



CITY OF CAMBRIDGE, MASSACHUSETTS

# PLANNING BOARD

CITY HALL ANNEX, 344 BROADWAY, CAMBRIDGE, MA 02139

Date: September 28, 2022

Subject: Incentive Zoning Rate Increase Petition

Recommendation: The Planning Board does NOT RECOMMEND adoption.

To the Honorable, the City Council,

On June 28, 2022 and September 13, 2022, the Planning Board (the “Board”) held public hearings to discuss a Zoning Petition (the “Petition”) by the City Council (the “Petitioner”) to amend Section 11.202(b) of the Zoning Ordinance of the City of Cambridge to increase the Housing Contribution Rate to thirty-three dollars and thirty-four cents (\$33.34).

At the first hearing on June 28, 2022, Councillor Quinton Zondervan presented the Petition on behalf of the Petitioner. Staff from the City’s Community Development Department (CDD) also attended the hearing. Following a presentation by the Petitioner, Board members posed a number of questions to the Petitioner and City staff, heard public comment, and discussed the merits of the Petition. At the conclusion of the first hearing, the Board did not vote to make a recommendation, but requested that CDD staff respond to various questions about the impact of the proposed rate increase.

At the continued public hearing on September 13, 2022, the Board discussed the additional information submitted by City staff and heard public comment. City staff explained amendments to the Petition, voted by the City Council on September 12, 2022 that would exclude “existing floor area that is demolished and subsequently rebuilt” from the definition of an Incentive Project and would deduct the first 30,000 square feet of the Incentive Project from the calculation of the Housing Contribution payment. Following discussion among Board members, the Planning Board voted to forward this report to the City Council with a negative recommendation and additional comments.

Board members supported the overall goal of the Petition to generate additional funding for affordable housing by raising the Housing Contribution Rate to an amount that is justified by the nexus study and is tailored to Cambridge’s unique context. However, Board members could not recommend adoption of the Petition in its amended form, and expressed the following range of concerns:

- Procedurally, many Board members believed that the amendments are beyond the scope of the original petition and therefore should be readvertised for additional consideration and input. Although the proposed changes might be good, the Board and the public have not had enough information and time to understand their full impacts.

- Some Board members still wished to hear more about the impact of the increased rate on certain businesses and employers that might not be able to afford it, and whether it could hinder economic development overall. Members noted that the previous nexus study did not support such a change to the rate structure and questioned why alternatives, such as a lower rate or a more gradual increase, were not considered. Board members also wanted to better understand the impact of the increased rate on housing affordability in general.

The Planning Board voted with seven members in favor of transmitting the above report. One member was absent.

Respectfully submitted for the Planning Board,

*Catherine Preston Connolly*

Catherine Preston Connolly, Chair.