

# Missing Middle Housing Zoning Amendment

Updated Narrative 2021-03-24



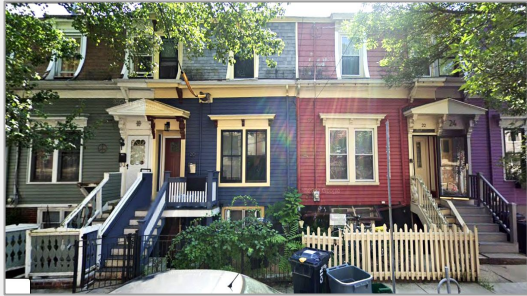
a better cambridge



# Outline

- **Summary**
- **Context: the housing and climate crises**
- **Zoning Background: problems with current residential standards**
- **Proposal: the Missing Middle Housing (MMH) Zoning Amendment**
- **Impact**

# The “Missing Middle”: Small Multi-family Housing



Housing like this is largely **missing from new construction**, due to being illegal under current zoning



***“Adjust zoning in residential districts to be more compatible with prevailing patterns of development, including building setbacks, maximum heights, open space, parking requirements, and uses”***

- *Envision Cambridge* Urban Form Recommended Actions (p. 188)

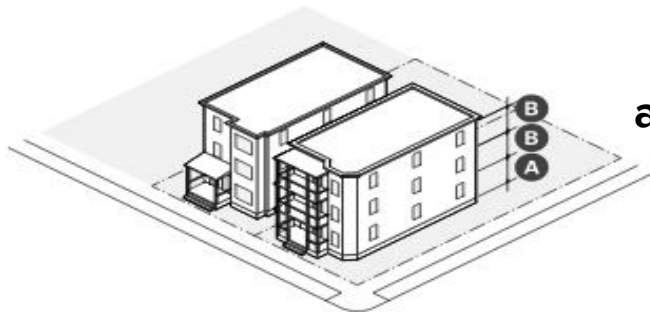
***“WHEREAS: single-family only zoning is an unnecessary artifact of historically exclusionary housing practices, and two-family zoning can have similar effects...”***

- [POR 2020 #289](#), introduced by Councillor Nolan, passed unanimously December 14th 2020

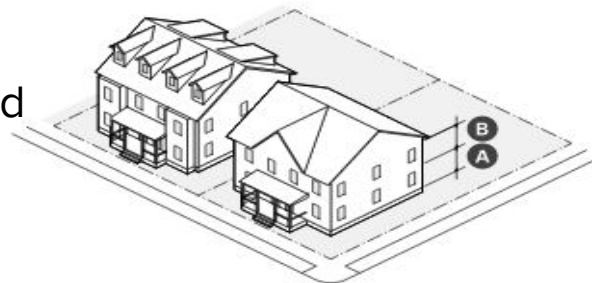


# Proposal: Missing Middle Housing for Cambridge

- Create a zoning category for residential neighborhoods that **allows up to three stories of multi-family housing**
- **Remove off-street parking requirements** for new housing citywide



This proposal would **allow three-deckers and townhouses** in every neighborhood



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# Cambridge Has a Severe Housing Shortage

- From 1980 to 2019, Cambridge added **45,000 jobs** but only **13,000 units**
- Household sizes have declined (72% of households are 1 or 2 people), but unit sizes remain large, especially in detached/semi-detached houses
  - Many small households have few options to downsize and live in larger units than they need, taking space away from larger households

*“I want Cambridge to expand its housing supply so that there are more units that families and young people can move to. Cambridge has good schools, transit access, job access, etc that should be available to more people.”*

- [Twitter user](#), 1/22/2021

# The Housing Shortage Damages Our Community



[Cambridge Vacant Storefront Database, CDD](#)

*“Every year, at high school graduation, leaders tell CRLS graduates that Cambridge is their home. But we need to add housing so that Cambridge's children have some hope of being able to return to the city they've always been proud to call home.”*

- Public Commenter, 2/17/2021

- People pushed out of Cambridge include municipal employees (teachers, police), church community members, high school graduates, artists, friends, etc.
- **Nearly half of Cambridge residents are rent-burdened;** even those who can stay do not have security for the future
- With rising rents and without more local patrons, local businesses have to work harder to succeed

# Multi-family Housing is Less Expensive



New single detached house  
Listed at \$2,000,000



New condo building  
1BRs selling at \$540,000  
(below market median cost!)



New rental building  
2BRs starting at \$2680/mo  
(below market median rent!)

	<u>Median Price</u> <u>(Mar '20-'21)</u>	<u>Monthly Payment</u> <u>(Zestimate)</u>
Single detached house	\$1,580,000	\$7,678
3BR condo	\$1,062,000	\$4,953
2BR condo	\$806,000	\$3,892
1BR condo	\$561,000	\$2,826

(Source: [Redfin Property Sales Data](#), [Zillow Mortgage Calculator](#))

***“Only broad market affordability will maintain Cambridge as a community for everyone. Cambridge should lead the region to increase local and regional housing supply.”***

*- Envision Cambridge Housing Plan Goals (p. 140)*

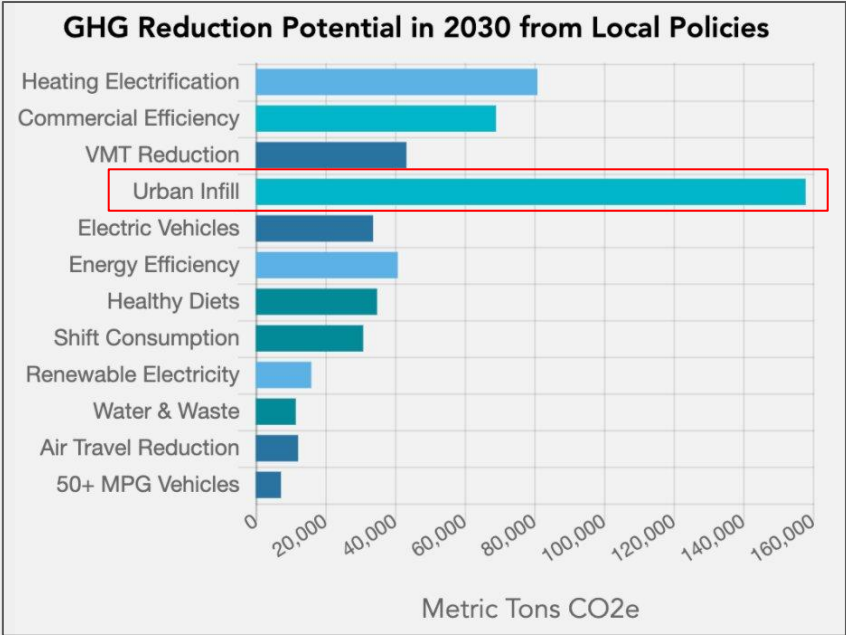


# Existing Affordability Strategies in Cambridge

- **20% Inclusionary Zoning** for large-scale / mixed-use buildings
- **Affordable Housing Overlay** for projects built with public funds by non-profits
- **Down payment assistance** and **HomeBridge** for low-income buyers to access medium-price homes ... if any medium-price homes exist
- **ADU ordinance** has produced 13 housing units since its 2016 update

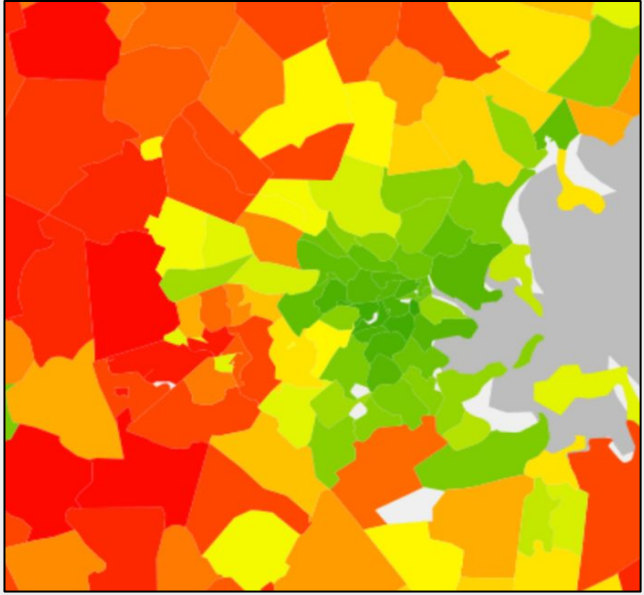
*Currently, Cambridge has no major strategy for bending market housing costs in residential neighborhoods.*

# Housing Policy is Climate Policy



Analysis for Berkeley, CA by the CoolClimate Network at UC Berkeley

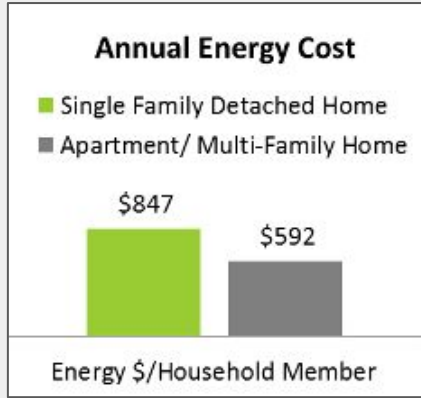
### Greater Boston CO<sub>2</sub> emissions per household



Analysis by the CoolClimate Network at UC Berkeley



# Housing Policy is Climate Policy (contd.)



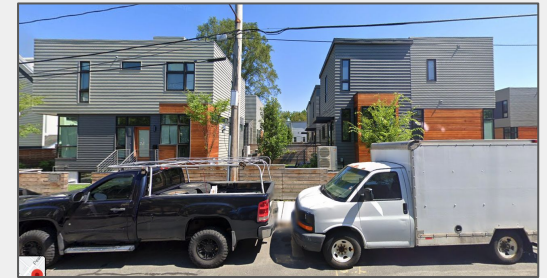
- Attached homes and apartments are **much more energy-efficient** than single detached homes
- Cambridge's housing shortage results in **long car commutes**, which **increase traffic and emissions**
  - ~50% of MA carbon emissions are from transportation (and rising)
- **Many would rather not drive** if they could afford to live in a walkable, transit-oriented neighborhood close to work, family, and community
  - 100% of Cambridge is within ½-mile of bus or T stop

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# Current Zoning Does Not Allow for Growth

- Today, renovations in neighborhoods do not create more units, but instead create **larger, expensive, detached and semi-detached houses**
- Over 80% of neighborhood residential lots are **at or above their unit limits**



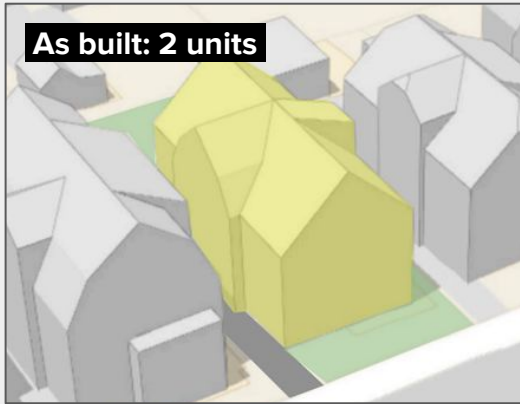


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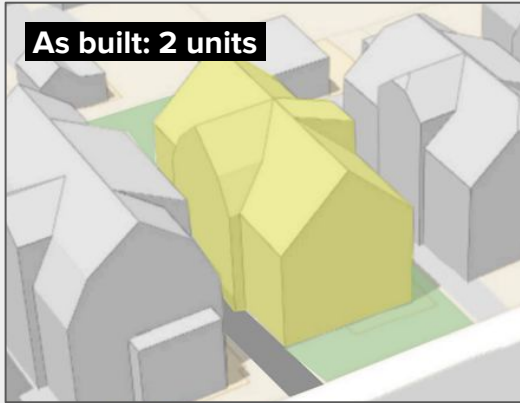


# Current Zoning Does Not Allow for Growth: Example



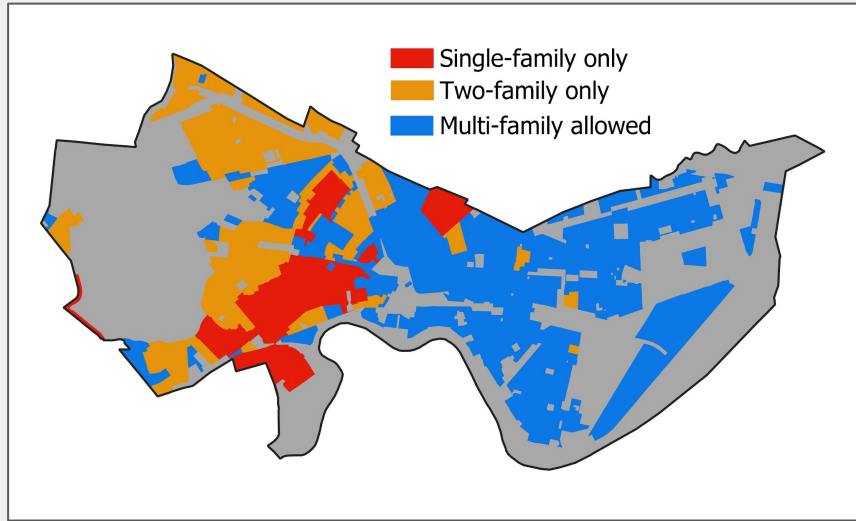
Dimension	# of units	FAR	Lot area per unit	Height	Parking	Side setback
<b>99 Fayerweather St</b>	2	1.07	1875 sqft / unit	37.7'	1 space	5' and 10'
<b>Residence B Standards</b>	Max. 2	Max. 0.5	Min. 2500 sqft / unit	Max. 35'	Min. 2 spaces (1 / unit)	Min. 7'6"

# Current Zoning Does Not Allow for Growth: Example

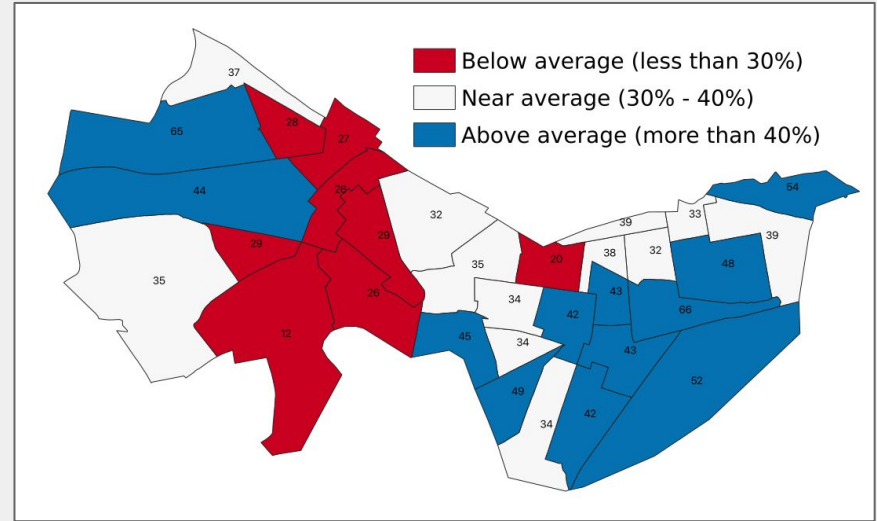


Dimension	# of units	FAR	Lot area per unit	Height	Parking	Side setback
<b>99 Fayerweather St</b>	2	1.07	1875 sqft / unit	37.7'	1 space	5' and 10'
<b>Residence B Standards</b>	Max. 2 <i>(in theory)</i>	Max. 0.5	Min. 2500 sqft / unit	Max. 35'	Min. 2 spaces (1 / unit)	Min. 7'6"

# Apartment Bans Perpetuate a History of Exclusion

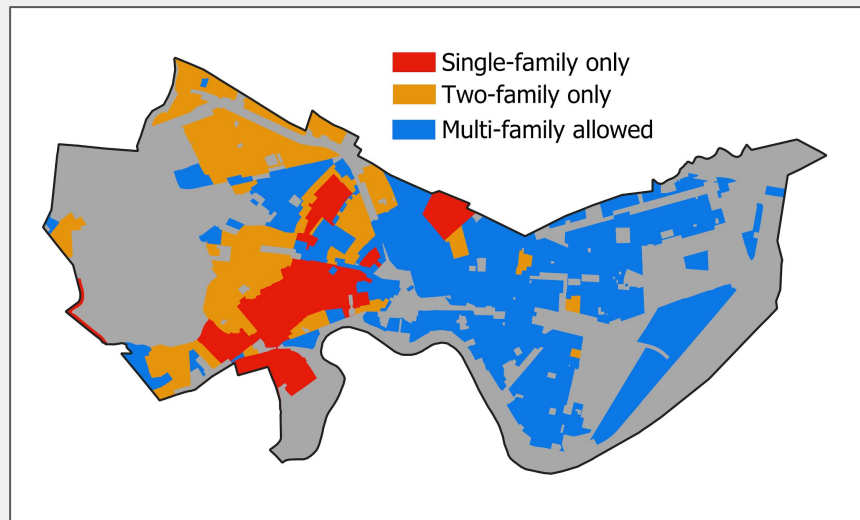


**Bans on new multi-family housing**

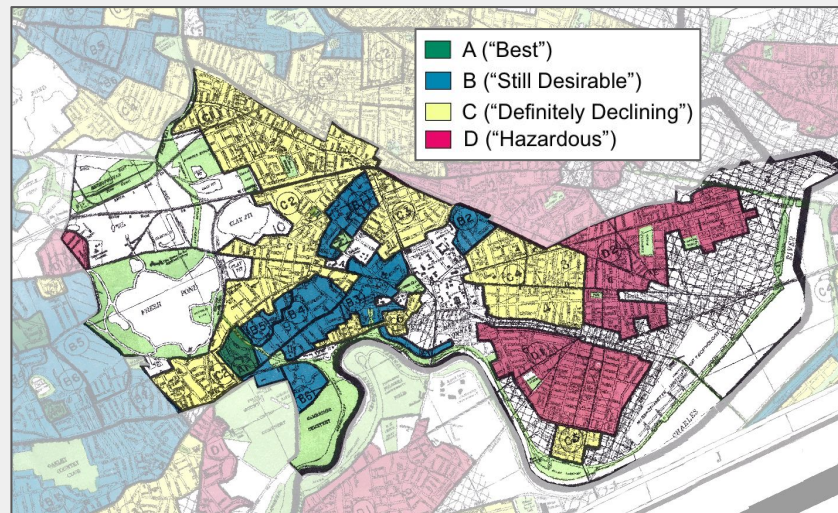


**Percentage of residents of color**

# Apartment Bans Perpetuate a History of Exclusion



**Bans on new multi-family housing**



**1938 "redlining" map of Cambridge**

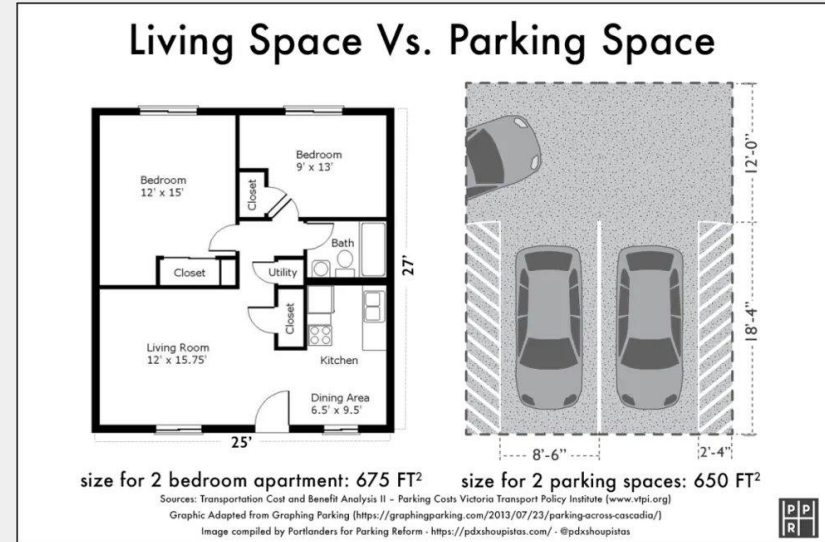


# Parking Minimums Undermine Sustainability Goals

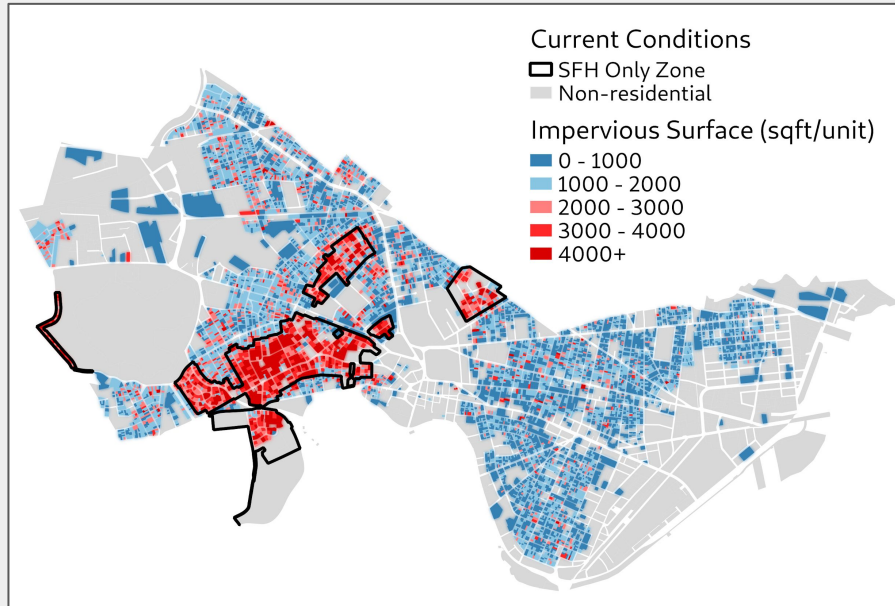
- Cambridge is a great place to live without a car... but zoning **makes residents pay for a parking space even if they don't use one**
- Providing extra off-street parking encourages car ownership



Photo by chensiyuan, [CC BY-SA 4.0](https://creativecommons.org/licenses/by-sa/4.0/), via [Wikimedia Commons](https://commons.wikimedia.org/wiki/File:Cambridge_street_scene.jpg)



# Current Zoning Undermines Climate Resiliency



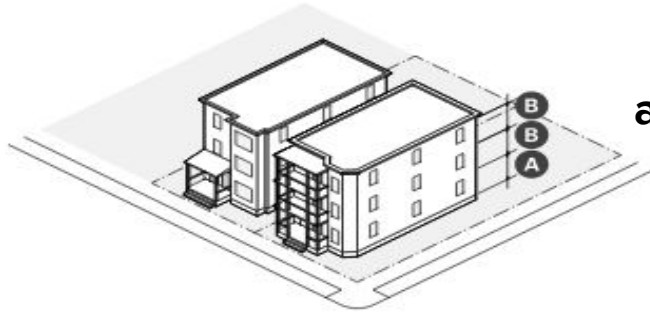
Required off-street parking means **less grass, less trees, and less permeable area**

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# Proposal: Missing Middle Housing for Cambridge

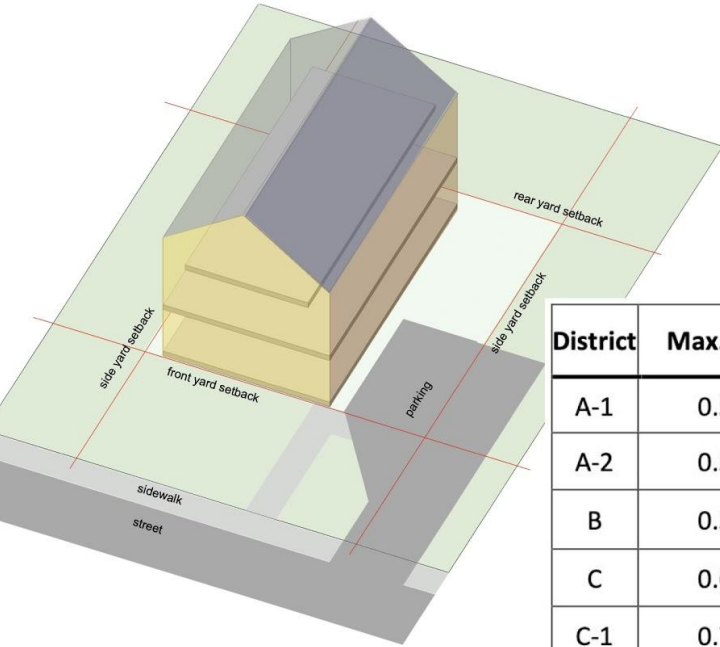
- Create a zoning category for residential neighborhoods that **allows up to three stories of multi-family housing**
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This proposal would **allow three-deckers and townhouses** in every neighborhood



# Dimensional Standards

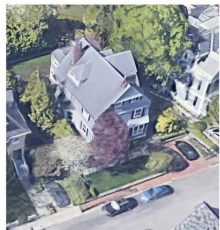


- 1.25 FAR means up to ~40% lot coverage in a rebuild scenario
- Smaller lot size/DU allows for more, smaller, less expensive units
- Smaller setback requirements allows flexibility on small lots

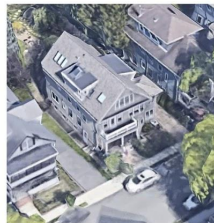
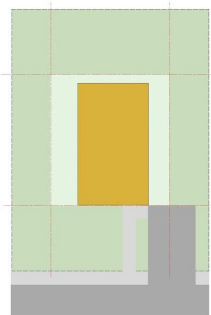
District	Max. FAR	Min. Lot Area/DU	Min. Setback Front Yard	Min. Setback Side Yard	Min. Setback Rear Yard	Max. Height	Min. OS Ratio	Allowed Uses
A-1	0.50	6,000	25	15 sum to 35	25	35	50%	single-family detached dwellings
A-2	0.50	4,500	20	10 sum to 25	25	35	50%	single-family detached dwellings
B	0.50	2,500	15	7.5 sum to 20	25	35	40%	single- and 2-family detached dwellings
C	0.60	1,800	$(H+L) \div 4$ at least 10	$(H+L) \div 5$ $\geq 7.5$ , sum $\geq 20$	$(H+L) \div 4$ at least 20	35	36%	single- and 2-family detached dwellings townhouse dwellings multifamily dwellings
C-1	0.75	1,500	$(H+L) \div 4$ at least 10	$(H+L) \div 5$ at least 7.5	$(H+L) \div 4$ at least 20	35	30%	
N	1.25	500	10' or modal	7.5' or 5**	10'	40' 3 stories	25%	
AHO	2.0	n/a	10' -15' or modal	7.5' or 5'	20'	45' 4 stories	30%	

# Dimensional Standards and Housing Possibilities

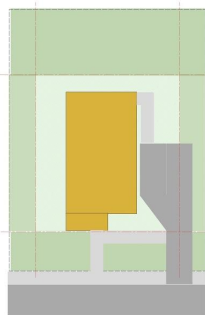
typical housing on medium sized lot (7,500 sf) in different zones



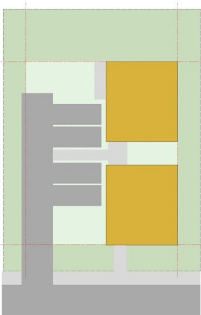
A



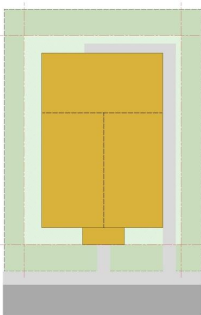
B



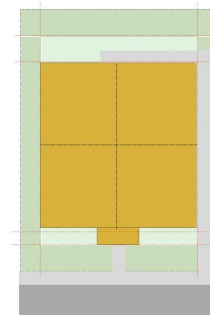
C



N



AHO<sup>(1)</sup>



zoning district	A	B	C	N	AHO <sup>(1)</sup>
number of dwelling units	1	2	4	9	16
size of units (s.f. avg.)	3,200	1,875	1,200	1,000	935
% open space	70	60	45	50	35
impervious surface per unit (s.f.)	1,825	1,100	785	355	240

(1) AHO model presented for scale; due to funding parameters, this lot is likely too small to be feasibly acquired for 100% affordable housing



# Infill Renderings

## 99 Fayerweather St

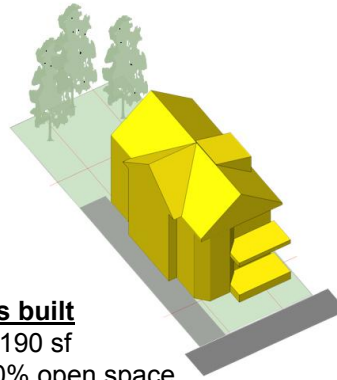
Lot size: 3750 sqft

(close to Cambridge median)

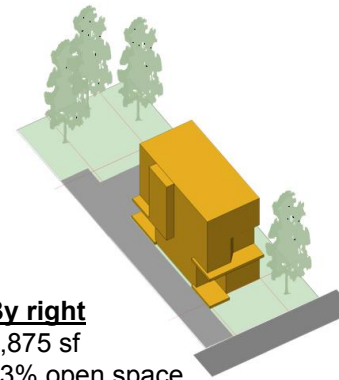
Current zoning: Residence B

### Current "B" zoning

FAR: 0.50  
 Lot area/DU: 2000  
 Max height: 35'  
 Min. OS: 40%  
 Parking: 1/unit



As built  
 3,190 sf  
 40% open space  
 2 units @ 1,700 sf ea  
 1 parking (tandem)



By right  
 1,875 sf  
 43% open space  
 1 unit @ 1,875 sf  
 2 parking

### Proposed "N" zoning

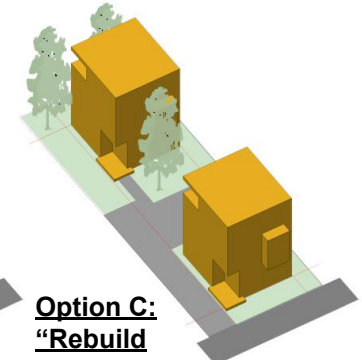
FAR: 1.25  
 Lot area/DU: 500  
 Max height: 40'  
 Min. OS: 25%  
 Parking: n/a



Option A:  
"Addition"  
 4,685 sf  
 25% open space  
 3 units: 2 @ 1,700 sf ea,  
 1 @ 1,285 sf  
 1 parking (existing)



Option B:  
"Rebuild"  
 4,685 sf  
 45% open space  
 6 units @ 780 sf  
 0 parking



Option C:  
"Rebuild w/ parking"  
 3,200 sf  
 28% open space  
 2 units @ 1600 sf  
 2 parking



# Similar Reforms in Other Progressive Cities

- **Minneapolis, MN (2018)**: Approved [MPLS 2040](#) comprehensive plan to allow triplexes everywhere, end residential parking minimums
- **Austin, TX (2019)**: has not ended single-family-only zoning, but passed an “[Affordability Unlocked](#)” program similar to Cambridge’s AHO
- **Portland, OR (2020)**: adopted the [Residential Infill Project](#), allowing fourplexes and ending parking requirements almost everywhere
- **Sacramento, CA (2021)**: Approved [2040 General Plan](#) to end residential parking minimums, allow fourplexes everywhere
- **Berkeley, CA (2021)**: has [ended residential parking minimums](#), is [studying fourplexes everywhere](#) as well as an Affordable Housing Overlay

# Topics for Conversation

- Neighborhood retail districts (O-1, BA-1, BA-3)
- Portland-style “sliding FAR scale” to prevent large single-family homes
- Open space tradeoff vs. parking, infill scenarios

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# MMH Will Activate Affordable Homeownership

- MMH will create **more housing options at lower prices** - putting new units not only within reach for more Cambridge renters and homebuyers, but also within reach for Cambridge's affordable homeownership programs
- MMH will put more homes within reach for city-assisted buyers
  - Homebridge will not buy a unit above e.g. \$550K (for a 2BR buyer at 80% of AMI)
  - There were only 3 Homebridge purchases in 2020
  - Over 50% of CHA mobile voucher holders did not find a unit
- MMH could also pair well with deeper downpayment assistance loan programs (like San Francisco's), or with subsidies for mixed-income projects

# MMH and the AHO complement one another

	Missing Middle Housing	100% Affordable Housing Overlay
<b>Small site</b>	<ul style="list-style-type: none"> <li>• Can be built by contractor or small property owner</li> <li>• No need to apply to agencies for funding</li> </ul>	<ul style="list-style-type: none"> <li>• Limited staff capacity to manage acquisition / funding applications</li> <li>• DHCD / LIHTC eligibility rules impede the use of funds on small projects</li> </ul>
<b>Large site</b>	<ul style="list-style-type: none"> <li>• Inclusionary zoning imposes significant costs at 10+ units</li> <li>• Development not allowed at 12+ units without special permit</li> <li>• FAR of 1.25, 3-story limit not as attractive</li> </ul>	<ul style="list-style-type: none"> <li>• Streamlined, non-discretionary approval process</li> <li>• FAR of 2.0, 4-story limit allows more possibilities</li> </ul>

- We have met with non-profit developers, who concur with us that MMH will not threaten AHO sites



# MMH and Climate Resiliency Zoning

- CRZ Task Force recommendations can build on and strengthen MMH zoning
  - Particularly (3e) “Basement flood protection” and (4b) “Cooling in open space”
  - Ending residential parking minimums gives CRZ more open space to work with
  - Revising open space standards is an opportunity to require greater permeability
- New state climate legislation will allow Cambridge to opt into a net-zero code
  - Hopefully including strong building electrification provisions



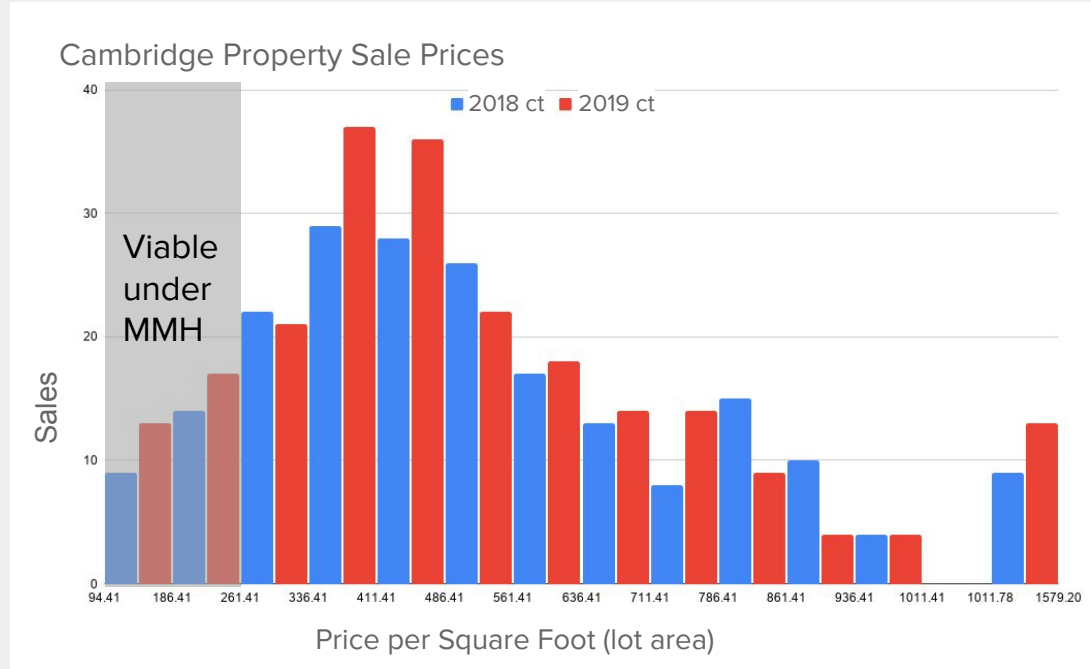
Rain garden in Alewife neighborhood - Credit: Kleinfelder



Green Roof at 23 Sidney Street University Park - Credit: Cambridge Community Development

# MMH and Land Values

- We estimate full redevelopment of a site is only viable under MMH if land can be bought for under \$250/sqft
- Few sales meet this criterion; those that do are quickly redeveloped
- Therefore, we don't think MMH will increase land values significantly or encourage redevelopments not already planned
- MMH will hopefully **encourage infill** and **improve the quality of already-planned redevelopments**





Ending exclusionary neighborhood districts



Activating affordable homeownership programs



Promoting greener, less car-dependent housing



Zoning for more units, rather than larger units



Creating more housing options at lower prices



Reducing traffic congestion and carbon emissions





**Thank You!**

Cambridge Missing Middle Housing

[CambridgeMMH.org](https://CambridgeMMH.org)

# Appendix A

## Land Value / Viability Analysis

# Viability exploration: background / methodology

- What makes a redevelopment project viable under MMH?
- Assume profit maximizing effort:
  - 1.25 FAR without running out of room on the site (so must be a moderate sized site)
  - Developing more units, but fewer than 10 (IZ increases costs by 30%)
- What is the maximum viable acquisition cost?
  - Assume a 10k square foot lot
  - Building 9 units
  - Selling at \$850/sqft (new construction/refurb sales price in most neighborhoods)





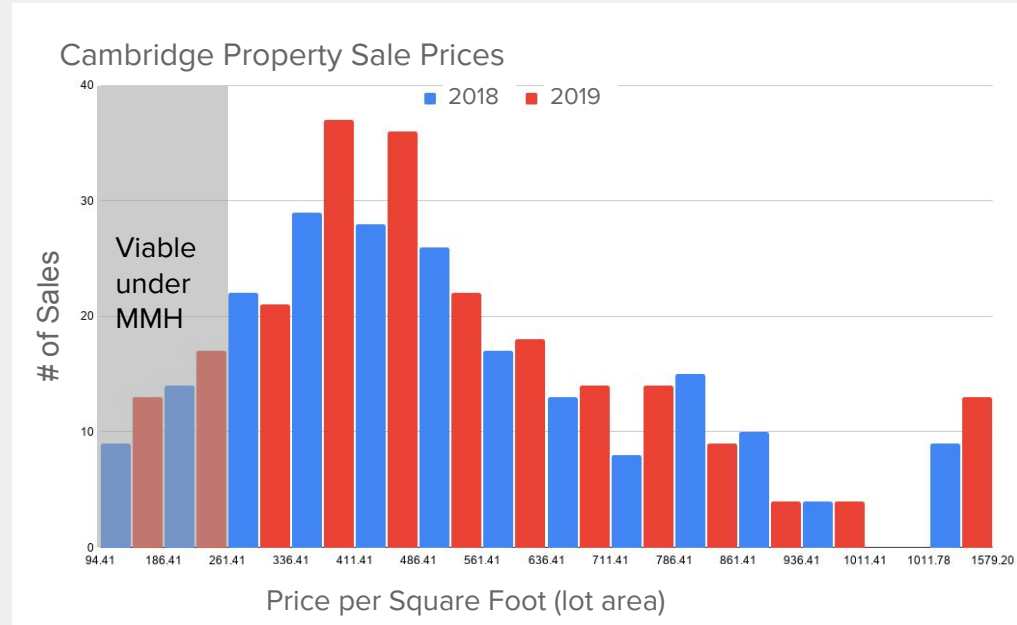
# Cost/Value Estimate

- 9 unit, 5 2BR, 4 1BR, 11.5k square feet built area - \$3.9M construction costs
- Construction financing: \$500k interest
- Financing cost: \$700k
- Net Project value: \$7.6M proceeds
- Maximum land value:
  - \$3.9M (construction cost) +
  - \$700k (financing cost) +
  - \$500k (loan interest) =
  - \$5.1M total cost
  - \$7.6M net proceeds
  - **\$2.5M maximum acquisition price**
- **Maximum viable acquisition cost/sqft: \$250**



# Land Prices in Cambridge

- ~90% of sales in residential zones in Cambridge in 2019 are more than \$250/sqft (198/225)
- Median sale price is \$455/sqft
- No strong correlation between type of housing: instead, mostly driven by “is this recently redeveloped?”
  - Some of the most expensive per square foot of lot are large single detached lots!



# Appendix B

## Examples of Recent Down-conversions

# 9-11 Jackson St: Demolition and new construction. PB special permit.

BEFORE: 3 units

Purchase price: \$550K/unit

Avg unit size: 471 sqft



AFTER: 2 units

Sale price: \$1.6M/unit.

Avg unit size: 1425 sqft



## 46 Mt. Vernon St: Interior renovation. By right.

BEFORE: 6 units  
Purchase price: \$600k/unit  
Avg unit size: 987 sqft



AFTER: 2 units  
Sale price: \$2.65M/unit  
Avg unit size: 2470 sqft



## 27 Walden St: Interior renovation. By right.

BEFORE: 3 units  
Purchase price: \$800k/unit  
Avg unit size: 1811 sqft



AFTER: 2 units  
Sale price: \$2.4M/unit  
Avg unit size: 3464 sqft



# Appendix C

## Impact of Parking on Car Ownership



# Effects of Parking Provision on Driving

- A 2015 [study](#) of parking provision to automobile mode share shows strong correlation
- Study of 9 towns, including Cambridge, over 40 years
- Study determined “Parking provision in cities is a likely cause of increased driving among residents and employees”

