

Frequently Asked and Other Questions about Inclusionary Housing in Cambridge May 31, 2016

In response to questions received about the recently completed Inclusionary Housing Study and the City's inclusionary housing program, CDD has compiled this list of Frequently Asked Questions for reference as the discussion of the study and changes to the City's inclusionary housing provisions continues. Similar questions were asked in separate contexts, and many have been combined and paraphrased.

CDD has also included specific questions that were asked at the May 18, 2016 Housing Committee meeting and/or in other discussions in recent weeks with residents, community groups, and developers.

A separate list of questions best addressed by the study consultant was submitted to David Paul Rosen & Associates in advance of their meeting with the Housing Committee on May 31, 2016.

A separate summary of comments and ideas from discussions with members of the development community is also being prepared.

Frequently Asked Questions

1. **What is inclusionary zoning?**

Inclusionary zoning is a zoning tool used in many communities to create affordable housing in new market-rate housing. It was adopted in 1998 in Cambridge and calls for developers of residential buildings to set-aside a certain percentage of units as affordable housing. Affordable housing units are administered through the City's Community Development Department Housing Division.

2. **How many affordable units have been created through the inclusionary housing provisions?**

To date, more than 920 units have been created or are now under construction. Of these, approximately 200 are ownership units and 720 rental units. More are in the pipeline.

3. **How many affordable units are there in the City?**

There are more than 7,650 housing units in Cambridge that are subject long-term affordability restrictions. This figure includes both affordable rental and homeownership units, including non-profit developed housing, cooperative housing, scattered-site homeownership units, public housing, privately-owned affordable housing and inclusionary housing units.

4. **How does inclusionary housing fit into Cambridge's overall affordable housing strategy?**

As developing new affordable housing units becomes more challenging and expensive, the City's inclusionary housing provisions are gain ever greater

importance. In recent years, inclusionary housing units have been the biggest source of newly created affordable housing units. Including affordable units in new market-rate development is a successful strategy used in high-cost communities around the country. Inclusionary provisions work best when the market is producing new housing. They can be complimentary to efforts to create affordable units in all-affordable developments, which can be challenging and/or cost-prohibitive in cycles where market-rate development is active and all-affordable developers are challenged to compete with market-rate developers.

5. **What is the city's overall housing goal? How is housing distributed in the city?**
The City has a goal of preserving the socioeconomic diversity of the community and providing a range of housing options for income-eligible residents. The City has a stated goal of creating new affordable housing and employs two primary strategies to advance this goal: 1. inclusionary housing provisions, and 2. financing the creation of new affordable housing in all-affordable developments. Annual housing production and preservation goals are set in the City's budget. The City Council in its last term inquired about the feasibility of creating 1,000 new affordable units in the next few years. In response to that order, CDD recently provided information to the City Council on what types of measures would need to be in place in order for this goal to be achievable. Completing and acting on recommendations for changes in the inclusionary housing provisions was one of the measures listed and is a key component toward meeting that desired goal.
6. **Can the City control where inclusionary units are created?**
Inclusionary units are created in market-rate housing developments across the city. The City does not choose locations where inclusionary units are created, however City staff does work with housing developers to identify which units in new buildings will be affordable inclusionary units. The City's Zoning Ordinance outlines requirements for new development and can influence where new housing might be built in the city.
7. **How is the affordability of inclusionary housing units protected? Does affordability ever expire?**
Buildings with inclusionary housing units are bound by an Inclusionary Housing Covenant, a recorded legal document that runs with the land and is binding on current and future owners. The Covenant outlines the inclusionary housing requirements for the property, identifies which units are designated to be affordable, requirements for ongoing compliance, and the rights of the City to enforce these requirements to ensure permanent affordability of inclusionary units. The affordability of inclusionary units never expires.
8. **What is the current affordability set-aside ratio for inclusionary housing?**

The current ordinance calls for 15% of units in new buildings to be affordable. However, the Ordinance provides density bonus, which allows up to a 30% increase in the number of units and floor area allowed in the base zoning. After the application of the density bonus, the net ratio of affordable units in most buildings with inclusionary units is usually around 11.5%.

9. **What changes to affordability set-asides are being considered?**

The consultant team is recommending that the ordinance be amended so that the net ratio of affordable units in buildings subject to the inclusionary provisions be increased from the current effective ratio of 11.5% up to 20%.

10. **What are the current income limits for inclusionary housing?**

The current ordinance sets an income eligibility limit of 80% of Area Median Income (AMI), with affordability targeted to 65% AMI for both rental and homeownership (as described further below).

11. **What changes to income limits are being considered?**

The consultant team recommended that for rental projects, the City maintain the current income eligibility limit of 80% AMI either for: (1) the entire 20% affordable housing component (20% under 80% AMI), or (2) 15% of the building, with an additional 5% of units targeted and made available to middle income households (15% under 80% AMI + 5% under 100% AMI). For homeownership developments, the consultants recommend increasing income eligibility to 100% AMI.

12. **Does the inclusionary housing program serve renters earning under 50% AMI? Why does eligibility for inclusionary rental housing start at 50% AMI?**

Applicants are eligible for inclusionary rental housing if they earn between 50% and 80% AMI or have a rental housing voucher. This requirement is in place because inclusionary housing is intended to target affordable to households at 65% AMI. Notwithstanding this, roughly 58% of tenants in inclusionary units earn under 50% AMI or have a tenant-based housing vouchers. While CDD does not have income data for households with rental vouchers, most households with housing vouchers have incomes less than 50% AMI.

13. **What other affordable housing options are available to households earning under 50% AMI? What about other income groups?**

In addition to inclusionary housing units, the City's affordable housing stock contains a range of options for households with incomes less than 50% AMI. Housing owned and operated by the Cambridge Housing Authority and its non-profit affiliates is available to households earning up to 60% of AMI. Similarly, many units located in rental properties owned and operated by local affordable housing developers are available to households earning up to 60% of AMI.

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There are not as many affordable housing options for households earning between 60% and 80% AMI. Many all-affordable housing developments in the city (i.e. buildings created by non-profit housing developers, and CHA public housing after the RAD conversion) is funded through the Low-income Housing Tax Credit Program (LIHTC). These units are limited to households earning less than 60% AMI at occupancy. There are some units in small non-LIHTC buildings and larger mixed-income buildings that are available to households in the 60%-80% AMI range, however inclusionary housing units are likely the largest stock of housing affordable to households in this range.

14. How are rents set for inclusionary housing units? What are some examples?

Unlike programs in many other communities, rents for inclusionary units in Cambridge are set as 30% of the household’s gross annual income. This affordable rent is then usually reduced by allowances for tenant-paid utilities, so that the total tenant payment for rent and utilities remains at 30% of income at the time of lease. The table below shows the range of rents for inclusionary units for tenants at different income levels. Actual rents are calculated based on each tenant’s actual income.

Household Size	1-person		2-person		3-person		4-person	
	income	rent*	income	rent*	income	rent*	income	rent*
50% AMI	\$34,500	\$863	\$39,400	\$985	\$44,350	\$1,109	\$49,250	\$1,231
65% AMI	\$44,850	\$1,121	\$51,220	\$1,281	\$57,655	\$1,441	\$64,025	\$1,601
80% AMI	\$55,200	\$1,380	\$63,040	\$1,576	\$70,960	\$1,774	\$78,800	\$1,970

* including utilities

Rents for tenants with vouchers are determined in accordance with policies of the agency that administers each voucher (e.g. Cambridge Housing Authority), and are usually set so the tenant portion of the rent is 30% of tenant income.

15. How are prices set in inclusionary housing units? What are some examples?

Sales prices for new inclusionary homeownership units are set to be affordable to a household earning 65% AMI. Sales price are determined from an affordable monthly housing payment: 30% of gross monthly income for mortgage principal and interest, condominium fee, property taxes, and insurance. The available monthly payment for mortgage principal and interest, along with a necessary down payment, is then used to calculate an affordable sales price using current mortgage rates for first-time homebuyers. Prices vary among new units depending on condo fees, changes in mortgage interest rates over time, tax rates, and insurance costs.

The last newly created affordable inclusionary units were sold in 2013, and were priced at \$216,000 for a 2-bedroom and \$243,500 for a 3-bedroom.

16. What was the purpose of the Inclusionary Housing Study and what was its approach?

In 2014 the City commissioned a consultant team to conduct a new comprehensive inclusionary study. The purpose of the study was to analyze the impact of new market rate residential housing on housing affordability, housing supply, housing needs and demographic trends and socioeconomic diversity and to recommend changes to the City's Inclusionary housing provisions. The study:

- looked at changes in the socioeconomic profile of Cambridge and to housing affordability in recent years;
- reviewed other inclusionary housing programs for best practices;
- conducted an economic analysis applying different inclusionary housing ratios to prototypical models of residential developments; and,
- Made a series of recommendations to increase the set-aside ratio and consider other changes.

17. The report discusses income distribution. What is Cambridge's income distribution?

The consultant team compiled data on income distribution in Cambridge. Looking at the most recent data available to them, the consultant team found that of the City's roughly 46,000 households, 29% earn under 50% AMI, 16% earn 50-100% AMI, and approximately 55% earn more than 100% AMI. Their analysis also looked at incomes in the city in 2000, and found that the number of under 50% AMI households has remained roughly stable from that time, while the ratio and number of 50-100% AMI households has decreased and that ratio and number of households earning more than 100% AMI has increased. This data is in Table 15 of the report.

18. What are the age ranges of tenants living in inclusionary housing? Are seniors currently being served in the program? Could there be a preference for seniors?

According to a recent analysis of tenants currently living in inclusionary housing, 12.8% have heads of household under 30 years of age, 57.9% have heads of household between 30-55 years of age and 29.3% have heads of household over 55 years of age. Please see the attached memo which contains more information about this analysis.

As to preferences for inclusionary housing, CDD is preparing to revisit the current preference policies to ensure they meet current needs and policy goals. This will be a separate discussion which will involve the Housing Committee, the City Council and the Affordable Housing Trust. There are many ideas that could be considered for changes to the preference policies, including giving an advantage to seniors.

19. What size households currently live in inclusionary rental housing?

According to an analysis of tenants currently living in Inclusionary housing, 57% are single-person households, 22% are two-person households, 15% are 3-person

households and 6% are households of four or more persons. The size of households in inclusionary reflects the size of rental units available: 12% of inclusionary units are studios, 48% of inclusionary units have one-bedroom; 37% have two-bedrooms; 4% have 3+ bedrooms.

20. **What is “housing cost burden”? How many households in Cambridge are housing cost-burdened? How does this compare to adjacent communities?**

Households are considered cost-burdened if they pay more than 30% of their total household income on housing, and severely cost-burdened if they pay more than 50% of their income on housing. According to the study, 38.4% of Cambridge households are cost-burdened and 20% are severely cost-burdened. Data further shows that lower-income households are more likely to be cost-burdened. Data on cost burdening can be found in Table 14 of the Inclusionary Housing Study where it is presented by income range for renters, homeowners, and combined with the most recent data available to the consultant with data from 2000 as a comparison. Analyzing cost burdening as a housing problem in adjacent communities was not included in the scope of this study.

21. **How many inclusionary units are now available?**

The number of inclusionary units available at any time varies based on the timing for new units created and when current occupants in completed units decide to move.

Rental units become available when new buildings are completed and when occupied units turn-over. The number is constantly changing and can vary considerably. Since July 1, 2015, the City has housed more than 160 households in inclusionary rental units and is on track to house 180 tenants by the end of the fiscal year. There are more than 100 units now being built which will be available when completed.

Homeownership units have been less frequently available in recent years as there have been few new units created, and few units being sold by current owners. There are currently 8 new ownership units being developed and several existing inclusionary ownership units in the process of being sold to new buyers.

22. **How can a household be considered for inclusionary rental housing?**

The CDD maintains a Rental Applicant Pool (RAP) of households interested in inclusionary rental units. Households seeking Inclusionary rental housing must submit a preliminary application to be added to the Housing Division Rental Applicant Pool (RAP). Applicants are placed into groups according to their household size and composition and the City’s selection preferences. Preference selection groups are ordered by application date. Applicants are asked for a Final Application when units are expected to be available. Final Applications are reviewed

for program eligibility. Eligible applicants are then considered for available units based on their date of application and preference group and date of application with their applications screened by property management staff who approve or deny their application based on credit and CORI screening and landlord references.

23. How can a household access inclusionary ownership units?

There are two ways to access inclusionary ownership units. For newly-created units, the CDD selects buyers through a lottery process. Newly built homeownership units are marketed through various media sites, as well as on the CDD and City websites and social media. Applications are due by a specific date, and eligible households are included in a lottery based on unit size eligibility and buyer selection preferences. Units are available through a lottery the first time they are sold.

When an owner wishes to sell their inclusionary ownership unit, it is sold through CDD's Homeownership Resale Pool. CDD accepts applications for the Resale Pool on a rolling basis. Applicants are placed into pool groups based on unit size eligibility and preference group. They are informed when there is a unit that might be available to them. The Resale Pool is used to find buyers for all affordable homes in the City's affordable homeownership stock.

24. How many applicants are in the pools?

The City's Rental Applicant Pool (RAP) currently has over 1,600 households that have applied for affordable rental units. The City's Resale Pool currently contains more than 300 households seeking first-time homeownership opportunities. Applications are placed into pools based on bedroom size and the City's selection preferences.

25. What is the demand for middle income units? Is it greater or lesser than the demand for low and moderate income units?

Evidence to date indicates that the demand in Cambridge for subsidized middle-income rental units is not as strong as the demand for subsidized low and moderate-income units. For instance, since the City began marketing 15 middle-income rental units in August 2015, 44 income-eligible applications have been received as of May 2016, and two 1-bedroom units remain vacant and are being made available on a first come, first served basis. A recent analysis of this pilot program is attached for reference. The City's Rental Applicant Pool for inclusionary rental housing for low- and moderate-income applicants contains more than 1,600 households seeking affordable units, with more applications being submitted each week.

For homeownership there is more demand among middle-income homebuyers. This demand is strongest in the 80-100% AMI range. CDD has had success in finding

buyers for recently available middle-income two units, and has many strong middle-income buyers in the Homeownership Resale Pool.

26. **What is a right of first refusal and how does it work? Can it be used to purchase more affordable units in a building with inclusionary units?**

A right of first refusal is an option for an entity to purchase housing that is available for sale in order to preserve, improve, or control affordability. The City uses this mechanism in administering affordability commitments of several types of City-assisted affordable housing. The City includes a purchase right in Affordable Housing Covenants for all-affordable buildings financed by the City and in all affordable homeownership units administered by the City. The purchase right gives the City the option of purchasing affordable housing in certain circumstances including when it is being offered for sale. For inclusionary homes, the City often exercises this right when an owner would like to sell, and either connects the seller with a buyer from the Resale Pool, or prepares the unit for a new eligible buyer.

While the inclusionary housing provisions do not provide the City a right to purchase additional units in buildings with inclusionary units, the City has discussed purchasing additional affordable units with many developers. The purchase of additional market rate units to create additional affordable units is one way to add to the stock of affordable housing. However, purchasing new market units to add affordable units is oftentimes cost prohibitive given the value of these units, and because City funds used in such an effort would not be matched by other housing subsidy funds. It is most cost effective to use City funding for housing in a way that benefits from other commitments of public and private funding, such as in all-affordable developments sponsored by affordable housing developers. In this way City funds can be leveraged to create more housing than when the City is the only capital source of subsidy.

27. **Why did the study suggest that the City consider allowing an option of designating “less premium” units as affordable in exchange for designating a greater number of units as affordable?**

The current inclusionary ordinance requires that affordable units be designated so as to mirror the market-rate units with regard to such features as quality, type, size, finishes and location. The consultant’s recommendation regarding premium units was designed to provide the City a means to gain a greater number of affordable units, or larger affordable units, in exchange for fewer premium units. In the context of housing in Cambridge, premium units are those with exceptional features such as units on the highest floors of high rise buildings, units with significant views, exceptionally large units, and/or units that have other features that might be more valuable in the market in exchange for units that would serve a greater number of or larger households in the affordable component. .

28. **Why did the study consider family-sized units? How many family-sized units have been created by inclusionary housing?**
Of the over more than 920 inclusionary units approved, only 63, or 7%, have three or more bedrooms. Larger households are most challenged to access both inclusionary rental and homeownership units. Given this unmet demand for family-sized units, the City asked the consultant team to recommend ways in which the City could update the inclusionary housing provisions to gain a larger number of affordable 3-bedroom inclusionary units. The consultant suggested that the City could incentivize, or require, the creation of family sized units by setting a minimum threshold requirement for larger units or by applying the set aside ratio based on a square foot or per bedroom basis.
29. **Why did the study examine studio units? What is the purpose of the study's recommendations regarding disallowing studio units from the program, or setting a different rent standard for studio units?**
Tenants in inclusionary housing pay 30% of their gross household income as rent. As a result, the cost for a household to rent a studio unit is the same as the cost to rent a one-bedroom unit. Finding tenants for studio units can be challenging as studio units are often seen as less desirable than one-bedrooms but offer no cost savings. There are now more than 105 inclusionary studio units built or in the pipeline. The City asked the consultant team to recommend changes to consider this issue. The consultants recommended that studio units either not be included in inclusionary housing components, or be subject to lower rent standards than other units, for example basing the rent on less than 30% of the renting household's income.
30. **The study recommended looking at the 10-unit threshold trigger for inclusionary provisions and modeled the impact of inclusionary on 6-unit development prototypes. How many buildings of 6-9 units are being built?**
A recent analysis of projects adding new housing units between 2010 and 2015, found 6 developments built during this period with 6-9 total units. These developments included 46 total market-rate units.
31. **The study includes economic modelling of development prototypes with alternate inclusionary housing ratios under two market scenarios – a low cap rate scenario and a high cap rate scenario. When was the last time Cambridge market was in a high cap rate environment?**
The study completes economic modelling under two cap rate scenarios which were selected to show the impact of alternate set-aside ratios in different real estate market environments. Capitalization or “cap” rates are often used to estimate the value of a property based on the operating income it produces. Cap rates vary for every sale of income producing property; there is no one cap rate, but rather a range seen as buyers and investors look at property investment in relation to other

investment opportunities. Lower returns on other non-real estate investment options put downward pressure on cap rates as property investment becomes more attractive and competitive. Low cap rates lead to higher property values.

The low cap rate scenario accounts for the current market when the cost of investment capital is at an all-time low. However, even the high cap rate scenario in the study reflects a market that is very active with available capital and high land costs. It is difficult to pinpoint where cap rates are in the current market as they can only be seen after property sales occur, however the high cap scenario likely approximates the market climate seen in recent years. Lower cap rates is directly tied to the Federal Reserve Policy which has kept interest rates historically low. The Federal Reserve has recently made the first upward interest rate adjustment since the economic downturn of 2008 and appears poised for more interest rate adjustments in the near future. Typically increases in interest rates have an impact on capitalization rates which would move in a similar pattern and adversely impacting property valuations.

32. **What is the projected tax impact of increasing the inclusionary housing ratio without increasing the density bonus of market rate units that add to the tax base offsetting new affordable units? What is the property tax impact of each inclusionary scenario?**
Projecting the tax impact of increasing the inclusionary housing ratio and looking at the tax impact of each alternate inclusionary housing scenario are beyond the scope of this study.

City staff do not foresee any significant tax consequences to increasing the inclusionary housing ratios. Buildings with inclusionary units will be assessed based on the income they produce and/or fair market value. Any impact of adding new affordable units will have minimal impact, and will be more than offset by the benefit of increasing the stock of affordable housing in the city and furthering efforts to advance the City's policy goal of preserving socioeconomic diversity.

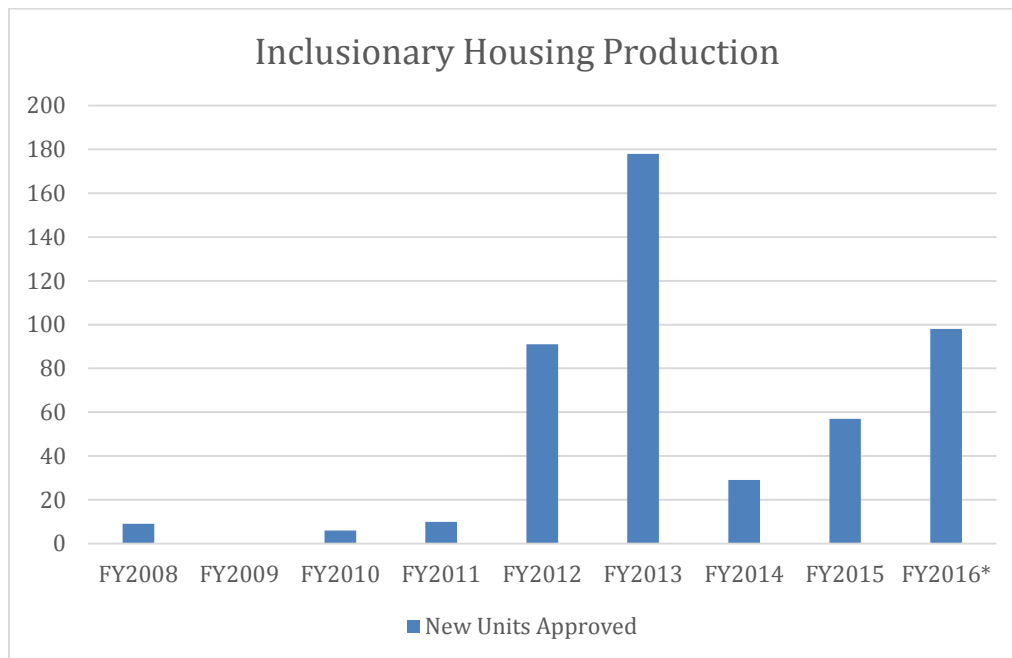
Additionally, under the current inclusionary provisions, many developments are not able to access the full potential of the 30% density bonus for a variety of reasons. CDD has heard interest from the development community in discussing how to improve access to this available density as part of the discussion of changes to the inclusionary provisions.

33. **How will each alternate inclusionary scenario affect the wait time for affordable units?**
Wait times for affordable units will always vary depending on unit type, size and tenure, however in general wait times will be most improved by increases in the supply of available affordable units. It is beyond the scope of study to project the

impact of alternate scenarios on market development production and therefore the study does not assess which scenario might produce the most affordable units. There are many variables to consider when projecting market housing production beyond inclusionary housing provisions.

34. **How many inclusionary housing units have been produced since 2008 by year and have any units been lost?**

The following chart shows the number of new inclusionary housing units produced by year. There have been 478 inclusionary units approved since 2008. No inclusionary units have lost their affordability.



35. **How does the proportion of inclusionary housing in Cambridge with respect to overall production of new affordable units compare to other communities?**

Inclusionary housing production has become a critical source of new affordable housing in Cambridge. It is also an important source of new affordable units in other cities, particularly in high cost communities. Nearby communities including Boston and Somerville face many of the same challenges faced in Cambridge with creating new affordable housing. High land construction and other development costs make all-affordable development more difficult, while high rents lead to increased competition from market-rate developers making it challenging to find development sites. Boston and Somerville have both recently updated their inclusionary housing provisions to ensure that new market-rate development also includes affordable units. Table 4 in the study shows data on similar programs and inclusionary housing production in other communities. Analyzing what share of

overall affordable housing production is represented by new inclusionary units is beyond the scope of this study.

36. **Could inclusionary housing be triggered by substantial rehab? Do inclusionary housing provisions in other communities include substantial rehab? How would substantial rehab be defined?**

Cambridge's inclusionary provisions do apply to substantial rehab when a non-residential building is changed to residential use.

We have been and are continuing to look at this question to understand the implications which such a provision might have when applied to existing residential buildings that are undergoing substantial rehab and/or to buildings which have been vacant for a significant period of time. This will require more analysis. We are only aware of one community – Somerville – which includes buildings undergoing substantial rehab in its inclusionary housing provisions, and understand that Somerville's provision is structured in a way that would be unlikely to apply to most buildings being rehabbed, and has never been applied.

If it is determined to be advisable to consider residential buildings undergoing renovation and/or buildings that have been vacant, it is possible to develop standards which make clear in which cases such a provision would apply.

37. **What are the next steps in the process? How long will this process take?**

The Housing Committee is now conducting public hearings on the Inclusionary Housing Study. Following these discussions, the Housing Committee will make a set of recommendations to the City Council on changes to the inclusionary housing provisions. With this recommendation from the City Council, CDD will draft a zoning amendment to advance recommended changes. This amendment will be filed, and there will then be public hearings on the proposed amendment at both the Ordinance Committee and the Planning Board. At the conclusion of their discussions of the zoning amendment, both the Ordinance Committee and Planning Board will submit recommendations to the City Council. The City Council will then have the chance to further deliberate and act on changes to the ordinance.

The process will take several months following the conclusion of the current Housing Committee's review. Timing will be impacted both by the complexity of the recommended changes, which must be clearly articulated in a zoning amendment, as well as the required process and schedule to publicize, review, and act on any proposed change to the Zoning Ordinance.

38. **When will any changes become effective? What developments now underway will be subject to any changes in the inclusionary provisions?**

It is too early in this process to state what the effective date of any changes will be. We will be better able to respond to this question once the Housing Committee discussion concludes and we prepare a zoning amendment based on the Committee's recommendations. At that time, the effective date of any changes will be more clearly understood.

Generally speaking, developments with approved building permits or special permits are not subject to subsequent changes in zoning. However, this determination may differ for specific developments based on the details of particular developments and permits.

While developments with approved permits are likely not to be subject to any changes, there are other developments begun in good faith under the current provisions which must be thoughtfully considered as an increase in the inclusionary housing ratio could have a significant impact on such developments creating new housing. Balancing the long-term benefits of changes in the inclusionary housing provisions must be balanced with short-term impacts in order not to disrupt needed creation of new housing.

Other questions received:

39. **The study notes that the ratio of households under 50% AMI has remained stable, is this because these households are already in subsidized housing? How many are in market housing? How many mobile rental housing vouchers are there in the city?**
Data in Tables 15 and 16 of the study show that the ratio of households earning less than 50% AMI in the city is essentially unchanged and that the estimated number of these households has increased. We do not have data on how many of these households are living in market-rate housing, however according to a recent report by the Cambridge Housing Authority, there are 1,400 households with tenant-based mobile vouchers in Cambridge. Many of these households may be using their voucher in an otherwise affordable unit such as units owned by affordable housing providers or inclusionary units. There are more than 280 inclusionary rental units are occupied by households using mobile voucher living in inclusionary units. While we do not have specific data, we would expect it to be a small number in non-affordable, market units given current housing costs. The stability of this cohort in the income profile of the city is likely due to the fact that most of these households are living in some type of affordable housing.

The study also notes that City's success in maintaining the ratio of affordable units in the city at roughly 15% of the overall housing stock, which acknowledges the expansion of the affordable stock through inclusionary and other strategies such as City-financed affordable housing development. Most City-financed affordable

housing and other affordable housing is designed to serve households earning less than 50% AMI.

40. **What is the ratio of mobile housing vouchers used in inclusionary units in other communities?**

The study did not consider this question and we do not have that information.

41. **What is the distribution of developments by size pre-1998 and post-1998?**

This type of analysis was not included in the scope of this study and would require further study. The inclusionary housing provisions were adopted in 1998 and are one factor that could account for differences in development types. Given a recent analysis of developments which found few developments advances in recent years with less than 10 units, it seems reasonable to conclude that there has not been a material increase in developments proposed with fewer than 10 units in order to avoid the inclusionary housing provisions.

42. **What is relationship of this study to existing rental units in Cambridge? Have consultants talked to existing tenants? How does the study address current rental losses?**

The study looks at changes in the housing market in recent years and notes the dramatic increase in housing costs. These increased costs are driving the demand for sites for new building and the interest in re-positioning existing housing to serve higher income households paying higher rents which can lead to displacement of lower income tenants. Broadly speaking this activity is informing the recommendations for an increased inclusionary housing ratio and other changes. The study consultants did not talk with Cambridge tenants but did analyze the local rental market to understand its current state for comparison to 2000. There have been no losses of affordable rental units during this time.

43. **Is there a way to create affordable housing without tying it to density?**

Creating deed-restricted affordable housing often involves adding new units, either through new market buildings with inclusionary units, or through new all-affordable buildings built by affordable housing developers. However, over the years the City has also added hundreds of new affordable units through financing the acquisition of existing rental housing which has historically been an informal source of affordable housing in the community. While this strategy has worked well in the past, in recent years we have seen it become much more challenging and costly, as affordable housing providers looking to purchase available buildings are now competing with dozens of other interested buyers for these buildings, while the costs of acquiring and rehabbing these have risen to be in the range of new construction.

44. **What fraction of jobs in Cambridge provide wages that would qualify those employees for affordable housing?**

While there is data available on earnings of Cambridge households and resident workers, an analysis of earnings for all jobs in Cambridge would require more time to complete.

45. **Has there been any effort to have developers consider as they design and create mixed use buildings ways to have residents get together and interact?**

Most significant developments require review and approval by the Planning Board where there is an opportunity for public comments and input on building design. Most developers will also meet with the community and neighborhood groups before beginning the permit approval process. Through this process, and meetings with CDD staff, there is often discussion of how a building will work for residents – both living in and nearby the proposed building.

46. **In Kendall Square there are no supermarkets, no drug stores; what is being done to make developers accountable for any kind of inclusion of these kinds of places? What about the loss of retailers that serve the community and creating spaces for retailers that would serve neighborhood residents?**

While this is beyond the scope of this study and not part of the inclusionary housing discussion, this is a known concern which the City has tried to address both with developers on a case by case basis, and through zoning recommendations which could assist in creating new retail space. CDD will be further analyzing this issue in the coming months through a separate planning effort.

47. **Why doesn't the City and people who think about housing, engage MIT and other universities to provide more graduate student housing?**

While this is beyond the scope of this study and not part of the inclusionary housing discussion, there has been a discussion of the need for housing for graduate students in recent years. MIT will include new graduate student housing and market-rate housing in its plans for Kendall Square. The need for graduate student housing will likely be a topic discussed in the Envision Cambridge city-wide plan now underway.