MEMORANDUM

To: Anthony Wilson, City Clerk

From: Thomas Evans, Executive Director

Date: January 28, 2021

Re: Final Affordable Home Ownership Letter of Commitment and KSURP Amendment

To accompany the MXD Petition under consideration by the Cambridge City Council, on behalf of the Cambridge Redevelopment Authority (CRA), I am submitting two final documents for consideration. The first is an executed Letter of Commitment to the City Council from the CRA regarding affordable home ownership units. The Letter of Commitment was formally approved by the CRA Board at their regular public meeting on January 20th. The text is nearly identical from the version previously shared with the Council with one minor exception. The CRA Board determined that the timeline trigger for the housing delivery milestones should begin with the approval of a revised Infill Development Concept Plan (IDCP) / Special Permit. The CRA anticipates that the revised IDCP will be brought forward for consideration later this year.

The second is a slightly revised version of the Kendall Square Urban Renewal Plan (KSURP) amendment. This revision simply matches the language changes that had been made to the MXD Petition in response to comments from the Planning Board, and had been substituted by the Ordinance Committee on January 5th. This duplicative process is unique to Article 14 of the Zoning Ordinance as many of the development standards of the MXD District are restated in the redevelopment plan. As we discussed, the KSURP Amendment requires a separate vote from the MXD Zoning petition by the Council before the CRA can transmit the amendment to the Massachusetts Department of Housing and Community Development.
January 28, 2021

Mayor Sumbul Siddiqui  
Vice Mayor Alanna Mallon  
Ordinance Committee Co-Chair Dennis Carlone  
Ordinance Committee Co-Chair Marc McGovern  
City Councilor Patricia Nolan  
City Councilor Denise Simmons  
City Councilor Jivan Sobrinho-Wheeler  
City Councilor Timothy Toomey  
City Councilor Quinton Zondervan

Cambridge City Hall  
795 Massachusetts Avenue  
Cambridge, Massachusetts 02139

Re: CRA Commitment to Affordable Homeownership Housing accompanying the MXD Zoning Petition

Dear Mayor Siddiqui, Vice Mayor Mallon and Councilors Carlone, McGovern, Nolan, Simmons, Sobrinho-Wheeler, Toomey, and Zondervan:

This letter is the “Letter of Commitment” referenced in Section 14.39 of the proposed amendment to Article 14 of the Zoning Ordinance (the “MXD Zoning Amendment”). The purpose of this letter is to confirm that the Cambridge Redevelopment Authority (CRA) will commit to cause the construction of at least twenty thousand (20,000) gross square feet of below market for-sale housing units (the “MXD Below Market Rate Home Ownership Units”) as detailed below.

Current Zoning Requirements

Article 14 of the Zoning Ordinance requires that twenty percent (20%) of any Infill GFA (as defined in Section 14.32.2 of the Zoning Ordinance) devoted to multi-family residential units be developed as Affordable units and that an additional five percent (5%) is developed as Middle-Income housing. Current zoning and special permits for the MXD District authorize four hundred and twenty thousand (420,000) square feet of new residential development.

Note that Boston Properties committed in the December 21, 2015 letter of commitment referenced in existing Section 14.39 of the Zoning Ordinance (the “2015 Letter of Commitment”) to providing a minimum of twenty percent (20%) of future residential GFA as for-sale housing units. The for-sale units would be subject to the same requirements as rental units in terms of providing twenty percent (20%) affordable and five percent (5%) middle-income housing.
MXD Zoning Amendment

The MXD Zoning Amendment would continue to require that twenty percent (20%) of any Infill GFA devoted to multi-family residential units be developed as affordable units and another five percent (5%) be developed as middle-income housing. However, the MXD Zoning Amendment would nullify the 2015 Letter of Commitment and the planned residential project is expected to be rental housing. Instead of the two separate phases of housing development currently planned in the Infill Development Concept Plan, the Eversource substation project proposes the delivery of a single residential building consisting of four hundred and twenty thousand (420,000) gross square feet of housing. If the amendment is adopted, the City would therefore realize a total of one hundred thousand (100,000) gross square feet of new affordable and middle-income rental housing units within the MXD District.

In addition to those units, in order to preserve the affordability components of that document, the CRA offers this commitment in which it agrees to build, at another location, a minimum of twenty thousand (20,000) square feet of MXD Below Market Rate Home Ownership Units, subject to the limitations set by Sections 11.203.4(d) and 14.35.2 of the Zoning Ordinance (the “MXD Below Market Rate Home Ownership Commitment”).

CRA Implementation Plan

The CRA expects to secure development rights for at least one, if not multiple housing sites, in the years preceding the development of the Eversource substation (referenced in the MXD Zoning Amendment as the “Substation Project”). The full MXD Below Market Commitment will deliver as a minimal baseline the same below-market housing GFA distribution between Affordable, Middle-Income, and three-bedroom units as in the MXD Zoning requirements (16,000 SF of Affordable GFA and 4,000 SF Middle-Income GFA of which at least 4,000 SF will be provided toward three-bedroom units), however if more than one project site is utilized, the distribution may be uneven within individual sites.

The CRA may seek to facilitate projects delivering above and beyond the MXD Below Market Rate Home Ownership Commitment, and will work to implement the development of the MXD Below Market Rate Home Ownership Units as soon as site(s) and funding are secured. The CRA expects to identify a site for the development of at least fifty percent (50%) of the MXD Below Market Rate Home Ownership Commitment within three (3) years of the approval of a revised Infill Development Concept Plan (IDCP) and Special Permit including Utility Project GFA (“Revised IDCP”) and will provide the City Council an update on the development within this timeframe. The CRA commits that it will secure the entitlements for the full MXD Below Market Rate Home Ownership Commitment within seven (7) years of the approval of a Revised IDCP. If substantial progress was being made toward the implementation of project development(s), the CRA and City Council could reach a mutually agreed upon time extension of the above timeframe. If, however, for whatever reason, the CRA is unable to facilitate the development of the full MXD Below Market Rate Home Ownership Commitment, the CRA shall make 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, to be calculated as described in Paragraph (i) of Section 11.203.3 of the Zoning Ordinance.

The CRA is pleased to make this commitment to support the creation of a diverse portfolio of below market rate housing units within the City of Cambridge, while also assisting the development project to facilitate the relocation of the Eversource substation out of the residential neighborhood and into the heart of Kendall Square. This commitment is offered by the CRA on the condition that the MXD Zoning Amendment, as attached, is duly adopted and that no challenges to the validity of the same shall have been made, or any challenges have been resolved in favor of such validity.

Sincerely,

THE CAMBRIDGE REDEVELOPMENT AUTHORITY

By: Kathleen Born

Name: Kathleen Born
Title: Board Chair

Attachment: Revised MXD Zoning Petition

Cc: Louie DePasquale, Cambridge City Manager
    Michael Tilford, VP Development, BXP