

# Housing Plan

Like many cities in the Boston region and around the country, Cambridge is experiencing a strong demand for housing. The resultant increases in housing costs place much of market-rate housing out of reach for low-, moderate-, and even middle-income households. The need for affordable housing, and more housing in general, was consistently raised as a high priority in the Envision Cambridge process. The city's strong job market and high quality of life have made demand for housing in Cambridge particularly high, driving up costs for renters and new homeowners alike. The City has many programs already in place to increase the stock of permanently affordable housing, but these programs face challenges as the real estate market becomes more competitive.

## Coordinated Efforts

The City and its partners have been working to address the housing crisis for many years. The City provides significant funding to the Affordable Housing Trust to fund affordable housing development, especially initiatives sponsored by nonprofit housing providers. The City's Inclusionary Housing and Incentive Zoning policies have linked affordable housing to broader development and community planning processes. The City also offers several programs supporting homeownership, including education and funding assistance for first-time homebuyers, and funding for homeowners to complete needed home repairs and improvements. Housing is also recognized as a critical pillar of public health in the City's Community Health Improvement Plan (CHIP).

Housing

# Context

### Supportive Housing for All

Across all engagement activities, including public meetings, Street Team activities, and online surveys, housing emerged as the clear priority for Cantabrigians. Community members wanted housing to be affordable, safe, supportive of family life, and connected to opportunity and varied options to meet the diverse needs of the population. Housing was additionally cited as a critical factor in ensuring a diverse and equitable Cambridge for the future.

### Housing Affordability

Today more than 45,000 households, including nearly 19,000 families, call Cambridge home. Unfortunately, rising

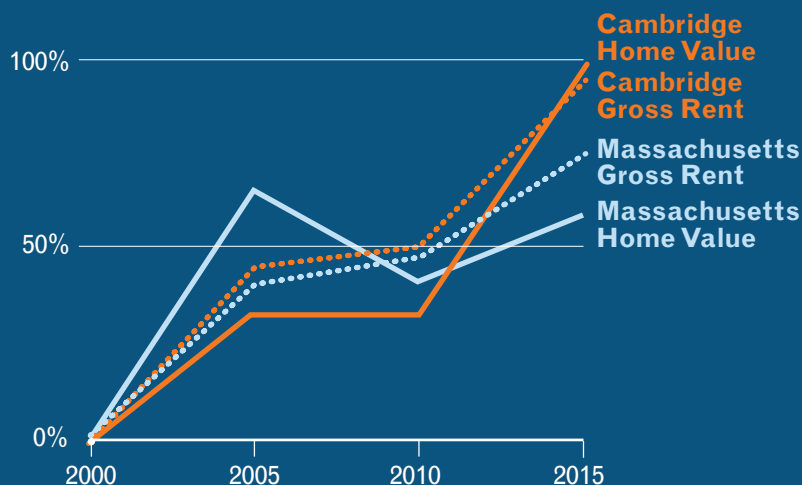
housing costs and a lack of affordable housing options make it increasingly difficult for many people to live here. Housing availability and affordability affect not only the residential makeup of Cambridge, but almost every facet of daily life.

Housing costs in Cambridge have increased dramatically since 2000, particularly since 2010. Both home values and rents nearly doubled between 2000 and 2015. While the median household income in Cambridge is roughly \$75,000, households must now earn approximately \$100,000 per year to afford rent for a 1-bedroom apartment, and approximately \$135,000 to afford rent for a 3-bedroom apartment. Required incomes are even

greater for those looking to own a home. Moderate-income households are becoming burdened by the cost of housing at the fastest rates.

### Housing Stock and Distribution

More than 75% of Cambridge homes contain fewer than three bedrooms, and the portion of Cambridge homes that are studios is small but growing. The majority of residential buildings in Cambridge are small, containing between one and three units. However, a significant portion of the city's housing is found in large buildings of 50 or more units.



Percent Change in Median Rent and Home Value, 2000–2015 (Nominal figures indexed to 2000)

Source: US Census, 2000–2010; American Community Survey, 2005; American Community Survey, 2011–2015, 5-year estimates; Zillow Home Value Index, 2000–2015. Graph reflects figures from every five years.

“Housing is critical. I have lived here for 49 years because of affordable housing. Without this I would be unable to continue to live here. This needs to continue. Anybody should be able to live here.”

— Listening Workshop participant



Members of the public discussing action recommendations at a public meeting in July 2018.

For more data and context on housing in Cambridge, see pages 54–73 of *Cambridge Today*, the Envision Cambridge report on existing conditions.

Housing is distributed in neighborhoods across the city, though there are fewer units in the west side, where the majority of single-family homes are found. Transit-oriented and mixed-use development is increasingly common in certain areas, as residents desire access to amenities near their homes.

Many participants in focus groups, at public meetings, and at Envision Cambridge Street Team events said that family-sized housing units—those with three or more bedrooms—were needed in the city. Other participants felt there should be more studio and one-bedroom housing units, which could absorb demand from singles, who otherwise live as roommates and compete for family-sized housing.

### **Affordable Housing**

Almost 15% of Cambridge's housing stock (more than 8,100 units) is held as affordable for households of given incomes. These units are “deed-

restricted,” meaning they must be rented or sold at affordable rates. The majority of those units are either owned by nonprofits or the Cambridge Housing Authority. Nonprofit housing is developed and managed by private organizations, but it is typically subsidized by the City, the Commonwealth, and the federal government. The City's Inclusionary Housing Program, which requires a portion of new large housing developments to be dedicated as affordable, provides a growing share of affordable units. In 2017, the City expanded that program, now requiring developers to set aside 20% of their development for new affordable housing.

Participants in Envision Cambridge working groups agreed with the need to build more affordable housing. They stated that, in addition to housing for low-income households, there must also be affordable housing options for people with middle incomes.

### **Housing Stability and Homelessness**

Communities thrive when people can stay in their homes and neighborhoods without facing the prospect of eviction or homelessness. Persons at risk of or experiencing homelessness require varied and often multifaceted interventions to access and maintain stable housing. Examples of these interventions include short-term and time-limited supports such as eviction prevention, rapid rehousing and transitional housing, and long-term supports such as permanent supportive housing, which is subsidized housing paired with long-term stabilization services. The current supply of housing and capacity of supportive services dedicated to addressing housing instability in Cambridge are not adequate to significantly decrease the number of households entering and experiencing homelessness.

# Vision

Residents of Cambridge live in safe, affordable, and life-enriching housing. People of all backgrounds choose to live here, and housing options are readily available to those at any socioeconomic level and life stage, meeting the diverse needs of all Cantabrigians. Furthermore, there is continuity in housing support for those in need. The City is actively involved in the provision of housing, and serves as a regional leader in advancing innovative and effective housing policies.

# Goals

**Affordable Housing:** Maintain and expand long-term, deed-restricted affordable rental and homeownership opportunities to allow Cambridge to thrive as a mixed-income community.

Cambridge must act to ensure deed-restricted affordable housing is created to provide housing options for low-, moderate-, and middle-income households. These units should be available to renters and those wishing to buy.

**Housing Diversity:** Provide a variety of housing options for individuals and families of different socioeconomic levels, life stages, and physical needs.

Cambridge residents should be able to seamlessly transition between homes that are appropriate to their needs as their circumstances and preferences change.

**Livable Communities:** Support high-quality housing that is healthy, climate-resilient, and energy-efficient.

Housing in Cambridge should keep residents safe and complement a high-quality environment, without increasing costs for low-, moderate-, and middle-income households.

**Housing Stability:** Support the ability of Cambridge residents to remain in Cambridge. Maintain a range of housing options to enable households to transition to units best suited to meet their needs.

A diverse community has made Cambridge what it is today. In order to preserve its diversity, the City must help residents remain in Cambridge in the face of rising costs and demographic change.

**Market Affordability:** Support overall market affordability and lead the region in mitigating housing cost increases.

Only broad market affordability will maintain Cambridge as a community for everyone. Cambridge should lead the region to increase local and regional housing supply.

**Opportunity Neighborhoods:** Foster communities of opportunity by providing housing in diverse neighborhoods close to public transit, places of employment, and social services.

Cambridge must plan for housing not in isolation of other factors, but with access to opportunity and amenities in mind.

# Connections to Our Core Values

Outlined here are key ways that the core values of the Cambridge community, identified through the Envision Cambridge process, are reflected in the Housing goals and recommendations. For more about the community’s vision and core values, see page 26.

**Livability:** We value a vibrant built and natural environment and support sustainable transportation with affordable and convenient access to daily needs and recreational resources.

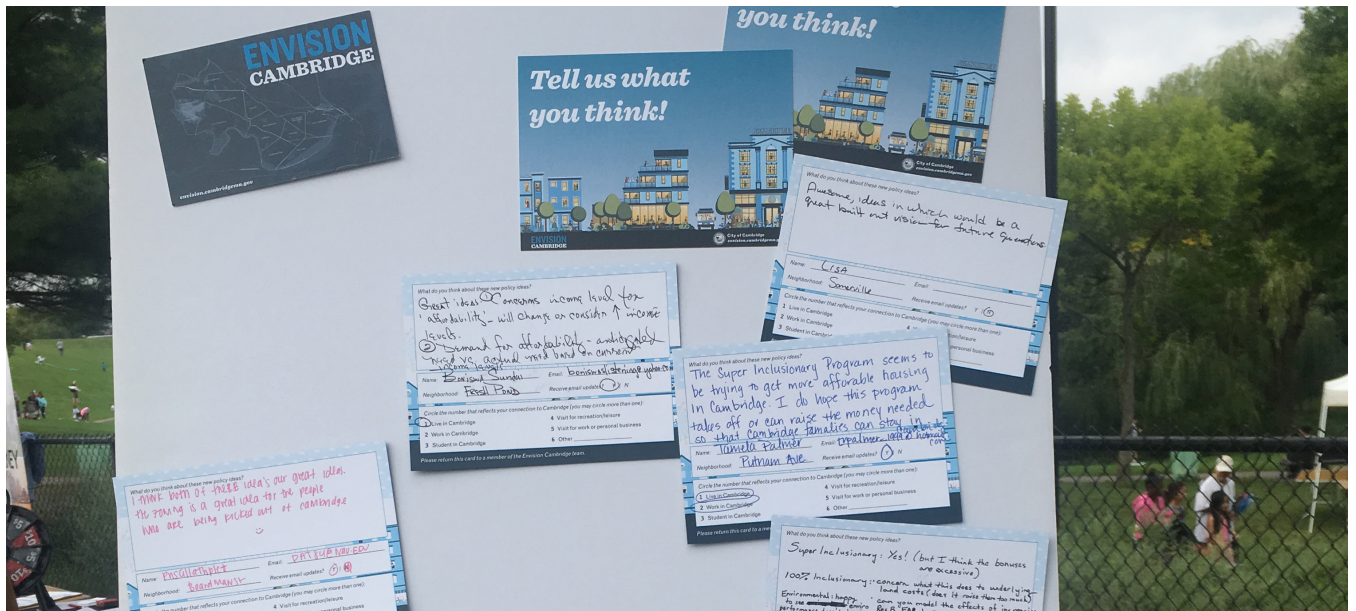
Safe, affordable, and life-enriching housing is an important part of a livable community. This section recommends encouraging housing in locations with access to mobility options, jobs, and amenities support the city’s livability and enhance everyday convenience.

**Diversity and Equity:** We are a welcoming community that celebrates our diversity and ensures access to affordable housing choices and opportunities to succeed.

Creating a variety of housing options to support the diversity of our community is a key goal of this section. We celebrate our status as a mixed-income community that is welcoming to all, and several recommendations focus on creating housing for households of different socioeconomic levels, family size, life stages, and physical needs.

**Economic Opportunity:** We provide opportunity and stability through access to quality jobs, workforce development and training, and livable wages that support economic security for residents.

Housing in Cambridge provides residents convenient access to public transit, places of employment, and social services, and recommendations to increase our housing supply further support economic opportunity in our community. Housing affordability and access to economic opportunity are mutually supportive in furthering economic security.



Responses to housing action ideas at Daney Park Family Day, 2018.



Children weigh in at a Youth Visioning Event at Fresh Pond Apartments in 2017.

**Sustainability and Resilience:** We take responsible action to reduce our impact on the environment and build a resilient city and strong community.

Recommendations in this section support housing stability and the ability of residents to remain in Cambridge even as housing needs change, which encourages community bonds and social resilience. Housing in Cambridge with convenient access to transit or sustainable modes of travel helps to reduce ecological impacts.

**Community Health and Wellbeing:** We promote healthy and active lifestyles in supportive, safe community with diverse opportunities to connect with our neighbors and nature and to engage in civic life.

Ensuring a variety of housing options to meet the needs of people and families of varying sizes and through life stages provides greater opportunity for residents to stay in the city and cultivate stronger civic bonds. Housing that is affordable and meets the varying needs of residents in turn supports a sense of community and connections with neighbors.

**Learning:** We embrace lifelong learning and celebrate art and creativity in our culturally rich community.

Living in Cambridge offers residents access to an excellent school system and proximity to large academic institutions. Housing recommendations related to supporting a diversity of housing options would allow a wide range of residents access to workshops, classes, and other programs and lifelong learning. Recommendations in this section also speak to better connecting people with information and resources to support housing stability and homeownership, including workshops to help prospective homebuyers and homeownership education and counseling.

# Strategies & Actions

## 1 Increase overall housing production.

The Boston metropolitan region faces a housing shortage, and particularly a shortage of homes with easy access to good jobs and high-quality amenities. Cambridge should take advantage of the booming housing market to increase housing production and fulfill part of that demand where new housing is appropriate. Cambridge cannot solve this problem alone, but it should lead the region in addressing market affordability through quality development that complements the existing urban fabric and developing neighborhoods.

**Regional Housing Solutions**  
 The demand for housing production is ultimately regional, though it is particularly high in Cambridge. In addition to working to address this issue locally, Cambridge is part of the Metro Mayors Coalition, a group of regional municipal city leaders, who set a goal to produce 185,000 new housing units across fifteen towns and cities in the region by 2030.  
 Learn more about regional approaches to the city's future on page 55.

Action	Action Type	Status	Completion Timeframe
Change zoning to enable more housing, including affordable housing, to be built along major corridors, squares, and in other areas that have the capacity to accommodate growth and are well served by transit (e.g., increase base zoning, allow multifamily residential development citywide, offer density bonuses for increased percentage of affordable housing units).	Zoning changes	New	Near term
Require the creation of significant new housing in areas that are being rezoned.	Zoning changes	Expanded	Ongoing

“I envision housing that is more plentiful and less expensive to buy as a result.”

—Cambridgeport resident via online survey

## 2 Encourage affordable housing production for low-, moderate-, and middle-income households through regulatory and zoning incentives.

Cambridge’s real estate market is extremely competitive. In this context, regulation can be an effective tool to produce more affordable housing, which here means homes with below-market rents or prices that are only available to households with certain incomes. Income ranges are determined by the Boston region’s “Area Median Income”

(AMI), which was approximately \$106,000 for a family of four in 2018. Low-income households earn less than 50% of AMI, moderate-income households earn 50%–80% of AMI, middle-income households earn 80% –100% of AMI, and high-income households earn more than 100% of AMI.

The City’s existing Inclusionary Housing Program is a testament to

the effectiveness of using regulation to produce housing under “hot” market conditions. The City should work to ensure that the program continues to provide affordable units, while simultaneously exploring other regulatory measures that give developers of fully affordable projects an advantage in the real estate market.

Action	Action Type	Status	Completion Timeframe
Offer density bonuses and relief from other dimensional regulations for fully affordable housing developments through a citywide affordable housing overlay or other regulatory mechanism.	Zoning changes	New	Near term
Modify the development approval process for fully affordable housing projects to require design review instead of a discretionary approval.	Other regulatory changes	New	Near term
Institute an incentive for owners of multifamily buildings who construct more affordable units than required by the Inclusionary Housing Program.	Zoning changes	Modified	Near term
Continually evaluate incentive and inclusionary zoning ordinances.	Study or plan	Existing	Ongoing

“We need more housing stock at diverse price points so that people who have lived in the city can continue to live in the city.”

—Central Square resident via online survey



## Inclusionary Housing Program

The Inclusionary Housing Program (IHP), which was expanded in 2017, requires housing developers to set aside a portion of new development for affordable housing. In a competitive market like Cambridge, where affordable housing projects are more difficult to pursue, the IHP is a key mechanism to maintain the production of affordable

housing. However, this mechanism requires more market-rate housing development, a prospect that has faced resistance from some in Cambridge. Also, there is a gap between the income limit for housing assistance and the income needed to afford market-rate rents, posing a threat to middle-income residents and families in particular.



The nonprofit-developed Auburn Court housing community in Cambridgeport is a mixed-income development with low-, moderate-, and market-rate units.

### 3 Expand resources for affordable housing production and preservation.

Through the Cambridge Affordable Housing Trust, the City of Cambridge directly funds the production and preservation of affordable housing, using both general and dedicated funding streams. The City should continue

to increase funding for affordable housing by expanding existing funding mechanisms and creating new ones. Where possible, the City should expand direct, dedicated funding sources, including contributions of land.

Action	Action Type	Status	Completion Timeframe
Establish or expand the use of taxes that provide dedicated revenue for affordable housing, including a local real estate transfer tax (supplemental to state stamp tax), a speculative owner tax, and lodging tax on short-term rentals.	Other regulatory changes	New	Near term
Study ways to provide incentives for landlords who provide affordable housing (i.e., tax incentives and assistance with capital improvements).	Study or plan	New	Near term
Prioritize City and other public property that is available for disposition to develop housing.	Capital investments	Modified	Ongoing
Increase existing City funds and explore options for new revenue sources and support for dedicated affordable housing.	Programs and operations	Modified	Ongoing
Continue ongoing monitoring of impacts of the Inclusionary Housing Program to ensure program is calibrated to maximize the production of inclusionary units.	Study or plan	Existing	Ongoing
Provide funding support (low-cost predevelopment, acquisition, construction, and permanent financing) to enable local housing development organizations to create new affordable housing units.	Capital investments	Existing	Ongoing
Continue to support affordable housing projects in historically significant buildings through the Community Preservation Act-funded preservation grants program.	Capital investments	Existing	Ongoing



## 4 Maintain a range of housing options to enable households to transition to units best suited to them as their needs change.

For Cambridge to attract and retain its demographically diverse community, it needs a range of housing options. A variety of housing options allows all to find a place to call home and enables residents to transition along the “housing ladder.” Housing options should account for typical households in the housing market, new arrivals as well as long-term residents, and especially populations that are shut out of or at-risk in the current market, including those with special housing needs.

“I envision more robust affordable housing options, especially for families and seniors”

—Inman Square resident via online survey

## Homeownership Assistance

In addition to programs for renters, Cambridge has many existing homeownership programs. The City offers affordable units for sale to low-, moderate-, and middle-income purchasers, as well as financial assistance in purchasing a home on the open market. These programs target family-sized units, and participants enter into an Affordable Housing Covenant with the City to ensure continued affordability. The City also offers homeownership education and counseling, pre-purchase counseling, and workshops to help new homebuyers. For residents already living in their home, the City offers access to funding for home repairs and improvements, residential property tax exemptions and targeted tax abatements, saving individual homeowners more than \$2,000 annually.



The City has facilitated the development and sale of hundreds of dedicated affordable homeownership units, including those at 821–825 Main Street (pictured).

Action	Action Type	Status	Completion Timeframe
Change base zoning to require that developers of multifamily projects of at least 10 units provide a certain number of family-sized units (i.e., units with at least 3-bedrooms).	Zoning changes	New	Near term
Establish a set of family-oriented services and amenities to be encouraged in new development.	Other regulatory changes	New	Near term
Engage housing and service providers to produce quality permanent supportive housing for homeless and other vulnerable populations.	Regional partnerships	Expanded	Ongoing
Provide funding to income-eligible households to purchase their first home, in exchange for permanent affordability restrictions that keep the home attainable for income-eligible households in the future.	Programs and operations	Existing	Ongoing
Provide free workshops, counseling, and advanced classes on the homebuying process for first-time homebuyers and homeowners.	Programs and operations	Existing	Ongoing
Provide low-cost financing to homeowners to make needed home repairs and improvements.	Programs and operations	Existing	Ongoing
For all homeowners whose primary residence is in Cambridge, provide a residential tax exemption that removes a set value from the total assessed value of the property.	Programs and operations	Existing	Ongoing
Offer property tax relief to specific groups authorized by state statute: elderly persons, blind persons, disabled veterans, surviving spouses or orphaned minor children, and persons suffering extreme hardship.	Programs and operations	Existing	Ongoing

## 5 Expand tools and resources to prevent displacement and housing insecurity, and address homelessness.

As housing becomes more and more expensive in Cambridge, residents are at increased risk of being displaced from their home, neighborhood, and the city itself. Not only is this trend detrimental for those individuals, but it harms the city overall, as it risks losing the diversity and vitality that makes Cambridge a desirable place to be. The actions below work to prevent displacement and mitigate the housing insecurity that leads to it.

“My priority is to eliminate homelessness.”

—Central Square resident

Action	Action Type	Status	Completion Timeframe
Expand homelessness prevention services, including emergency resources and support, legal and mediation services, housing search assistance, foreclosure prevention counseling, and education on tenants’ rights.	Programs and operations	Expanded	Ongoing
Evaluate gaps in supportive housing services and assistance provided by the City, increase capacity and funds to address identified gaps, and increase awareness of available services.	Study or plan	Expanded	Ongoing
Support legislative and other efforts to improve protections for tenants at risk of displacement.	Regional partnerships	Expanded	Ongoing
Ensure issues of fair housing are considered in housing program and policy decisions, and regularly assess housing patterns and practices for adverse impacts on protected classes.	Study or plan	Existing	Ongoing
Support rapid rehousing programming to quickly move persons experiencing homelessness into stable housing and support sustainable tenancies.	Programs and operations	Existing	Ongoing

## 6 Develop a broader coalition of public and private entities to support housing production, especially affordable housing, in Cambridge and the region.

Large academic institutions and other actors in the regional economy have a long-term interest in limiting rapid increases in housing costs and ensuring adequate affordable housing. However, their prioritization of non-housing uses may exacerbate the affordable housing crisis by increasing demand for housing. Cambridge should use its influence as a regulator and a center of economic activity to shepherd other entities toward affordability goals.



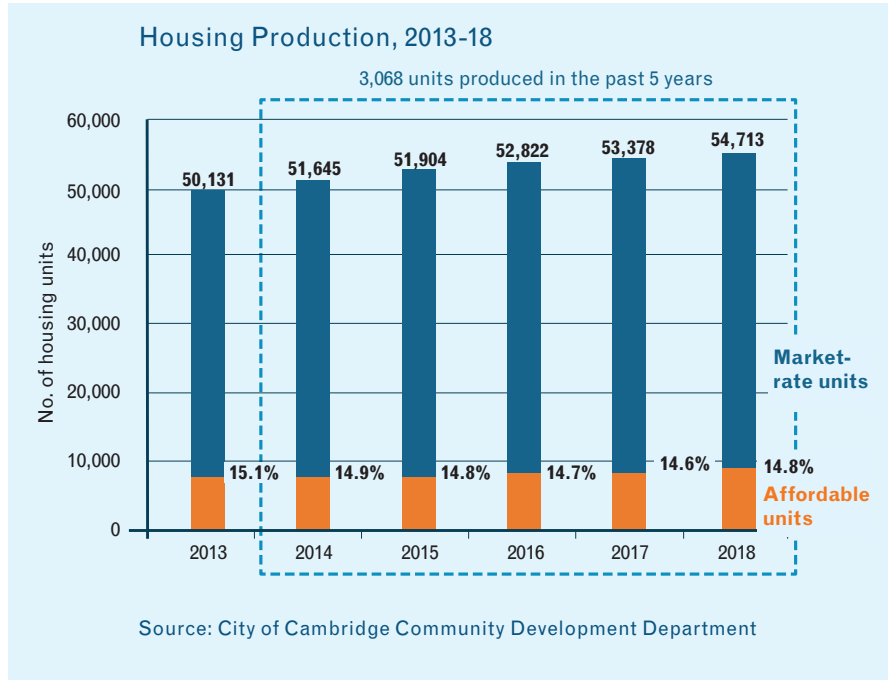
MIT has committed to building 950 additional graduate student beds, all of which will either be completed, under construction, or permitted by 2020. MIT's first project under this commitment (architectural rendering pictured) is under construction as of 2018.

Action	Action Type	Status	Completion Timeframe
Identify opportunities to require local academic institutions to use their assets—especially their land—to build more housing, explore new housing partnerships and models that can better serve university-affiliated populations and the community, and encourage universities to house more of their university-affiliated populations.	Zoning changes	Modified	Ongoing
Play an active role in regional and state advocacy efforts to facilitate increased affordable housing production, including the development of strategies for zoning reform.	Regional partnerships	Modified	Ongoing

# Indicators and Targets

## Total New Housing Units Produced

The community set a goal to increase housing supply in order to mitigate cost increases driven by demand. Though Cambridge cannot tackle the region’s under-supply of housing on its own, this indicator will track Cambridge’s contribution to the regional effort.



**Indicator**

Total housing units in Cambridge

**2018 Baseline**

**54,713**

**2030 Target**

**+12,500**

net new housing units

Source: City of Cambridge Community Development Department



## Dedicated Affordable Housing Production

The development of dedicated affordable housing (homes that are subject to rent or sales price limits and occupant income restrictions) measures the City’s progress in ensuring the long-term availability of homes for the city’s diverse population.

Indicator	2017 Baseline	2030 Target
Share of new housing produced in Cambridge that is dedicated as affordable	<b>12.5%</b> share of new housing production that is dedicated as affordable, 2014–2018	<b>25%</b> share of housing production that is dedicated as affordable, 2019–2030
Number of new affordable housing units	<b>8,117</b> total dedicated affordable housing units	<b>+3,175</b> minimum net new affordable housing units

Source: City of Cambridge Community Development Department

## Total Investments in Affordable Housing Production and Preservation

As costs continue to rise and funding for housing from federal and other sources becomes increasingly constrained, Cambridge must increase its support for affordable housing. This indicator tracks the City’s financial commitment to preserving and growing its affordable housing stock.

Indicator	FY2019 Baseline	FY2020–FY2030 Target
Annual investments in affordable housing initiatives from City sources	<b>\$13m</b> annual funding for affordable housing	<b>\$20m</b> minimum annual funding for affordable housing

Source: Annual City Budget and CDBG, HOME, and ESG Consolidated Annual Performance Evaluation Report



## Households with Children Under 18 Years

Families are an integral part of the Cambridge community, yet their housing needs are not always adequately met by the housing market. This indicator will track overall success in retaining families in the city and allowing new families to live here.

### Indicator

Percentage of Cambridge households with children under the age of 18

### 2016 Baseline

**17.7%**

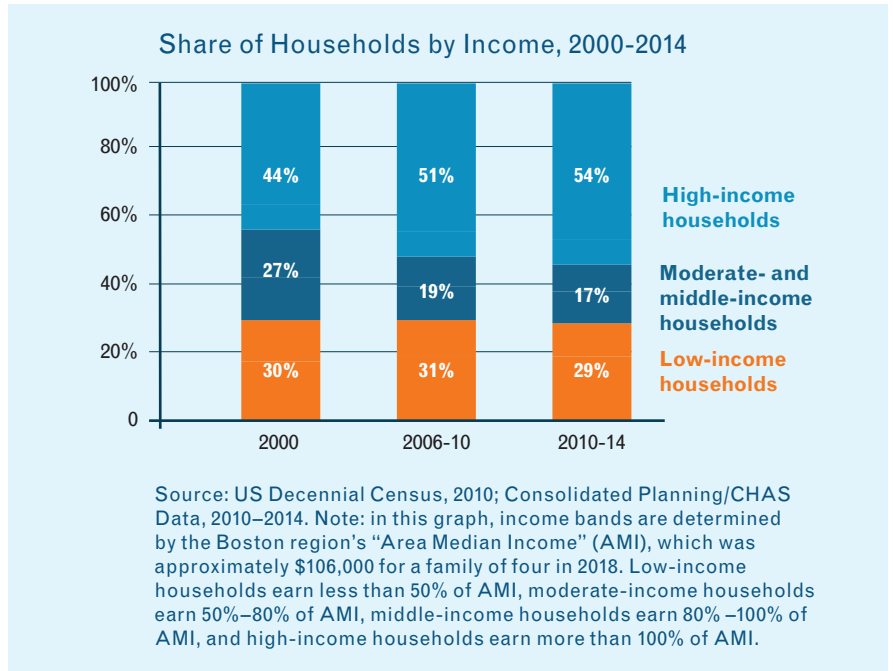
Source: American Community Survey, 2012–2016 5-year estimates

### 2030 Target

**20%**

## Share of Low- to Middle-Income Households

Cambridge has historically been a mixed-income city, but today that diversity is increasingly threatened. This indicator tracks success in maintaining Cambridge as a place for everyone, regardless of economic background or circumstance.



**Indicator**

Share of households earning less than 50% of Area Median Income

Share of households earning 50%–100% of Area Median Income

**2016 Baseline**

**29%**

**17%**

**2030 Target**

**30%**

**20%**

Source: Consolidated Planning/CHAS Data

MARKET

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