



To: Cambridge City Council

From: Richard C. Rossi, City Manager

Date: August 30, 2016

RE: Notice regarding an anonymous flyer with misleading information about inclusionary housing changes

It has come to the City's attention that a flyer has been distributed anonymously to members of the Cambridge community. We do not know who sent or who received the flyer, or how widely it was circulated, but have prepared the questions below to share accurate information and to address misleading statements presented in the flyer which could cause unnecessary concern.

1. Is the City making changes to its Inclusionary Housing policy?

Yes, the City is looking to update its Inclusionary Housing provisions, which have not been revised since their adoption in 1998. The City commissioned a study to review the current provisions and make recommendations for changes. The completed study was provided to the City Council in April 2016 and made available publicly at that time.

2. Who will be affected by these changes?

Inclusionary housing only applies to new housing where 10 or more new units are created, or 10,000 square feet or more of new residential area is created. No change to these thresholds are being recommended.

3. Are single family, one-, two-, and three-unit properties impacted by this?

No.

4. Will this impact other existing multi-family housing buildings?

Changes being discussed would not impact occupied multi-family buildings except that, if adopted, the amended inclusionary provisions of the ordinance would apply to existing multi-family buildings that have been 100% vacant for two years or longer.

5. What is the current Inclusionary policy?

Under the current Inclusionary provisions, developers of new residential buildings must set aside between 11.5 and 15% of units as affordable housing. A 30% density bonus is provided to the property owner.

6. What updates are being considered?

The primary recommendation is to increase the affordability set-aside ratio to a net 20% of units and/or floor area in new residential developments. In addition, there are programmatic recommendations such as increasing the income limit for affordable homeownership units and encouraging the creation of family-sized housing.

7. Will the City still offer a density bonus?

Yes, the existing 30% density bonus will remain. In addition, the City has asked developers and the business community to suggest other zoning changes which could allow them to take better advantage of the density bonus when designing their buildings. Suggestions received will be considered.

8. Are the units put in a Trust for low-income residents?

Inclusionary housing units are affordable to low and moderate income households. Rental inclusionary units are owned and managed by the property owners. The City works with the owners to identify eligible tenants and homebuyers for the affordable units. Home-ownership inclusionary units are owned by homebuyers who qualify as low and moderate income households.

9. How might land prices be affected?

Land prices will continue to reflect the market and are impacted by many variables including the City's Zoning Ordinance which regulates what can be built on a property and what uses or activities can take place in certain districts. As with any change in zoning, it is possible that the increased inclusionary standards could cause a change in demand for land with residential development potential. Competition for residential development sites has never been more intense and increases in land prices in recent years reflect the demand among many developers. The extent of any change and any impact on value will be evaluated over time.

Where can I get more information?

The City has created a page on its website to share updates and information on the process:
<http://www.cambridgema.gov/CDD/Projects/Housing/inclusionaryhousingstudy>

Residents are welcome to attend and comment at hearings being held to discuss changes to the City's inclusionary housing policy. As you know, the Housing Committee is currently discussing this and the next Housing Committee meeting is scheduled for this afternoon at 5:30 pm in the Sullivan Chamber in City Hall.

A zoning amendment will be prepared based on the Housing Committee's recommendations. This will be discussed at the Ordinance Committee, the Planning Board, and the City Council. There will be additional opportunities for public comment in each of these venues.