City of Cambridge
Executive Department

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To The Honorable, the City Council:

The establishment of the FY21 property tax rate by the Board of Assessors, subject to the approval of the Massachusetts Department of Revenue, is the final step in the fiscal process that begins in the spring with the submission of the annual budget to the City Council. With this memo, I am transmitting to you my recommendations for the required votes necessary to minimize taxes on residential properties. In addition, you will find analyses of the FY21 property tax levy, property values, and other supporting information.

COVID-19 IMPACTS

COVID-19 emerged in our community after work began on the FY21 annual budget. While this led to some uncertainty during the budget development process, it became clear that there were likely going to be significant fiscal impacts to the City in FY21 and beyond. As a result, the budget was reduced so that the 33 new full-time positions were only funded for 3 months of the fiscal year. However, this item was revised during a subsequent City Council meeting to allow some positions related to Housing, Library Social Worker, Early Childhood, Outreach Worker and Early Childhood Program Quality Manager positions to be filled sooner as a result of delaying the start of the Police Academy for new officers. Since the time of budget adoption, the City has also closely monitored non-property tax revenues, which are key to supporting the expansion of important programs and new initiatives, and implementing City Council priorities, while minimizing the tax burden placed on residential properties.

During the FY21 Budget hearings, we informed the City Council that some of the major sources of non-property tax revenue would be impacted both in FY20 and FY21 due to COVID-19. In addition, we informed the City Council during the FY21 Budget hearings that adjustments to our projected revenues would be required as part of the FY21 tax rate classification process. We also noted that we would monitor and control our expenditures and adjust, as needed. Currently, the City has approximately 125 vacant positions as a result of monitoring expenditures and adhering to COVID-19 capacity restrictions that will support a recommendation to the City Council to reduce the Adopted FY21 General Fund Budget.

I am pleased to report the following with the adoption of the recommendations contained in this communication:

- The City will again be able to provide to a majority of the residential taxpayers (59%) a reduction, no increase or an increase of less than $100 in their FY21 property tax bill.
- The percentage of residential taxpayers receiving an increase of $500 or more will decrease this year to 10% from 13% last year.
- A reduced commercial property tax rate.

- As a result of our financial position we will be able to use a limited amount of additional Free Cash and other reserves to offset projected non-property tax revenue shortfalls in FY21. This allows for the current projected levy increase.
- Avoid employee layoffs and furloughs or a reduction in services to our residents in FY21.
- Ability to fill vacancies in FY21 as needed, and based on City Council goals and priorities.

Free Cash

Our Free Cash certification amount of $209,862,872 demonstrates the important value of our long-standing fiscal policies and management, which will allow us to effectively manage the fiscal uncertainties that face us during FY21 and beyond.

It is important to note that the City was having a strong year fiscally in FY20 before the COVID-19 crisis hit and because of our conservative revenue projection practices, the financial impact was not as dramatic as it could have been on our non-property tax revenues. This, coupled with our ability to control expenditures in the last quarter of the fiscal year, allowed us to have a certified Free Cash amount of $210 million. In FY20, the City expended $100 million in Free Cash. This amount included major key initiatives of the City administration and City Council including (but not limited to): Preserving Affordability of Fresh Pond Apartments ($15 million) Support of Foundry Building Construction ($23 million); War Memorial Temporary Homeless Shelter ($2.2 million); COVID-19 related expenditures ($1.6 million); Complete Streets-Elm Street and Bicycle Network ($5 million); expanded Tree Planting ($1.2 million); Universal Playground Design and Construction ($5.3 million); Glacken Field Reconstruction ($7.3 million); Fire station and DPW facilities support ($1.7 million).

I am recommending that a total of $22 million in Free Cash be used to reduce the property tax levy as follows:

- $14 million in the Free Cash authorization is requested at this time from the City's Free Cash balance in order to reduce the property tax levy increase ($9 million). This year's Free Cash authorization also offsets $5 million in additional funding for affordable housing included in the FY21 Adopted Budget.
- An additional $8 million in Free Cash as a net revenue offset to reduced estimated non-property tax revenue in FY21.

Typically, the City in recent years has replenished the amount appropriated to the Debt Stabilization from Free Cash. This year the amount of replenishment would have been $7 million to the Debt Stabilization Fund but instead, this year we are using $8 million for revenue replenishment for non-property tax revenue that are projected to be less budgeted. The Debt Stabilization Fund had a balance of $56.5 million at the end of FY20, which allows us to redirect the Free Cash replenishment in FY21. It is anticipated that we will be able to resume our prior practice of replenishing the fund as has been done in prior years.

The Department of Revenue (DOR) does not allow formal authorizations of Free Cash by the City Council until the DOR has certified a Free Cash balance at the conclusion of the fiscal year.

Non-property Tax Decreases

Hotel Motel excise tax revenue will continue to be impacted throughout FY21, based on reduced occupancy levels, reduced room rates and continued limits on travel and event cancellations. This revenue was budgeted at $15.9 million in FY21 and has been reduced by $11.925 million, or 75% to $3.975 million.

Meals excise tax revenue is projected to be $2.425 million lower than budgeted. While the City has assisted our restaurant community in providing and facilitating increased outdoor seating where possible, the ability to project the patron volume when outdoor seating is not possible will be a challenge. In addition, there will be a revenue impact as a result of reduced indoor seating capacity, reduced capacity for gatherings, such as weddings, conferences and seminars and business closures. This revenue was budgeted at $4.850 million in FY21 and has been reduced by $2.425 million, or 50% to $2.425 million.

Through emergency regulations to be issued by the Department of Revenue, state government plans to delay tax deadlines for small businesses. Sales, meals and room occupancy taxes for qualifying businesses for March 2020 through April 2021 will not be due to the state until May 2021. This will inhibit our ability to track our actual revenues until the end of this fiscal year.

Department of Human Service Programs (DHSP) revenues are projected to be $3.0 million lower than budgeted in FY21 because of COVID-19 related changes to programming and services. This should be a one-time adjustment for FY21 with the assumption that normal activities can resume in large part in FY22. This includes in person preschools, afterschool childcare, community schools, and the King Open Extended Day. At this point, the only in person programming is through the preschools which have reduced revenues because health and safety regulations limit service to approximately half of the normal participants. For now, except for outdoor recreational programming, the Department anticipates that all its other programming for children and youth will be virtual and families will not be charged fees for that programming. The outdoor recreational programming for children and youth is being provided in fields around the city and is also being provided free of charge. The additional revenue shortfalls are the result of reduced adult recreation on fields because of the prioritizing of youth recreation, no indoor recreational programming at the War Memorial and some reduction in golf course revenues because of social distancing and health and safety rules.

License Commission budgeted revenues are estimated to be $553,900 lower due to a 40% reduction on the total license renewal fees for all license types except: Pole & Conduit, Waste Haulers, Leaf Blowers, and Flammables.

State Aid- While major categories of State Aid will not be reduced from FY20, the city will not receive an additional $1.3 million in Chapter 70 School Aid funding that had been included as part of the FY21 budget. In addition, final State Assessments have been issued and reflect a $1.358 million increase from the FY21 Budget. Overall, the stability of our two major State Aid revenues in FY21 will be better than was anticipated this past spring.

Non-Property Tax Revenue Increases

Typically, the City has been able to use additional non-property tax revenues to lower the required property tax levy after an analysis of prior year revenues and fund balances and current year trends. However, this year we needed to use any additional non-property tax revenues to offset revenue reductions as described earlier. For FY21, the following increases have been made: interest earnings ($500,000); building permits ($3.0 million); Health Claims Trust Fund ($1.0 million) and; Debt Stabilization Fund ($1.0 million).

Additional approaches were also analyzed to replace revenues that have been lowered in FY21. This includes using one-time revenue from available agency fund balances ($2.4 million). It is anticipated that some of the non-property tax revenues, such as Hotel/Motel and Meals excise tax can be increased in FY22 to replace this one-time use as a revenue source. In addition, we will continue to identify unexpended balances in other funds, such as Capital to use as alternative funding sources.

FY21 Budget Reductions

As noted at the Budget Hearings in the spring, we would monitor our FY21 expenditures and possibly identify reductions in the FY21 Budget that would be brought before the City Council as part of the tax rate/classification process in the fall. Based on our current projection, I am recommending that the City Council rescind $5 million from the General Fund Employee Benefits Budget to reflect estimated salary and fringe benefit savings based on vacant positions that will not be filled quickly mainly due to the current COVID-19 related capacity restrictions as well as to help mitigate FY21 financial uncertainties.

TABLE I
Summary of Changes from Adopted Budget

Tax Levy Changes	Amount
Property Tax Levy as Adopted	**$473,296,465**
Net Cherry Sheet Change	2,376,465
Increased Non-Property Revenues & Reserves	(7,900,000)
Decreased Non-Property Revenues	17,903,900
Budget Rescission	(5,000,000)
Additional Free Cash	(8,000,000)
Overlay Adjustment	(156,682)
Actual Property Tax Levy	**$472,520,148**

OVERVIEW

The actual FY21 property tax levy is $472,520,148. This is an increase of $34,391,454 or 7.85% from FY20 and reflects the City Council goal to “Ensure the City’s Budget allocates resources responsibly and responsively.” As in years past we have been able to provide an actual increase that is lower than the estimated increase projected in May 2020, and what was presented to the rating agencies in February. Responsible and responsive fiscal policies and practices are key to addressing the challenge of balancing expansion and investment in new programs and initiatives, while also minimizing the impact of increases in the tax levy.

The FY21 Adopted Operating Budget increased by 5.1% over the FY20 Adjusted Budget. The FY21 Budget adopted by the City Council in June 2020 projected a property tax levy increase of $35.2 million, or 8.03%, to $473,296,465 in order to fund operating and capital expenditures.

With approval of these recommendations, the property tax levy increase will be lowered to 7.85%. The property tax levy increase is above the five-year (FY17-FY21) annual average increase of 5.9%, and the ten-year (FY12-FY21) annual average increase of 5.2%. The property tax levy increase for FY21 is significantly higher than previous years due to the fact that additional non-property tax revenue was used to offset shortages in other revenue categories instead of to lower the levy.

The FY21 Budget is especially significant in terms of creating and preserving affordable rental and homeownership opportunities for low, moderate and middle-income families. Affordable housing funding in FY21 includes: $5 million funded from building permit revenue which is 25% of budgeted revenues, an additional $5 million funded from property taxes, and $5 million funded from Free Cash. This is in addition to $12.3 million appropriated by the City Council from FY21 Community Preservation Act (CPA) Funds.

With these appropriations, the City has met a commitment, made in FY19, to double the amount of funds dedicated to affordable housing in Cambridge within 3-5 years. A total of $27.3 million of direct financial support is provided to the Affordable Housing Trust in FY21, which is an increase of $7 million from FY20 ($20.3 million), and achieves the goal of doubling the FY19 funding ($13.6 million) for affordable housing in 2 years, which is earlier than was anticipated.

The City has also increased property tax support to schools by 5.9%, which resulted in an increase of $10,561,245. The FY21 School budget includes 57 new Full Time Equivalent (FTE) positions. Because of the high priority the City places on supporting our schools, City funds budgeted for the School Department in FY21 were not revisited due to the COVID-19 crisis.

The City's early childhood education efforts will expand in FY21, including an increase in the number of scholarships, an expansion of the number of sites, and developing a detailed plan for Universal Pre-K that will serve 4-year old children through the schools , city programs, and community preschools.

Small business support has also been critical during the COVID-19 crisis. The FY21 budget includes funding to expand small business recycling services to an additional 125 businesses, and there is increased funding for the business district beautification program for plantings and decorative lighting in commercial areas throughout Cambridge. The City will also be providing a small business property tax exemption for personal property accounts equal to or less than $10,000 in assessed value. This initiative has impacted approximately 1,192 businesses. The City has submitted a Home Rule petition to the State Legislature to allow for a larger $20,000 personal property tax exemption for small businesses in the future. The City is also recommending that certain licensing fees be reduced by up to 40% in FY21 in order to provide additional financial relief to businesses affected by COVID-19.

The FY21 budget includes enhanced funding for art initiatives, including additional funding for the Public Arts Grant Program and increased support for the Central Square BID and Cultural District.

In addition, the FY21 Budget supports capital improvements including funds to implement the winning projects from cycle six of the Participatory Budget program, and major capital projects including Fire station upgrades, a multi-year Municipal Facilities Improvement Plan, technology initiatives, and construction of the Tobin Montessori School and Vassal Lane Upper School.

Based on a property tax levy of $472.5 million, the FY21 residential tax rate will be $5.85 per thousand dollars of value, subject to Department of Revenue approval. This is an increase of $0.10, or 1.7% from FY20. However, as can be seen in Table III, the median residential tax bill has only moderately increased. The commercial tax rate will be $11.85, which is a decrease of $0.83, or -6.5% from FY20. Establishing the tax rate is a straightforward calculation: the total tax levy divided by the total assessed valuation (less any exemptions), equals the tax rate for FY21.

In June, the City Council was informed that the actual tax levy increase presented with the Adopted Budget was not likely to be reduced, and may actually have needed to be further increased due to lower projected revenues significantly affected by the COVID-19 pandemic, which has been discussed in further detail in the earlier COVID-19 Impacts Section. In addition, the Cherry Sheet is projected to have a net negative impact (increase in the amount needed) of $2.4 million on the levy. Using actual FY20 revenues as a guide, we have been able implement additional strategies in order to allow for a slight reduction of in the property tax levy increase from what was presented with the budget. These strategies have allowed for an overall reduction of $776,317 from the original projected property tax levy for FY21. This is due to the use of certain increased non-property tax revenues based on FY20 actuals and fund balances including: $3,000,000 in building permits; $500,000 in interest earnings; $1,000,000 from the Debt Stabilization Fund; and $1,000,000 from the Health Claims Trust Fund. We will also use $2,400,000 from available agency fund balances as a one-time revenue source. There is a recommendation to use $22 million in Free Cash to lower the tax levy. As noted previously, the amount that normally would have been used to replenish the Debt Stabilization Fund has been redirected in order to offset reduced projected non-property tax revenue in FY21. I am also recommending that $5,000,000 be reduced from the General Fund Employee Benefits budget. These actions will result in a lower required property tax levy and will allow for a reduction in certain non-property tax revenues to be offset.

This letter includes a recommendation to use $24.5 million in reserve accounts to lower the property tax levy: $2.5 million from overlay surplus and $22 million in Free Cash. The certified Free Cash amount of $209.9 million, a decrease of $36.8 million or 14.9% from the previous year's certification, is inflated by $3.7 million in unappropriated mitigation receipts. Per MGL Chapter 144 Section 53, these receipts must flow through the Free Cash certification process before being available for appropriation by the Council. Excluding mitigation receipts, net certified Free Cash is $206.2 million. The City Manager will be coming before the City Council with a recommendation for the appropriation of mitigation receipts later in the fiscal year.

There is a recommendation to use $8 million from the City Debt Stabilization Fund to offset increases in debt service costs that would otherwise have been funded from property taxes. This is an increase of $2 million from FY20. This year, we will not use Free Cash to replenish this amount back into the fund. At the end of FY20, the Debt Stabilization Fund had balance of $56.5 million, which provides flexibility to redirect the Free Cash replenishment in FY21.

Prudent use of reserves allows the City to maintain stability in both current and future property tax increases while investing in significant capital and infrastructure projects. This strategy of using an increased amount of non-property tax revenues and reserves to lower property taxes will not jeopardize our long-term fiscal health. However, if the City used too much of its reserves in one year to artificially reduce property taxes, it would mean that in the following year, the City would be required to either increase taxes significantly or dramatically reduce expenditures.

The City's strategy for the use of reserves has also been positively recognized by the three major credit rating agencies and is reflected in our AAA credit rating. It is also important to recognize that a healthy balance of development between residential and commercial be continued to ensure homeowner's real estate taxes remain affordable.

IMPACT ON TAXPAYERS

This will be the sixteenth year in a row that a majority of residential taxpayers will see a reduction, no change, or an increase of less than $100 in their tax bill. In fact, in FY21, 59% of residential taxpayers will see a reduction, no increase or an increase of less than $100; and 77% of residential taxpayers will see an average increase of less than $250. This is a small decrease from FY20, where 61% of residential taxpayers saw a reduction, no increase, or an increase of less than $100. However, it is an increase from FY20 in terms of the percentage of residential taxpayers (74%) that saw an average increase of less than $250.

Over the past ten years (FY12-21), the City has seen an average of 69.8% of residential taxpayers see a reduction, no increase, or an increase of less than a $100 to their residential tax bill, and 65.2% over the past five years (FY17-21). Even in the midst of the COVID-19 pandemic, the city has been able to consistently achieve these results while maintaining and expanding City and school services that citizens have come to expect and while providing a robust capital improvement program.

TABLE II
Change in the Residential Tax Bills*

Change in Tax Payment	FY21 Number of Parcels	FY21 Percentage	FY21 Cumulative %		FY20 Cumulative %	FY19 Cumulative %
Less than $0	6,760	31%	31%		22%	33%
> $0 and less than $100.00	6,237	28%	59%		61%	70%
>$100.00 less than $250.00	4,029	18%	77%		74%	83%
>$250.00 and less than $500.00	2,829	13%	90%		87%	96%
Greater than $500.00	2,212	10%	100%		100%	100%
Totals	**22,067**	**100%**				

* Based on Single, Two, Three Family, and Condominiums and assumes the Residential Exemption for each parcel in both years.

MEDIAN TAX BILLS

The analysis that follows explains in further detail how the City determined property values and property tax rates for FY21. There are three major factors which determine a property tax bill: 1) the Budget, 2) Commercial-Residential Property Tax Classification, and 3) Property Values. As discussed below, all three factors contributed to lower tax bills for many homeowners.

The Budget: If the City Council adopts the proposed recommendations, there will be a 7.85% increase in the property tax levy required to balance the FY21 Budget, which supports the City Council Goal to "Ensure the City's Budget allocates resources responsibly and responsively."

Commercial-Residential Property Tax Classification: Tax classification allows municipalities to tax commercial taxpayers at a higher rate than residential taxpayers. In FY21, commercial property owners will pay 65.4% of the property tax levy, the same share as in FY20. Consequently, residential property owners' share of the FY21 tax levy is 34.6%, also the same as in FY20.

Property Values: Every January 1st, the City of Cambridge must meet Department of Revenue requirements to certify that property values represent full and fair market value. As a result of the market activity in calendar year 2019, which is the basis of the FY21 property assessment, total residential property values increased by 5.6%. Total commercial property values increased by 15.4%. This year's increase in total values reflects the robust real estate market, which has been driven by continued new construction in both residential and commercial classes, as well as the continued desirability of the Cambridge market. While the City has no control over the increase in property values, it does have control over levy increases, which ultimately impact taxes paid by property owners. Distinct from prior years, the residential rate will increase while the commercial rate decreases. This is due to the Minimum Residential Factor calculated by the Department of Revenue. One of the requirements that are affecting the rate this year is that residential taxpayers cannot pay less than the lowest percentage share of the levy they have paid since classification began. However, as can be seen in Table III, the median residential tax bill has only moderately increased. Additionally, a major concern going forward is that if residential value increases outpace commercial/industrial/personal property increases, the City could hit the ceiling for the property tax classification shift. Once the classification ceiling is reached, the residential class will bear the majority of any tax levy increase.

As part of the process, the City must successfully complete the Department of Revenue's (DOR) interim year certification process of the City's real and personal property values, system and methodologies.

TABLE III
Change in the Median Value and Tax Bill by Property Class*

	FY20 Value	FY20 Tax Bill	FY21 Value	FY21 Tax Bill	Dollar Change	Percent Change
Single Family	$1,370,500	$5,515	$1,417,400	$5,761	$246	4.5%
Condominium	$690,500	$1,605	$707,600	$1,608	$3	.19%
Two Family	$1,340,050	$5,340	$1,367,800	$5,471	$131	2.5%
Three Family	$1,540,600	$6,493	$1,579,850	$6,711	$218	3.4%

* Includes Residential Exemption

CITY-WIDE ASSESSED VALUES

FY21 values are based on market activity that occurred during calendar year 2019, during which the overall valuation of both the City's residential property and commercial property increased. This reflects an increase in commercial rental rates and a slight decrease in commercial vacancies, which has an impact on existing commercial property values. The major components which impact the commercial values are the construction of life science buildings and the personal property associated with these developments.

For FY21, the total assessed value of taxable property in the City equals $60,234,892,929, approximately $5.3 billion or a 9.6% increase over FY20 values. The actual FY21 total assessed values are greater than the projections presented to the rating agencies in February 2020 due to continued strength in the Cambridge real estate market.

COVID-19 PROPERTY TAX IMPACTS

The real estate tax assessments always look back in time. Based on state law, the November 2020 property tax bill for the Fiscal Year (FY) 2021 uses January 1, 2020, as the date to determine values, looking at income and expenses, or sales for residential properties that occurred during calendar year 2019. Unfortunately, this will not consider the circumstances that are happening now. The impact of COVID-19 will be part of the assessments for FY22. During calendar year 2019, many businesses and apartment buildings in Cambridge saw increases in rents and low vacancy rates.

This chart illustrates the timeframes used for commercial valuations for each fiscal year.

Fiscal Year	Lien date	Calendar year income and expense
FY2020	1/1/2019	2018
FY2021	1/1/2020	2019
FY2022	1/1/2021	2020
FY2023	1/1/2022	2021

The City has no ability to change the lien date or consider the current economic circumstances for the FY21 tax bills. The timeframes used for assessments are determined by state law. Any changes to state law would require the Legislature's approval and the Governor's signature. The Assessing department continues to meet with the Commonwealth's Department of Revenue to discuss economic concerns based on the impact of COVID-19. The Assessing Department has been meeting with and updating the neighborhood business associations, the Cambridge Chamber of Commerce, and local business owners with information to clarify the basis for the FY21 property tax bills.

As noted above, the City is required to assess properties at full and fair market value. Therefore, it is extremely important to control the increase in the property tax levy in order to limit the impact on tax bills. While property values have increased significantly, residential tax bills have increased more moderately. As a result, the City has consistently received a limited number of abatement applications annually.

In FY20, the market for both commercial and residential properties increased at a faster pace than most of the Greater Boston area, resulting in the continuation of a tax distribution similar to FY20 between commercial taxpayers and residential taxpayers. Despite this environment of increasing values, it is important to note that due to the City’s ability to control taxes and therefore produce tax bills with moderate increases, the City has incurred a limited number of abatement requests annually. This has allowed for a $2.5 million overlay surplus to be applied towards lowering the FY21 property tax levy, as has been our practice in prior years.

The table below breaks out new construction values and tax base levy growth due to new construction by property type. This new construction growth, coupled with moderate budget increases, has allowed the City to maintain the classification of taxes and increase the City’s excess levy capacity.

TABLE IV
New Construction Breakdown

Property Class	New Growth Value	FY21 Tax Base Levy Growth (New Growth)
Residential Property	$387,857,967	$2,230,183
Commercial Property	$631,538,018	$8,007,903
Personal Property	$249,392,926	$3,162,302
Total New Growth	**$1,268,788,911**	**$13,400,388**

TABLE V
Assessed Values (in millions)

	FY17	FY18	FY19	FY20	FY21
Residential Property	$24,498	$26,426	$29,419	$32,335	$34,136
Commercial Property	$13,745	$15,719	$17,963	$20,934	$24,221
Personal Property	$1,387	$1,474	$1,595	$1,679	$1,878
Total Assessed Value	**$39,630**	**$43,619**	**$48,977**	**$54,948**	**$60,235**

For FY21, the City was able to increase its levy limit by approximately $31.2 million, to $659.7 million. Approximately $15.4 million of this increase was due to new construction and amended FY20 new growth. State law allows the City to increase its tax levy limit by an amount equal to the total FY21 value of newly constructed or renovated property, multiplied by the FY20 tax rate. The remaining $15.8 million is the 2.5% increase over the FY20 levy allowed by Proposition 2½. As projected in the City's rating agency presentation, the City's excess levy capacity decreased by approximately $3.2 million, or 1.67 %, to $187.2 million in FY21. This reduction in excess levy capacity is primarily the result of budget growth and the corresponding levy increase for FY21.

TABLE VI
Tax Levy/Tax Levy Limit/Excess Levy Capacity (in thousands)

	Actual FY17	**Actual FY18**	**Actual FY19**	**Actual FY 20**	**Estimate FY 21**
Levy Limit	$540,960	$570,550	$599,171	$628,479	$659,697
Actual Levy	$372,674	$389,080	$409,810	$438,129	$472,520
% Actual Levy Increase over Prior Year	5.2%	4.4%	5.3%	6.9%	7.9%
Excess Levy Capacity	$168,286	$181,470	$189,361	$190,350	$187,177
% Change of Excess Levy Capacity Over Prior Year	8.5%	7.8%	4.4%	.52%	(1.67%)

In addition to providing greater flexibility under Proposition 2½, tax payments from newly constructed properties also work to mitigate increases on existing properties.

For a detailed listing of assessment changes by district, please see Attachment 1.

FY21 VALUATION PROCESS

Each year, the Board of Assessors conducts a reappraisal of all property within the City. The residential and commercial valuation models are refined each year to reflect market conditions which have impacted assessed values. This fiscal year, the Department of Revenue (DOR) conducted statistical validation of the models.

The FY21 valuation model is based upon sales of property that occurred during calendar year 2019, to establish the market value of all property as of January 1, 2020. For FY21, the number of assessing districts has remained unchanged. In prior years, some consolidation of districts took place to create a larger sales sample size.

The ultimate test for any mass appraisal model is the comparison between actual sales not part of the model building process and the predicted value from the model. Comparing the FY20 model to calendar year 2019 sales data, the model showed the following results.

TABLE VII
Residential Sales Price/Prior Assessment Comparison

Property Type	Sale Count	Median Sale Price	Median Assessment
Single Family	**116**	**$1,500,000**	**$1,260,200**
Two Family	**46**	**$1,412,500**	**$1,295,800**
Three Family	**27**	**$1,750,000**	**$1,550,500**
Condominiums	**595**	**$758,000**	**$685,600**

The assessment ratios were between 84%-92% of calendar year 2019 sales, reflecting increasing market values during the last year.

Calendar year 2019 sales demonstrated that the FY20 model needed to be updated based on current market trends and overall property class statistics. The individual neighborhoods also showed some inconsistent growth trends and required review. As a result, sales data from the calendar year 2019 real estate market has been utilized, along with what was learned from the prior year abatement activity, to establish the FY21 assessed values as of January 1, 2020. Using technologies such as the Geographical Information System (GIS) allowed for a more in-depth review of data. Using GIS, the Board of Assessors was able to visually display market activity and thereby validate the assessing districts using this information.

Modifications were made to the residential and condominium models, as well as to residential land values. The residential land had adjustments for neighborhood, while the residential model was recalibrated for use, grade, finished basements and condition adjustments. The condominium model was adjusted by neighborhood for market conditions as of the assessment date. In addition, 4,112 inspections were completed along with a detailed field review of property. These inspections served to ensure consistency within neighborhoods and across the city. The analysis for determining property values depends on several factors: the trends of the real estate market in the areas of sales; property improvements; changes in the economics of real estate finance and the high demand for real estate in the city. To arrive at full and fair cash values for all 24,873 parcels, the Assessing Department uses a state-of-the-art Computer Assisted Mass Appraisal system (CAMA). Market adjusted cost approach models, extracted from residential sales for calendar year 2019, were refined to best reflect the equity of comparable properties as demonstrated in the various neighborhoods. Sales of almost 1,000 houses and condominium units were analyzed to develop these valuation models by property type (one-family, two-family, three-family, and condominium units).

COMMUNITY PRESERVATION ACT SURCHARGE

In November 2001, Cambridge voters approved adoption of the Community Preservation Act (CPA), a State law that allows the City to receive matching funds from the State for money raised locally in support of affordable housing, historic preservation and open space. The local portion of CPA funding is raised through a 3% surcharge on taxes.

However, the State match has enabled the City to provide additional funding for these initiatives. To date, Cambridge has received more CPA matching funds from the Commonwealth than any other participating community. Consequently, Cambridge residents will continue to benefit from affordable housing, historic preservation and open space initiatives throughout the City for years to come. The State also recently approved increased fees at the Registry of Deeds, which is anticipated to increase the matching funds that the City receives from the State next fiscal year.

To date, the City has appropriated/reserved a total of $222.6 million in CPA funds, of which $54.8 million can be attributed to the State match.

TABLE VIII
Community Preservation Act Surcharge

	FY20 Median CPA Surcharge Amount	FY21 Median CPA Surcharge Amount	FY21 Median Tax	FY21 Median Tax & CPA Surcharge Amount
Single Family	$148	$155	$5,761	$5,916
Condominium	$31	$31	$1,608	$1,639
Two Family	$143	$147	$5,471	$5,618
Three Family	$178	$184	$6,711	$6,895

RECOMMENDATIONS

1. That the City Council vote to authorize the use of $22,000,000 in Free Cash to reduce the FY21 tax rate.

2. That the City Council vote to authorize $2,500,000 in overlay surplus/reserves to be used for reducing the FY21 tax rate.

3. That the City Council vote to authorize $8,000,000 from the City Debt Stabilization Fund to be used as a revenue source to the General Fund Budget, which is an increase of $1,000,000 than what was included in the FY21 Adopted Budget.

4. That the City Council classify property within the City of Cambridge into the five classes allowed for the purpose of allocating the property tax. It is further recommended that the City Council adopt a minimum residential factor of 60.9858%.

5. That the City Council approve the residential exemption factor of 30% for owner occupied homes, which should result in a residential tax rate of $5.85 upon final approval by the Massachusetts Department of Revenue. In addition, based upon final approval by the Massachusetts Department of Revenue the commercial tax rate is anticipated to be $11.85.

6. That the City Council vote to double the normal value of the statutory exemptions.

7. That the City Council vote to increase the FY20 exemption allowed under Massachusetts General Laws (MGL) Chapter 59, Section 5, Clause 17D from $333 to $341.

8. That the City Council vote to increase the FY20 asset limits allowed under Massachusetts General Laws (MGL) Chapter 59, Section 5, Clause 17E from $65,864 to $67,379.

9. That the City Council vote to increase the FY20 income and assets limits for elderly persons (age 65 or older). Income limits of $27,234 to $27,860 for those who are single and $40,852 to $41,792 for those who are married, asset limits of $54,465 to $55,718 for those who are single and $74,890 to $76,612 for those who are married, as allowed under MGL, Chapter 59, Section 5, Clause 41D.

10. That the City Council vote the income limit for deferral of real estate taxes by elderly persons (at least 65 years old) as determined by the Commissioner of Revenue for the purposes of MGL, Chapter 62, Section 6, subsection (k), for a single person who is not head of household ($60,000) and for a married couple ($90,000), as allowed under MGL Chapter 59, Section 5, Clause 41A. The reduction of the interest rate to 4% for deferred taxes, which was approved by the City Council previously, will continue.

11. That the City Council vote to rescind $5,000,000 from the FY21 General Fund Employee Benefits budget (Salary and Wages).

12. That the City Council vote to authorize $2,400,000 from the City Agency Fund to be used as a revenue source to the General Fund Budget.

ISSUES/REQUIRED VOTES

As the City Council is aware, by the time the classification vote is taken in the fall of each year, the options for the City are fairly limited. Failure to approve the recommended classification, residential exemption and the doubling of statutory exemptions would result in significantly higher taxes for residential property owners. After the classification vote is taken, the establishment of the tax rate is a fairly simple mathematical calculation: the tax levy required to support the City budget, divided by the total assessed valuation (less any exemptions), equals the tax rate for FY21.

The following is a summary of the votes required by the City Council.

- **Authorize $22,000,000 in Free Cash to Reduce the FY21 Tax Levy.** For the fiscal year that ended June 30, 2020, the City of Cambridge has a certified Free Cash balance of $209,862,872 a decrease of approximately $36.7 million from the previous year. This balance includes approximately $3.7 million in unappropriated mitigation receipts which, according to MGL chapter 44 section 53, must flow through the Free Cash certification process before the receipts are available for appropriation by the Council. After the reduction of mitigation funds, the net certified Free Cash Balance is $206.2 million.

  The $22 million in the Free Cash authorization is requested at this time from the City's Free Cash balance in order to reduce the property tax levy increase. This year's Free Cash authorization helps offset $5 million in funding for affordable housing included in the FY21 Adopted Budget.

  The Department of Revenue (DOR) does not allow formal authorizations of Free Cash by the City Council until the DOR has certified a Free Cash balance at the conclusion of the fiscal year.

- **Transfer of Excess Overlay Balances.** The City is authorized to increase each tax levy by up to five percent as an "overlay" to provide for tax abatements. If abatements are granted in excess of the applicable overlay, the excess is required to be added to the next tax levy, or transfers may be made from surplus balances from prior fiscal years.

  Overall, the City has approximately $19.1 million in overlay balances as of June 30, 2020. However, there are cases pending at the Appellate Tax Board for which the City must have sufficient balances to cover abatements if it loses these cases. Based upon the overall size of the overlay surplus, I am recommending that the City use $2.5 million of this surplus to decrease the tax levy. This conservative approach will allow the City to maintain a sufficient overlay reserve while reducing older overlay balances to help lower the tax levy.

- **Authorize $8,000,000 in City Debt Stabilization Funds.** In recognition of increases in debt service costs related to major capital projects, the City established a City Debt Stabilization Fund. The Adopted FY21 Budget included $7.0 million from this source, which has been increased to $8.0 million, to fund debt service costs related to the elementary school reconstruction program.

- **Classify Property and Establish Minimum Residential Factor.** Since 1984, the City Council has voted annually to follow State law allowing the classification of property according to use (residential or commercial) and to allocate the legal maximum portion of the tax levy to the commercial class. State law allows the residential portion of the tax levy to be as low as 50% of what it would be if there were single tax rates. However, there are two exceptions to the 50% minimum:

  The residential percent of the levy cannot drop to less than its lowest level since classification was initially voted by the City Council (34.5615% in 1985 in Cambridge); and the 50% level does not cause the commercial class to bear a portion of the levy greater than 175% of what it would be if both classes were taxed equally.

  Under the requirements for classification, the City Council sets the levy distribution each year by voting for a Minimum Residential Factor. The result of voting for the Minimum Residential Factor of 60.9858% this year will be a residential property share of the total tax levy of 34.5615%. This means that Commercial property will pay the remainder, 65.4385% of the levy. The commercial portion of the levy is 151.028% of what it would be with a single tax rate, if classification was not adopted.

- **Residential Exemptions.** Home Rule Legislation allowing the City to increase the residential exemption from 20% to 30% was filed by a unanimous vote of the City Council and signed into law in September 2003. This change enables the City to grant owner occupants of residential properties a deduction of up to 30% of the average residential parcel value before the tax rate is applied. I am recommending that the City Council accept the Residential Exemption at 30%. This amount is deducted from the assessed value of each owner-occupied property prior to applying the tax rate. The residential exemption serves to reduce the effective tax rate on lower valued properties while raising it on higher valued properties. Since the same amount is deducted from every value, its impact is greatest on the lower valued properties. The residential exemption is paid for by raising the residential tax rate sufficiently to cover the number of taxpayers claiming the residential exemption.

For FY21, there are approximately 14,400 residential exemptions on the Assessing Department files on owner-occupied homes. The Assessing Department conducts random audits and responds to inquiries about individuals claiming the residential exemption, to ensure the validity of the program.

If Cambridge did not adopt a residential exemption, the residential tax rate would be $4.79 instead of $5.85. The higher tax rate results in a "break-even" value over which the higher valued residential properties are assessed higher taxes than would be the case if there were no residential exemption. In FY21, the break-even assessed value is approximately $2,369,550.

30% Residential Exemption

	FY2019	**FY2020**	**FY2021**
Value Exempted	$375,800	$411,316	$432,666
Tax Savings	$2,232	$2,365	$2,531

- **Double Statutory Exemptions/Exemption Increases.** State legislation requires cities and towns to grant a variety of tax exemptions to elderly taxpayers, blind taxpayers, veterans and surviving spouses who qualify by virtue of residency, income, and assets. There are also two pieces of legislation which authorize cities and towns to increase the amounts of these exemptions.

  The first allows cities and towns to double the statutory amount of exemption for taxpayers whose tax bills have increased over the prior year's bill. The City Council votes annually for this increase. I am recommending that the Council do this for FY21, as it has since FY87.

  The second allows cities and towns under Massachusetts General Laws (MGL) Chapter 59, Section 5, Clause 17D to increase the amount of the exemption for a senior citizen 70 or older, surviving spouse, or minor with a deceased parent, by the increase in the cost-of-living as measured by the Consumer Price Index (CPI).

  The cost of living adjustment (COLA), as determined by the DOR, is measured by the increase in the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index for Urban Consumers, Boston (CPI-U) for the previous calendar year. The percentage increase for this period was 2.3%. Therefore, the FY21 exemption amounts, income limits or asset limits under these local options will increase over the FY20 amounts and limits. Therefore, the FY21 exemption will be $341 from $333.

  In addition, under Clause 17E, which Cambridge has already adopted, cities and towns can increase the asset amounts by the CPI percentage for this same group. The FY21 amounts increases to $67,379 from $65,864.

  MGL Chapter 59, Section 5, Clause 41D allows cities and towns to increase the income and assets limits for elderly persons (age 65 or older) by the CPI percentage. For FY21, the income limits will be $27,860 for those who are single, $41,792 for those who are married, and the asset limits will be $55,718 for those who are single and $76,612 for those who are married.

- **Income Limit for Tax Deferral.** Another form of tax relief available to property owners under state law is found in MGL Chapter 59, Section 3, Clause 41A. This statute allows taxpayers who are at least 65 years old to defer tax payments until they are deceased, or the property is transferred. The statutory income limit for this deferral is $40,000. However, a change in the statute, allows the City Council to vote to increase the income limit for deferral of real estate taxes by elderly persons (at least 65 years old) from $40,000 to the amount determined by the Commissioner of Revenue for the purposes of subsection (k) of section 6 of chapter 62, (currently $60,000 for a single person and $90,000 for a married couple, which may be indexed by Massachusetts DOR for FY21), as allowed under MGL Chapter 59, Section 5, Clause 41A. I am recommending that the City Council vote to adopt the deferral amount. The City Council has previously voted to reduce the interest percentage to 4% on deferred property tax balances.

- **Rescind $5,000,000 from the FY21 General Fund Employee Benefits Budget (Salary and Wages).** This one-time rescission reflects the fact that the City currently has approximately 125 vacant positions as a result of monitoring expenditures and adhering to COVID-19 capacity restrictions that provides the ability to support budget savings related to insurance and fringe benefits.

- **Authorize $2,400,000 in City Agency Funds.** Available Agency Fund balances will provide a one-time revenue source in FY21 to offset reduced projected revenues in other categories.

CONCLUSION

In June, in the midst of the COVID-19 pandemic, the City Council adopted a balanced FY21 Budget that continues to provide stability and reinvests in our community. The Budget includes additional funding for affordable housing, school services, early childhood education, small business support, the arts traffic safety, and climate initiatives. It also includes a robust capital plan, including funding to continue efforts to rehabilitate and reconstruct fire stations and continue the multi-year school reconstruction program. This has been achieved by our strong fiscal practices, which control budget growth and property tax levy increases.

Approximately 66% of the revenues that fund the City's budget are raised through property taxes. Massachusetts communities are limited in how they can raise revenues, resulting in a greater reliance on the property tax, since it is the largest and most stable revenue. The City has been able to achieve a lower property tax rate and lower residential property tax bill than surrounding communities due to its ability to generate diverse non-property tax revenues, foster new construction, control budget growth, and plan prudent use of reserves. In addition, a strong, stable commercial tax base is a key component of our ability to limit impacts on residential taxpayers.

Overall, continued sound financial management and planning have enabled the City Council to limit the growth of residential property taxes in FY21. In addition, with City Council approval, the City will use $24.5 million of reserves (Free Cash/overlay surplus) in FY21 to lessen the amount to be raised from the property tax levy, which translates into a lower property tax burden for the taxpayers of the City. This amount includes $22 million from Free Cash and $2.5 million from the Overlay Surplus. Last year, $6 million in Free Cash was appropriated to replenish an equal amount of revenue used from the City's Debt Stabilization Fund. For FY21, I am recommending that $8 million in Free Cash that would have been used to replenish the Debt Stabilization Fund is instead used to lower the tax levy.

With the approval of this recommendation, the Debt Stabilization Fund is projected to have a FY21 year-end balance of $49 million to help offset some of the future debt service costs of the school reconstruction program and other municipal projects. The City will continue to pursue opportunities for reimbursement through the Massachusetts School Building Authority (MSBA) program for smaller repair projects; these funds are not included in our current financial projections.

Our current four-year debt schedule (FY21-24) which is under review, is projected to be over $519.1 million, which is comprised of $393.2 million in tax supported debt and $125.9 million of sewer debt. The multi-year school reconstruction program makes up $202 million of this total and includes the construction of the Tobin Montessori and Vassal Lane Upper School project. However, it should be noted that with this projected debt issuance, the City's ability to fund additional major projects is limited.

Although there were significant impacts on several key revenues for the city due to difficult but necessary steps taken to mitigate the spread of COVID-19, the past fiscal year was relatively strong financially for the City based on several indicators, with total assessed values continuing to increase; total actual revenues which exceeded projections and prior year collections; and controlled expenditures. Although longer term impacts of the COVID-19 crisis remain unknown, the City continues to have considerable flexibility to respond to the crisis while also providing a high level of services to the community. The current crisis will also likely have both immediate and long-term effects on valuations, so it is still important to maintain a healthy balance of development between residential and commercial to ensure that homeowners' real estate taxes remain affordable. As we plan for the FY22 budget process, it is clear that we will need to continue to be prudent in developing the budget, which may not have the same expansion of positions and services that we have been able to include in prior years.

The City used $99.7 million in Free Cash in FY20, the highest amount ever for the City. With the approval of this recommendation, the City will use $22 million in Free Cash, reducing the net Free Cash balance to $184.2 million. The City has used an average of $55.1 million in Free Cash annually over the last 5 years. The strategic use of Free Cash is not only used to reduce the current tax levy and stabilize the impact of future debt supported capital projects, but is also available to fund one-time items. This planned approach has allowed us to maintain our Free Cash balances, enabled us to weather uncertain economic times, and is the City's insurance policy against unforeseen catastrophes.

It is important to recognize that while the Free Cash balance is relatively high, is it significantly reduced from last year. It is also anticipated that there will be several additional recommendations for significant Free Cash expenditures in FY21 which will likely result in a decrease in next year's certified Free Cash balance. Subject to City Manager recommendation and City Council approval, a partial list of the possible items to be recommended for appropriation from Free Cash in FY21 include: additional School and COVID-19 costs; temporary shelter operating expenses; additional appropriation for the Foundry Building construction; DPW facility lease; public safety radio equipment; Central Square Branch Library improvements; E-Gov Projects; School Building Feasibility Study; War Memorial structural repairs; the Green Line Extension payment; and snowstorm related expenses.

Despite the economic uncertainty facing much of the country due to the COVID-19 pandemic, The long-term outlook for Cambridge continues to be very strong and reinforces the City's practice of managing our resources wisely. We will continue to use our five-year financial and capital plan, debt and reserve policies, and the City Council goals as a blueprint for our long-range planning.

It is important to note that the flexibility to adjust the tax levy in a way that helps minimize the impacts on property owners is provided by adherence to long standing fiscal practices and policies, maintaining sufficient reserves, and controlling the budget. The FY21 Budget maintains a high level of services and includes no staff or program reductions. Further, there is additional funding for affordable housing which is a key City Council priority, and increased City funds to support for the School Department.

The prudent use of the City's reserve balances that we have created over the years, has allowed us to lessen the tax burden of our tax payers while maintaining our fiscal flexibility and continuing to position Cambridge as a favorable place to live and do business. In addition, our reserves allow us to fund one-time capital projects and other programmatic initiatives that reflect City Council priorities.

I would like to thank the City Council for their continued guidance and support as well as staff for their hard work, that makes Cambridge the most fiscally sound city in the Commonwealth.

Very truly yours,

Louis DePasquale

Louis A. DePasquale
City Manager

Attachments

ATTACHMENT 1

FY2021 Single Family Assessment Data				
Median Assessed Values				
NBHD	Count	FY20 Median Value	FY21 Median Value	Change
R1	388	$ 880,900	$ 894,100	1%
R2	202	$ 1,072,050	$ 1,091,600	2%
R3	237	$ 1,512,250	$ 1,569,000	4%
R4	83	$ 1,489,800	$ 1,570,800	5%
R5	63	$ 3,397,900	$ 3,546,600	4%
R6	372	$ 2,241,000	$ 2,389,200	7%
R7	662	$ 905,800	$ 935,000	3%
R8	201	$ 1,234,650	$ 1,232,750	0%
R9	205	$ 1,818,400	$ 1,873,100	3%
R10	339	$ 4,082,400	$ 4,305,700	5%
R11	171	$ 1,923,300	$ 2,003,500	4%
R12	181	$ 1,143,500	$ 1,172,300	3%
R13	233	$ 1,245,100	$ 1,318,700	6%
R14	176	$ 1,924,900	$ 1,987,450	3%
R15	33	$ 1,490,000	$ 1,536,200	3%
R16	154	$ 1,719,800	$ 1,784,000	4%
R17	196	$ 1,204,750	$ 1,227,000	2%

FY2021 Two Family Assessment Data				
Median Assessed Values				
NBHD	Count	FY20 Median Value	FY21 Median Value	Change
R1	278	$ 1,038,150	$ 1,046,100	1%
R2	167	$ 1,199,200	$ 1,217,500	2%
R3	200	$ 1,672,200	$ 1,709,800	2%
R4	45	$ 1,807,100	$ 1,868,800	3%
R5	5	$ 2,458,000	$ 2,536,200	3%
R6	72	$ 1,954,200	$ 2,045,400	5%
R7	578	$ 1,121,600	$ 1,143,850	2%
R8	183	$ 1,408,000	$ 1,405,200	0%
R9	10	$ 1,367,250	$ 1,387,850	2%
R10	8	$ 3,440,550	$ 3,564,000	4%
R11	31	$ 2,083,200	$ 2,148,000	3%
R12	154	$ 1,265,350	$ 1,304,350	3%
R13	210	$ 1,466,150	$ 1,538,250	5%
R14	201	$ 1,674,100	$ 1,711,700	2%
R16	85	$ 1,737,200	$ 1,780,300	2%
R17	134	$ 1,374,250	$ 1,401,150	2%

FY2021 Three Family Assessment Data				
Median Assessed Values				
NBHD	Count	FY20 Median Value	FY21 Median Value	Change
R1	223	$ 1,261,600	$ 1,295,900	3%
R2	140	$ 1,506,150	$ 1,536,100	2%
R3	121	$ 1,972,000	$ 2,025,300	3%
R4	33	$ 2,406,100	$ 2,448,500	2%
R5	3	$ 5,177,100	$ 5,250,000	1%
R6	32	$ 2,342,650	$ 2,401,750	3%
R7	166	$ 1,358,800	$ 1,394,350	3%
R8	43	$ 1,588,500	$ 1,575,700	-1%
R9	1	$ 1,123,500	$ 1,137,300	1%
R10	1	$ 5,410,500	$ 5,476,600	1%
R11	15	$ 2,024,500	$ 2,160,900	7%
R12	118	$ 1,478,900	$ 1,498,250	1%
R13	149	$ 1,596,600	$ 1,671,100	5%
R14	46	$ 1,838,000	$ 1,854,950	1%
R16	43	$ 1,932,800	$ 1,983,800	3%
R17	62	$ 1,593,150	$ 1,633,250	3%

FY2021 Condominium Assessment Data				
Median Assessed Values				
NBHD	Count	FY20 Median Value	FY21 Median Value	Change
R1	2893	$ 705,700	$ 725,600	3%
R2	729	$ 666,300	$ 686,900	3%
R3	2085	$ 665,600	$ 676,700	2%
R4	665	$ 632,200	$ 642,300	2%
R5	17	$ 2,724,400	$ 2,892,200	6%
R6	1638	$ 624,700	$ 633,700	1%
R7	1841	$ 620,800	$ 644,600	4%
R8	434	$ 807,400	$ 831,600	3%
R9	50	$ 791,250	$ 770,000	-3%
R10	39	$ 2,538,700	$ 2,752,200	8%
R11	518	$ 1,135,350	$ 1,179,800	4%
R12	1131	$ 657,600	$ 671,700	2%
R13	1223	$ 741,300	$ 759,700	2%
R14	386	$ 861,100	$ 878,950	2%
R16	388	$ 697,800	$ 716,400	3%
R17	580	$ 804,250	$ 826,800	3%

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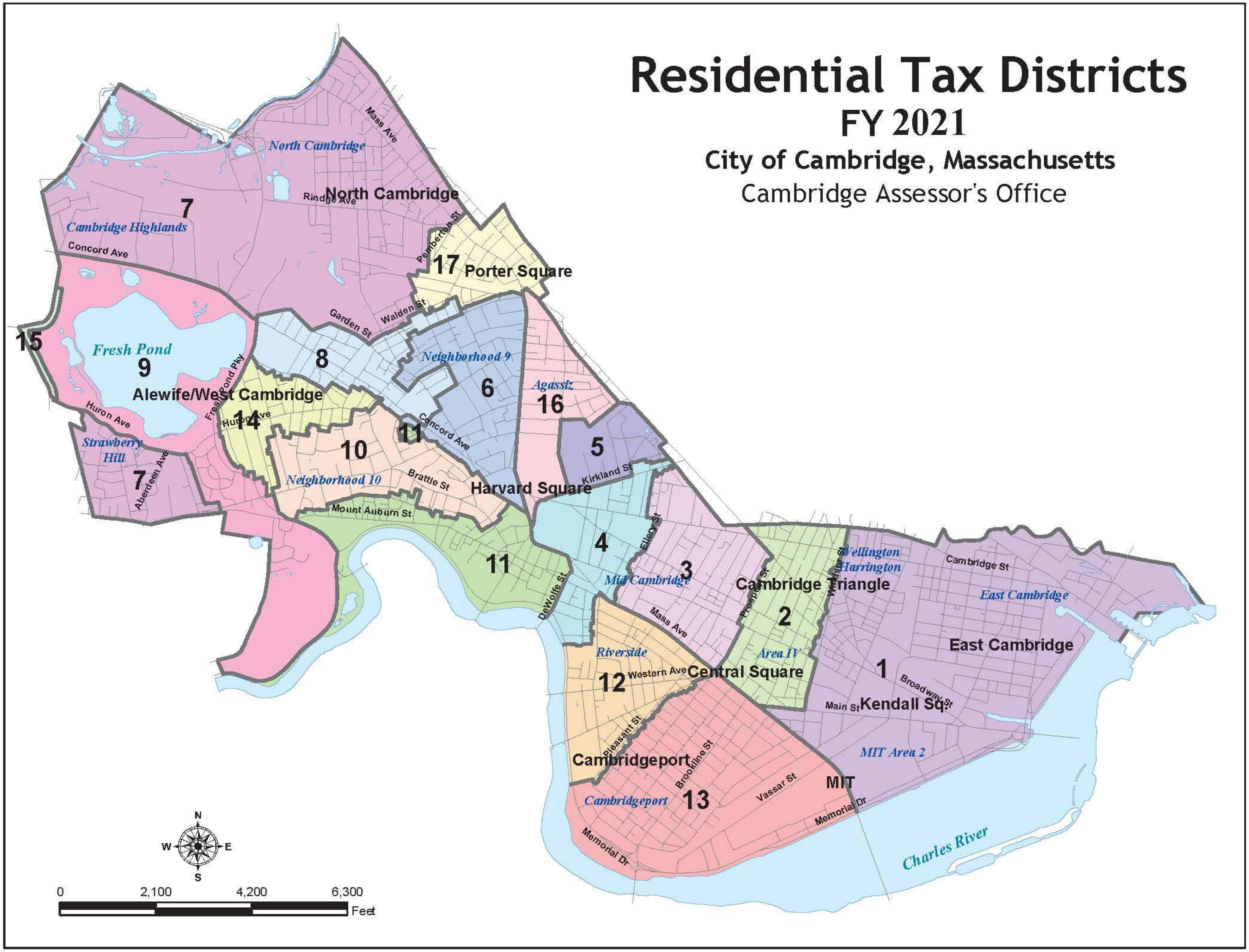

Residential Tax Districts
FY 2021
City of Cambridge, Massachusetts
Cambridge Assessor's Office
North Cambridge
Mass Ave
Rindge Ave
North Cambridge
7
Cambridge Highlands
Concord Ave
Pemberton St
17
Porter Square
Garden St
Walden St
15
Fresh Pond
9
8
Neighborhood 9
6
Agassiz
16
Alewife/West Cambridge
Fresh Pond Pky
Huron Ave
14
Huron Ave
10
11
Concord Ave
Strawberry Hill
7
Aberdeen Ave
Neighborhood 10
Brattle St
Harvard Square
5
Kirkland St
Mount Auburn St
11
4
Ellery St
3
Mid Cambridge
DeWolfe St
Mass Ave
Prospect St
Cambridge Triangle
Windsor St
2
Area IV
Wellington Harrington
Cambridge St
East Cambridge
East Cambridge
1
Broadway St
Main St
Kendall Sq.
Riverside
12
Western Ave
Central Square
Pleasant St
Cambridgeport
Brookline St
13
Cambridgeport
Vassar St
MIT
MIT Area 2
Memorial Dr
Memorial Dr
Charles River
N
W
E
S
0
2,100
4,200
6,300
Feet