>2025</td>
<td>2030</td>
</tr>
</tbody>
</table>

Cambridge’s 2015 *Getting to Net Zero Framework* is an action plan to get all buildings to net zero GHG emissions by mid-century.
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
Analysis of Working Groups’ New Policy Ideas

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 Environmental Performance Incentive was tested 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
Analysis of Working Groups’ New Policy Ideas

Comparison of Potential Housing Production – Environmental Performance Incentive

Net New Housing Units through 2030

- Buildout Under Current Zoning
  - Affordable: 2,500
  - Market-Rate: 8,100
  - Total: 10,600

- Environmental Performance
  - Affordable: 2,500
  - Market-Rate: 8,200
  - Total: 10,700

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

Analysis of Working Groups’ New Policy Ideas

Figures, including those for current zoning, will vary from past estimates due to changes in methodology.
Comparison of Potential New Jobs – Environmental Performance Incentive

Net New Jobs by Employment Location through 2030

<table>
<thead>
<tr>
<th>Job Type</th>
<th>Buildout Under Current Zoning</th>
<th>Environmental Performance Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>1600</td>
<td>1600</td>
</tr>
<tr>
<td>Insititutional</td>
<td>14,900</td>
<td>15,100</td>
</tr>
<tr>
<td>Lab</td>
<td>13,700</td>
<td>14,200</td>
</tr>
<tr>
<td>Retail</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial Office</td>
<td></td>
<td></td>
</tr>
</tbody>
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Existing employment: approximately 124,000 jobs

Figures, including those for current zoning, will vary from past estimates due to changes in methodology.
Comparison of GHG Emissions – Environmental Performance

Existing Building Emissions: approx. 1 million tonnes

Comparison of Urban Form Impacts

- The additional density needed for the environmental performance incentive could be accommodated with little impact on urban form at many sites, when compared to existing zoning.

- Where dimensional constraints (like maximum height rules) already limit the adoption of allowed density, any environmental performance incentive would need relief from those rules to be viable.
Combined Super-Inclusionary Program and Environmental Performance Incentive
Comparison of Potential Housing Production – Super-Inclusionary plus Environmental Performance

Net New Housing Units through 2030

- **Buildout Under Current Zoning**
  - Affordable: 8,100
  - Market-Rate: 2,500

- **Super-Inclusionary**
  - Affordable: 8,900
  - Market-Rate: 3,400

- **Environmental Performance**
  - Affordable: 8,200
  - Market-Rate: 2,500

- **Both**
  - Affordable: 9,000
  - Market-Rate: 3,400

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.
Analysis of Working Groups’ New Policy Ideas

Comparison of Potential New Residents and Public School Students

Net New Residents through 2030

- Buildout Under Current Zoning: 20,800
- Super-Inclusionary: 24,300
- Environmental Performance: 21,000
- Both: 24,500

Net New Public School Students through 2030

- Buildout Under Current Zoning: 780
- Super-Inclusionary: 930
- Environmental Performance: 790
- Both: 930
Comparison of Potential New Jobs

Net New Jobs by Employment Location through 2030

<table>
<thead>
<tr>
<th>Employment Location</th>
<th>Buildout Under Current Zoning</th>
<th>Super-Inclusionary</th>
<th>Environmental Performance Incentive</th>
<th>Both</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>13,700</td>
<td>11,400</td>
<td>14,200</td>
<td>11,900</td>
</tr>
<tr>
<td>Lab</td>
<td>1,600</td>
<td>1,700</td>
<td>1,600</td>
<td>1,700</td>
</tr>
<tr>
<td>Retail</td>
<td>14,900</td>
<td>11,800</td>
<td>15,100</td>
<td>12,000</td>
</tr>
<tr>
<td>Commercial Office</td>
<td>25,600</td>
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Existing employment: approximately 124,000 jobs

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

Net New Building GHG Emissions, 2019-2030

Existing Building Emissions: approx. 1 million tonnes

Comparison of Urban Form Impacts

• The additional density needed for the environmental performance incentive in addition to a super-inclusionary policy could be accommodated with little impact on urban form at many sites, when compared to super-inclusionary.

• Where dimensional constraints (like maximum height rules) already limit the adoption of allowed density, any environmental performance incentive would need relief from those rules to be viable.
Mobility Comparison: Critical Sums at Key Intersections
Mobility Comparison: Critical Sums at Key Intersections

1500 vehicles is the threshold for critical sums intersection failure.

Includes Single-Occupancy and High-Occupancy Vehicles
Mobility Comparison: Critical Sums at Key Intersections

- Cambridge St & Prospect St is the only intersection to exceed critical sums thresholds in buildout scenarios

- This is largely a result of development in Kendall Square and East Cambridge subareas, much of which is already in the pipeline
Further Urban Form Recommendations Discussion