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## CITY OF CAMBRIDGE

Community Development Department

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### **IRAM FAROOQ**

*Assistant City Manager for  
Community Development*

### **SANDRA CLARKE**

*Deputy Director/  
Chief of Administration &  
operations*

### MEMORANDUM

**To:** Louis A. Depasquale, City Manager  
**From:** Iram Farooq, Assistant City Manager for Community Development;  
Nancy E. Glowa, City Solicitor  
**Date:** November 16, 2016  
**Re:** Zoning Amendment with Recommended Changes to the Inclusionary  
Housing Provisions

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Attached please find a draft zoning petition which would amend the Inclusionary Housing provisions in Section 11.200 of the Zoning Ordinance. These suggested revisions are based on discussions and recommendations of the Housing Committee of the City Council, including in part the recommendations of the Inclusionary Housing Study which was completed in April 2016 by the City's consultants David Paul Rosen & Associates. The Housing Committee held six public hearings between May and September to review and discuss the Inclusionary Housing Study, subsequent policy recommendations made by the Cambridge Affordable Housing Trust, and comments and ideas from the business community and other members of the community.

Key points proposed in the petition address the Housing Committee's recommendations, including:

- Increasing the affordable unit set-aside ratio from the current requirement of approximately 11-12% of units, after application of the density bonus, to a net of 20% of the total unit floor area in new inclusionary housing developments. The revised standard would initially increase to 15% of the total dwelling unit net floor area, and then increase to 20% of the total dwelling unit net floor area for developments receiving permits after June 30, 2017;
- Creating opportunities for larger affordable units to be built by making compliance with the new standards based on the amount of affordable housing floor area provided within a development, rather than the number of affordable units. Affordable units will continue to be comparable to market units; however, developments may then meet the new standard with fewer but larger affordable units that have more bedrooms;
- Requiring that affordable units for families be created in developments of 50,000 square feet or larger, where at least 20% of the affordable dwelling unit net floor area shall be devoted to units with at least three bedrooms. Developers may also choose to include more family-sized units, and/or to create family-sized units within affordable floor area in smaller developments;

- Creating a provision through which contributions would be made to the Cambridge Affordable Housing Trust in cases where the required affordable dwelling unit net floor area cannot be completely accommodated in a building (i.e. “fractional units”), and setting the standard for that contribution to be based on the amount of subsidy needed to create an equivalent amount of affordable floor area in a project assisted by the Affordable Housing Trust;
- Increasing income eligibility for homeownership affordable units to 100% of the Area Median Income (AMI) and targeting homeownership affordable units to households at 90% of AMI. Eligibility for rental affordable units remains at 80% of AMI;
- Maintaining payments for affordable units based on 30% of household income. However, for studio units, payments for affordable units will be based on 25% of household income, so studio units are a more affordable option than one-bedroom units;
- Applying these Inclusionary Housing provisions to residential properties of 10 or more units or 10,000 or more square feet that are being occupied or restored after having been vacant for at least two years;
- Removing the Special Permit requirement for smaller projects (i.e. less than 10 units and 10,000 square feet) to make it less burdensome for property owners to choose to voluntarily create new affordable units in smaller developments and benefit from the allowable increase in density;
- Providing that the City shall review the impacts of these changes with further studies and analysis for the City Council 5 years from the date changes are made.

The draft petition retains the following provisions of the current Inclusionary Housing provisions:

- Inclusionary Housing projects would continue to benefit from a 30% increase in allowable floor area and dwelling unit density;
- Inclusionary Housing provisions would continue to apply to residential projects with at least 10 units or 10,000 square feet of gross floor area;
- Affordable units would continue to be reasonably distributed throughout a project, and would continue to be of a similar size, configuration, quality, and materials to comparable market units within the project, except as noted above under provisions to create units with three-bedrooms.

We have reviewed the recommendations submitted to the Housing Committee by the Cambridge Chamber of Commerce and have included the following components in response to those ideas:

- Applicability – language that confirms that this petition would apply to projects that have not been issued a special permit, or (if no special permit is required) a building permit before the date this petition is first advertised;
- Amendments to a PUD Special Permit Final Development Plan – language which allows an owner with an approved PUD special permit for a PUD project that is not yet complete to seek from the Planning Board an amendment for changes to the Final Development Plan which do not reduce the amount of residential floor area to be built or permit any additional non-residential floor area, and which, if approved, would allow the project to move forward subject to the Inclusionary Housing Provisions in effect at the time of the approval of the PUD Special Permit;
- Family-Size Units – provisions related to three-bedroom units are based on a proposal put forth by the Chamber.

We have also used this opportunity to make a comprehensive review of the Inclusionary Housing provisions to make them clearer and have incorporated into the draft petition key components of the inclusionary program which have been recommended by the Affordable Housing Trust over the years and have been administered by CDD, including:

- Income eligibility range of 50% to 80% of AMI for applicants without rental subsidies who are applying for rental affordable units;
- Annual income verification required for residents in rental affordable units;
- Monthly rent shall include utilities and other fees routinely charged to tenants as approved by CDD;
- Rent provisions which allow income eligibility to increase to 100% of AMI upon annual income verification for renters before renters then transition to a market unit or owners identify an alternate affordable unit after one year;
- Rent provisions which apply to renters whose income falls below 40% of AMI upon annual income verification, and which set rent for these tenants at an amount affordable to a household whose household income is 40% of AMI.

We have also clarified in the petition the role of CDD in setting policies, standards and procedures appropriate for the Inclusionary Housing provisions, authorized the Assistant City Manager for Community Development to promulgate regulations for the

implementation of the provisions, and clarified the role of the Affordable Housing Trust in providing advice in these areas.

We are pleased to present this draft petition and move forward the discussion of changes to the City's Inclusionary Housing Provisions of the Zoning Ordinance. We think this comprehensive overhaul of the Inclusionary Housing Provisions will carry out the recommendations of the DRA study, the Affordable Housing Trust, and the Housing Committee and will position this essential affordable housing tool to serve the City well for years to come.

We recommend that this petition be forwarded to the City Council with the recommendation that it be filed as a City Council petition and referred to both the Ordinance Committee and Planning Board for public hearings.

**1. Add the following definitions to Article 2.000 (in appropriate alphabetical locations):**

**Area Median Income (AMI).** The Housing Area Median Family Income set forth in or calculated from regulations promulgated by the United States Department of Housing and Urban Development pursuant to Section 8 of the Housing Act of 1937, as amended by the Housing and Community Development Act of 1974, determined for the Boston-Cambridge-Quincy, MA-NH Metropolitan Statistical Area and adjusted for family size, or if such income standard no longer exists, such other equivalent income standard determined by the Community Development Department with the advice of the Affordable Housing Trust.

**Dwelling Unit, Affordable.** A dwelling unit for which occupancy is restricted to an Eligible Household and whose rent or initial sale price is established by (a) in the case of an Affordable Dwelling Unit in an Inclusionary Housing Project provided pursuant to Section 11.203.2, the provisions set forth in Sections 11.203.3 and 11.203.4, or (b) standards set forth in another applicable city, state, or federal housing program for Eligible Households.

**Dwelling Unit, Family-Sized.** A dwelling unit that contains three or more bedrooms and not less than one thousand one hundred (1,100) square feet of Dwelling Unit Net Floor Area.

**Dwelling Unit, Studio.** A dwelling unit in which there is no bedroom separated by a door or a change in story from the other living area, such as a living room and kitchen, within the dwelling unit.

**Eligible Household.** A household whose gross household income does not exceed (a) in the case of an Affordable Dwelling Unit in an Inclusionary Housing Project provided pursuant to Section 11.203.2, the amounts set forth in Section 11.203.4, or (b) amounts set forth in another applicable city, state, or federal housing program.

**Floor Area, Dwelling Unit Net.** Floor area contained within dwelling units or single rooms in a lodging house excluding common areas, such as lobbies, hallways, elevator cores, amenity spaces, common storage areas or parking facilities, exterior walls, walls dividing dwelling units from each other, or walls dividing dwelling units from common areas, or unenclosed spaces such as open-air porches, balconies, or decks.

**Incentive Project** Any new development that consists of at least thirty thousand (30,000) square feet of Gross Floor Area devoted to one or more of the following uses listed in Section 4.30 of the Zoning Ordinance: Sections 4.31 i-1 (Hotel or motel), 4.32 f (Radio and television studio), 4.33 b-5 (College or University not exempt by statute, specifically including those uses and facilities listed in Subsection 4.56 c-4, c-5, and c-6), 4.33 c (Noncommercial Research Facility), 4.33 d (Health Care Facilities), 4.33 e (Social Service Facilities), 4.34 (Office and Laboratory Use), 4.35 (Retail Business and Consumer Service Establishments), 4.36 (Open Air or Drive In Retail Service), 4.37 (Light Industry, Wholesale Business and Storage), and 4.38 (Heavy Industry). For the purpose of

this definition, new development shall mean (1) construction of new buildings or additions to existing buildings to accommodate uses in the above list, (2) substantial rehabilitation of buildings to accommodate uses in the above list for which the buildings were not originally used, or (3) Gross Floor Area whose use is changed from a use not included in the above list to a use included in the above list. In no case shall Gross Floor Area devoted to a Municipal Service Facility or Other Government Facility be considered an Incentive Project.

***Inclusionary Housing Project.*** Any development of detached single-family, two-family, multifamily, and townhouse housing, elderly oriented congregate housing, and lodging houses as set forth in Sections 4.31 a-h and i-3, or development which includes any such residential use and at least one non-residential use, that creates at least ten (10) dwelling units or at least ten thousand (10,000) square feet of residential Gross Floor Area on one (1) lot or Development Parcel or two (2) or more adjoining lots in common ownership or under common control at any time within five (5) years following the first date of application for any special or building permit for development on the lot or lots or at any time within the twelve (12) months immediately preceding the first date of application for any special or building permit. For the purpose of this definition, development shall include (1) construction of new buildings or additions; (2) increasing the number of dwelling units or amount of residential Gross Floor Area within an existing residential building; (3) occupancy of existing buildings which have not been used for any residential use for a period of at least two (2) years; or (4) conversion of Gross Floor Area in existing buildings from non-residential to residential use. Development of fewer than ten (10) dwelling units and fewer than ten thousand (10,000) square feet of residential Gross Floor Area may be an Inclusionary Housing Project where the owner chooses voluntarily to comply with the provisions of Section 11.203.

## ***2. Delete the existing Sections 11.200 to 11.206 and replace with new Sections 11.200 to 11.206 as set forth below:***

### **11.200 INCENTIVE ZONING AND INCLUSIONARY HOUSING**

#### **11.201 Purposes.**

The purposes of Sections 11.200 to 11.206 are to promote the public health, safety, and welfare by accommodating the expansion of commercial and residential opportunities throughout the city; by providing for a full range of housing choices throughout the City for households of all incomes, ages, and sizes in order to meet the City's goal of preserving diversity by mitigating the impacts of commercial and residential development on the availability and cost of housing and especially housing affordable to low and moderate income households; by increasing the production of affordable housing to meet anticipated housing and employment needs throughout the city; by providing a mechanism through which commercial and residential development can contribute in a direct way to increasing the supply of affordable housing in exchange for a greater density or intensity of development than that otherwise permitted as a matter of right; and by establishing

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## Proposed Zoning Amendments for Inclusionary Housing

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standards for the use of such contributions from the application of incentive zoning and inclusionary housing provisions.

**11.202 Incentive Zoning.** The developer or owner of an Incentive Project shall make a Housing Contribution in accordance with this Section 11.202.

- (a) *Calculation of Housing Contribution.* The Housing Contribution shall be calculated by multiplying the Gross Floor Area devoted to the uses that qualify the new development as an Incentive Project by the Housing Contribution Rate effective at the time the Superintendent of Buildings issues the first building permit for the Incentive Project. If a building permit is not required, the Housing Contribution Rate shall be the rate effective at the time the Housing Contribution is provided.
- (b) *Housing Contribution Rate.* The Housing Contribution Rate effective on September 28, 2015 shall be twelve dollars (\$12.00) per square foot of Gross Floor Area devoted to the uses that qualify the new development as an Incentive Project. The effective rate shall be subject to annual escalation equal to annual percentage increases in the Consumer Price Index (CPI) Housing Index for Boston-Brockton-Nashua, MA-NH-ME-CT or similar index to reflect changes in dollar values over time; however, annual decreases in CPI shall not cause the contribution rate to be decreased. In addition, on September 28 each year from 2016 to 2018 inclusive, the Housing Contribution Rate shall increase by one dollar (\$1.00). The table below sets forth the Housing Contribution Rate over time.

Effective Date	Housing Contribution Rate
September 28, 2015	\$12.00 per square foot.
September 28, 2016 (Annual Adjustment)	\$13.00 per square foot.
November 16, 2016 (CPI Adjustment)	\$13.50 per square foot.

- (c) *Timing of Payment.* The developer or owner of an Incentive Project shall provide the Housing Contribution to the Managing Trustee of the Affordable Housing Trust or its designee, who shall certify to the Superintendent of Buildings that the requirements of this Section are met prior to issuance of a certificate of occupancy for the Incentive Project. If the Gross Floor Area of an Incentive Project is subsequently increased accommodating uses that qualify as Incentive Project uses, then notwithstanding the size of the increase, a Housing Contribution calculated in the manner set forth in this Section shall be provided for every square foot of that increase.
- (d) *Reevaluation of Housing Contribution Rate.* The City shall initiate a reevaluation of the Housing Contribution Rate and any other aspect of these Incentive Zoning Provisions at an interval of no less than three (3) years from the time the rate was last amended by the City Council. Such reevaluation shall include a report provided to the City Council reviewing economic factors including but not limited to development activity, commercial rents per square foot, employment growth, housing trends measured in terms of, but not limited to, vacancy rates, production statistics, and prices for dwelling units, and the nexus between Incentive Projects and housing.

**11.203 Inclusionary Housing.****11.203.1 Applicability.**

- (a) Except as otherwise provided, this Section 11.203 shall apply in all zoning districts throughout the city.
- (b) The requirements of this Section 11.203 shall apply to any Inclusionary Housing Project issued a special permit or, if no special permit has been issued, a building permit on or after \_\_\_\_\_ (the date of the first advertisement of the most recent amendment to this Section 11.203).
- (c) Any Inclusionary Housing Project issued a special permit or, if no special permit has been issued, a building permit prior to \_\_\_\_\_ (the date of the first advertisement of the most recent amendment to this Section 11.203) shall be subject to the Inclusionary Housing requirements then applicable on the date the special permit or building permit was issued, whichever is earlier.
- (d) Any Inclusionary Housing Project issued a Special Permit for a Planned Unit Development by the Planning Board prior to \_\_\_\_\_ (the date of the first advertisement of the most recent amendment to this Section 11.203) but which has not obtained certificates of occupancy for all phases of the project as permitted under the Final Development Plan may apply to the Planning Board for an amendment to the Final Development Plan and, if such amendment is granted, shall be subject to the Inclusionary Housing provisions then in effect upon the date of issuance of the Planned Unit Development Special Permit, so long as there is no increase of Gross Floor Area except Gross Floor Area devoted exclusively to residential uses and there is no decrease of the total amount of approved residential Gross Floor Area.

**11.203.2 Inclusionary Housing Requirement.**

- (a) For Inclusionary Housing Projects issued a special permit or, if no special permit has been issued, a building permit on or after \_\_\_\_\_ (the date of the first advertisement of the most recent amendment to this Section 11.203) but on or before June 30, 2017, fifteen percent (15%) of the total Dwelling Unit Net Floor Area within the project shall be devoted to Affordable Dwelling Units.
  - (b) For Inclusionary Housing Projects issued a special permit or, if no special permit has been issued, a building permit after June 30, 2017, twenty percent (20%) of the total Dwelling Unit Net Floor Area within the project shall be devoted to Affordable Dwelling Units.
  - (c) The City shall initiate a reevaluation of the Inclusionary Housing Requirement at an interval of no less than five (5) years from the time the Inclusionary Housing Requirement was last amended. Such reevaluation shall include a report provided to the City Council reviewing factors such as changes in demographic characteristics and residential development activity, housing trends measured in terms of, but not limited to, vacancy rates, production
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statistics, prices for dwelling units, and affordability, and the relationship between Inclusionary Housing Projects and all housing in Cambridge.

**11.203.3 Standards for Providing Affordable Dwelling Units Created through Inclusionary Housing.**

- (a) Affordable Dwelling Units shall be provided on-site.
- (b) Affordable Dwelling Units shall be similar in size, layout, construction materials, fixtures, amenities, and interior and exterior finishes to comparable non-Affordable Dwelling Units in the project.
- (c) Affordable Dwelling Units shall have similar access to common areas, facilities, and services as that enjoyed by comparable non-Affordable Dwelling Units in the project including but not limited to outdoor spaces, amenity spaces, storage, parking, bicycle parking facilities, and resident services.
- (d) Affordable Dwelling Units shall be dispersed throughout the project rather than concentrated on particular floors, within sections of a building, or within particular buildings in a project with multiple buildings.
- (e) Except as specified below for Family-Sized Dwelling Units, the proportionate amounts of Affordable Dwelling Units defined by size and number of bedrooms within the total amount of Affordable Dwelling Units shall be similar to the proportionate amounts of non-Affordable Dwelling Units defined by size and number of bedrooms within the total amount of non-Affordable Dwelling Units in the project.
- (f) The ratio of Family-Sized Affordable Dwelling Units to all Affordable Dwelling Units shall be greater than or equal to the ratio of non-Affordable Family-Sized Dwelling Units to all non-Affordable Dwelling Units in the project, notwithstanding that in some cases this may result in a smaller proportion of Affordable Dwelling Units that are not Family-Sized Dwelling Units in the project and a smaller proportion of total Affordable Dwelling Units in the project in order to meet the required percentage of Dwelling Unit Net Floor Area devoted to Affordable Dwelling Units in the project.
- (g) Townhouse or multifamily residential projects of at least fifty thousand (50,000) square feet of Gross Floor Area shall have at least twenty percent (20%) of their total Affordable Dwelling Unit Net Floor Area devoted to Family-Sized Affordable Dwelling Units regardless of the proportion of non-Affordable Family-Sized Dwelling Units within the non-Affordable Dwelling Units in the project.
- (h) The ratio of rental to owner-occupied Affordable Dwelling Units shall mirror the ratio of rental to owner-occupied non-Affordable Dwelling Units in the project except that no Affordable Dwelling Units shall be rental Affordable Dwelling Units where a majority of all dwelling units in the project are initially offered for sale.
- (i) In cases where the owner and the Community Development Department agree that the above standards, as applied, result in a total Dwelling Unit Net Floor Area of all Affordable Dwelling Units that is less than the Affordable Dwelling Unit Net Floor Area required to be provided pursuant to the Inclusionary Housing Requirement, the remainder of the Inclusionary Housing Requirement shall be met through a monetary contribution to the

Affordable Housing Trust equal to the amount of subsidy necessary to create an equivalent amount of Affordable Dwelling Unit Net Floor Area in a project assisted by the Affordable Housing Trust. The Affordable Housing Trust shall periodically provide to the Community Development Department a report on projects it has assisted from which the Community Development Department shall calculate the amount of subsidy necessary to create a square foot of Dwelling Unit Net Floor Area in an affordable housing project assisted by the Affordable Housing Trust. Such calculation may be adjusted by the Community Development Department from time to time. Prior to issuance of a building permit for the project, the Community Development Department shall multiply the calculated per-square-foot amount by the outstanding Affordable Dwelling Unit Net Floor Area necessary to satisfy the Inclusionary Housing Requirement to determine the necessary monetary contribution, which shall be made prior to the issuance of any certificate of occupancy for the project.

**11.203.4 Standards for Eligibility, Rent, Initial Sale Price, and Parking Fees for Affordable Dwelling Units Created through Inclusionary Housing.**

- (a) Affordable Dwelling Units shall be rented or sold only to Eligible Households, with preference given to Cambridge residents, in accordance with policies, standards, and procedures related to selection, asset limits, and marketing established by the Community Development Department.
  - (b) Affordable Dwelling Units shall be created and conveyed subject to recorded covenants guaranteeing the permanent availability of the Affordable Dwelling Units for Eligible Households.
  - (c) For rental Affordable Dwelling Units:
    - (i) The gross household income of an Eligible Household upon initial occupancy shall be at least fifty percent (50%) and no more than eighty percent (80%) of AMI. A gross household income less than fifty percent (50%) of AMI may be permitted in the case of an Eligible Household having a rental subsidy allowing it to pay a rent equivalent to that paid by an Eligible Household with a gross household income within the range set forth above.
    - (ii) Rent, including utilities and any other fees routinely charged to tenants and approved by the Community Development Department, shall not exceed thirty percent (30%) of the gross household income of the Eligible Household occupying the Affordable Dwelling Unit, except that in the case of Affordable Studio Dwelling Units, rent shall not exceed twenty-five percent (25%) of the gross household income of the Eligible Household occupying the Affordable Dwelling Unit.
    - (iii) After initial occupancy, the gross household income of an Eligible Household shall be verified annually to determine continued eligibility and rent, in accordance with policies, standards, and procedures established by the Community Development Department.
    - (iv) An Eligible Household may continue to rent an Affordable Dwelling Unit after initial occupancy even if the Eligible Household's gross household income exceeds eighty percent (80%) of AMI, but if the Eligible Household's gross household income exceeds
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one hundred percent (100%) of AMI, or a percentage promulgated in a regulation by the Community Development Department from time to time, for more than one year after that Eligible Household's gross household income has been verified to exceed such percentage, the dwelling unit shall no longer qualify as an Affordable Dwelling Unit and either the dwelling unit must be rented to a new Eligible Household or a comparable non-Affordable Dwelling Unit in the project must become an Affordable Dwelling Unit.

- (v) An Eligible Household may continue to rent an Affordable Dwelling Unit after initial occupancy even if the Eligible Household's gross household income falls below fifty percent (50%) of AMI, but the Eligible Household shall pay a rent that is no less than thirty percent (30%) of forty percent (40%) of AMI or, in the case of an Affordable Studio Dwelling Unit, the Eligible Household shall pay a rent that is no less than twenty-five percent (25%) of forty percent (40%) of AMI.
  - (vi) Where an optional parking fee exists, it shall not exceed the lesser of the following amounts for Affordable Dwelling Units:
    - (1) an amount calculated by applying to the rent of the Affordable Dwelling Unit the ratio of optional parking fee to rent for comparable non-Affordable Dwelling Units with the lowest non-affordable rent in the project, or
    - (2) an amount which, when added to the rent for an Affordable Dwelling Unit, shall not exceed thirty-three percent (33%) of the renting Eligible Household's gross household income or, in the case of an Affordable Studio Dwelling Unit, twenty-eight percent (28%) of the renting Eligible Household's gross household income.
  - (vii) Notwithstanding the requirements set forth in (i) through (vi) above, an owner may voluntarily choose to charge a lower rent than as provided herein for Affordable Dwelling Units or to rent Affordable Dwelling Units to Eligible Households with lower gross household incomes than as provided herein.
- (d) For owner-occupied Affordable Dwelling Units:
- (i) The gross household income of an Eligible Household upon initial occupancy shall be no more than one hundred percent (100%) of AMI.
  - (ii) The initial sale price of an Affordable Dwelling Unit shall be determined to ensure that the monthly housing payment (which shall include debt service at prevailing mortgage loan interest rates, utilities, condominium or related fees, insurance, real estate taxes, and parking fees, if any) shall not exceed thirty percent (30%) of ninety percent (90%) of monthly AMI, except that in the case of an Affordable Studio Dwelling Unit, the monthly housing payment shall not exceed twenty-five percent (25%) of ninety percent (90%) of monthly AMI.

**11.203.5 Relaxation of Dimensional Requirements for Inclusionary Housing Projects.**

The following relaxations of the dimensional requirements in any zoning district, including base or overlay zoning districts, shall be permitted as-of-right for an Inclusionary Housing Project:

- (a) The Gross Floor Area permitted by the applicable zoning may be increased by thirty percent (30%), as long as such additional Gross Floor Area is used for residential uses not including hotel or motel use.
- (b) The number of dwelling units permitted by the applicable zoning through rules for minimum lot area per dwelling unit or other applicable rules may be increased by thirty percent (30%).
- (c) The additional Gross Floor Area or dwelling units permitted herein shall not be counted toward the determination of any applicable threshold triggering the requirement of a special permit, including but not limited to Section 19.20 Project Review Special Permit, Section 4.26 Multifamily Special Permit, and Section 11.10 Townhouse Development Special Permit.

**11.204 *Implementation of Incentive Zoning and Inclusionary Housing.***

- (a) The Assistant City Manager for Community Development shall have the authority to promulgate regulations for the implementation of the provisions of Sections 11.200 to 11.206.
- (b) The Community Development Department may develop policies, standards, and procedures appropriate to and consistent with the provisions of Sections 11.200 to 11.206.

**11.205 *Enforcement of Incentive Zoning and Inclusionary Housing.***

The Community Development Department shall certify in writing to the Superintendent of Buildings that all applicable provisions of Sections 11.200 to 11.206 have been met before issuance of any building permit for any Incentive Project or Inclusionary Housing Project, and shall further certify in writing to the Superintendent of Buildings that all documents have been filed and all actions taken necessary to fulfill the requirements of Sections 11.200 to 11.206 before the issuance of any certificate of occupancy for any such project.

**11.206 *Affordable Housing Trust.***

The entity "Cambridge Affordable Housing Trust Fund" was established by Chapter 482 of the Acts of 1991, and has been thereafter identified and known as the Cambridge Affordable Housing Trust or the Affordable Housing Trust.

**11.206.1 *Board of Trustees.***

- (a) The City Manager shall appoint and chair a nine (9) member Board of Trustees of the Affordable Housing Trust. The Board of Trustees shall be composed of the City Manager and representatives from different sectors of the community concerned with housing policy, including members of City boards and agencies, individuals affiliated with Cambridge non-profit housing organizations, and Cambridge community representatives.
  - (b) The Trustees shall establish regulations for the operations of the Trust.
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- (c) The Trustees shall administer the Affordable Housing Trust, whose activities shall include but not be limited to the following:
  - (i) Disburse funds and property pursuant to the provisions of Sections 11.200 to 11.206;
  - (ii) Review and approve or disapprove proposals submitted for use of funds and property;
  - (iii) Advise on the establishment of new programs designed to meet the City's affordable housing needs;
  - (iv) Provide assistance and reports where appropriate to any special permit granting authority authorized to issue a special permit for any development making use of funds from the Affordable Housing Trust; and
  - (v) Advise on policies, standards, and procedures for the implementation of the provisions of Sections 11.200 to 11.206.

### **11.206.2 Receipt and Use of Funds and Property.**

- (a) The Affordable Housing Trust may receive funds and property generated by the provisions of Sections 11.200 to 11.206 as well as funds and property generated from other sources.
- (b) The funds and property of the Affordable Housing Trust may be used for, but shall not be limited to, the following:
  - (i) Creation of rental or owner-occupied Affordable Dwelling Units through such mechanisms as favorable financing terms, capital grants to write down project costs, subsidies for land acquisition, subsidies for acquisition of existing structures, and subsidies for acquisition of Affordable Dwelling Units within a larger development;
  - (ii) Substantial rehabilitation of distressed multifamily residential properties in a manner that preserves the affordability of units through favorable financing terms or capital grants to write down project costs, interest rate subsidies, and loan guarantees with priority funding consideration given to multifamily housing owned by non-profit housing entities that ensure maximum long-term affordability;
  - (iii) Acquisition and rehabilitation of potential limited equity housing cooperatives or condominium conversions using low interest loans, share loans, or capital grants to write down project costs;
  - (iv) Preservation of existing affordable housing by providing acquisition and/or financing assistance for Affordable Dwelling Units that are part of a larger development; and
  - (v) Reasonable administrative expenses necessary to support Affordable Housing Trust activities, including but not limited to payment for consulting services such as legal, appraising, or engineering services, and other project related expenses.