



City of Cambridge

Executive Department

YI-AN HUANG
City Manager

CMA 2025 #49
IN CITY COUNCIL
March 17, 2025

To the Honorable, the City Council:

In response to Awaiting Report #24-62, regarding an update on recommendations and planned next steps from the City's study of resident experiences of inclusion and bias in Inclusionary Housing in Cambridge, please find attached from Christopher Cotter, Director of Housing.

Very truly yours,

Yi-An Huang
City Manager





CITY OF CAMBRIDGE

Housing Department

Christopher Cotter
Director of Housing

MEMORANDUM

To: Yi-An Huang, City Manager
From: Christopher Cotter, Director of Housing
Date: March 17, 2025
Re: Awaiting Report 24-62, update on recommendations and planned next steps from the City's Study of Resident Experiences of Inclusion and Bias in Inclusionary Housing in Cambridge

In response to the Awaiting Report 24-62 requesting an update on the status of the work to implement recommendations and planned next steps from the City's Study of Resident Experiences of Inclusion and Bias in Inclusionary Housing in Cambridge (the "Study"), we submit the following update.

BACKGROUND:

In December 2022, the City completed a study of resident experiences in inclusionary housing in conjunction with the National Initiative on Mixed-Income Communities of Case Western Reserve University. The Study was completed over a two-year period. The Study team interviewed residents living in homeownership and rental housing created through the City's Inclusionary Housing Program (IHP); market-rate housing in buildings with inclusionary housing; and units in fully affordable buildings. The Study provided information on the experience of residents living in inclusionary housing and how those experiences compared with residents living in market units in those buildings, and with the experiences of resident in all-affordable buildings. The Study found that:

"[R]esidents living in different types of housing often had different experiences, many of which can be characterized as exclusionary rather than inclusionary. While residents in affordable IHP units, overall, generally like living in their neighborhoods and complexes and feel a sense of belonging, some residents do not feel attached to or supported by the IHP. And, while many residents in affordable IHP units did not feel discriminated against, a disproportionate portion of those who did experience bias belong to vulnerable populations..."

The Study offered insight into the experience of residents in inclusionary housing. It provided a quantitative analysis which supported the qualitative feedback staff have received about the experience of residents living in inclusionary housing. While most IHP renters and owners reported their building was a good place to live (88% renters; 100% owners) and feel at home in their buildings (73% renters; 93% owners), it was clear that many residents desired a more inclusive and welcoming environment in their building and greater connections within the community.

The Study detailed resident experiences of bias in inclusionary housing and found that while almost half (49%) of residents did not report experiencing any of common types of bias in the preceding year, that 40% of renters and 41% of owners did report experiencing bias at least several times in that period. The Study further

examined experiences of bias and found that the experience of bias among residents differed by race, ethnicity, gender, having children, having a disability, and/or being a participant in an affordable housing program. A large proportion of residents identified property management or residents of market-rate units as the source of bias they reported. The Study also made clear that many inclusionary residents wanted more communication, connection and support from the City. The Study included several recommendations for the City to consider to strengthen relationships, expand communication; and prioritize racial equity and inclusion.

INCLUSIONARY HOUSING PROGRAM OVERVIEW:

Through the Inclusionary Housing Program (IHP), income and asset-eligible households [earning between 50% and 120% of Area Median Income \(AMI\)](#)¹ can access below market-rate rental and homeownership opportunities in privately owned residential buildings. There are more than 1,270 completed inclusionary rental units and 215 homeownership units located throughout the city. These units are required to be affordable to comply with the City's Inclusionary Housing Ordinance and accessed through the IHP program administered by the Housing Department. Housing team members work with inclusionary housing units from initial review and compliance with the Inclusionary Housing Ordinance through to the sale and/or leasing and administration of continuing affordability requirements for inclusionary units. Through this process Housing staff:

1. review and approve developer's plan to designate inclusionary units, encouraging the development of family-sized units and assuring inclusionary units are comparable in quality and design with market-rate units;
2. review each property's approach to their property-level tenant screening; provide guidance on screening standards
3. set and implement program screening standard & practices;
4. inform the public about IHP programs;
5. review and process applications;
6. conduct annual eligibility recertifications for tenants;
7. conduct regular compliance reviews; and
8. support constituents by connecting them with support and resources.

INCLUSIONARY RENTAL HOUSING:

The IHP rental programs consist of the Rental Applicant Pool for households earning between 50% and 80% of AMI and the Middle-income Rental program for households earning between 80% AMI to 120% of AMI. Inclusionary rental units are administered by the Department's rental team in coordination with private owners and managers who operate buildings with inclusionary rental units. The IHP rental team screens applicants for income and asset eligibility and for available selection preferences. Eligible applicants are placed in waiting pools. Within the waiting pools, applicants are ranked based on the date of their application and preferences they're eligible for. The IHP rental team sends applicants to properties when there are available units. At each property, private owners or managers screen eligible applicants based on the same suitability standards applied to applicants for market-rate units (e.g., credit, criminal background, rental history).

IHP rental staff continually work with applicants, inclusionary renters and property managers to run the program for residents and new applicants. The team is comprised of a Senior Program Manager and five staff who manage the day-to-day operations of the program. Since the beginning of FY24, the IHP team has reviewed and processed more than 1,800 new applications and housed 360 households in inclusionary rental housing. Staff work required to review applications and house new residents is in addition to the annual recertifications

¹ Applicants who earn less than 50% AMI and have a rental housing voucher are eligible for inclusionary rental housing.

required for each IHP renter household and ongoing support for residents and property managers.

STUDY RECOMMENDATIONS WITHIN THE SCOPE OF THE PROGRAM:

The goals and recommendations laid out in the Study are lofty. Some seek to address greater societal issues that can be difficult to fully address within a housing program. They are, however, important to consider as the Study notes how these issues can negatively affect the experience of residents living in these mixed-income communities. As we have worked to implement the Study's recommendations, we have considered the limits of what the City can control in the operation of privately-owned mixed-income housing, and focused on areas where the City has varying levels of control or influence. Within these boundaries we also acknowledge the greater societal issues by setting normative goals to foster anti-racist practices, racial equity, diversity, and inclusion within the scope of the public-private partnership of the Inclusionary Housing Program.

Inclusionary rental housing is now provided in more than 65 privately owned and managed buildings located throughout the city in buildings ranging from 11 to more than 500 units. Most buildings are managed by property management companies with some smaller buildings managed by property owners directly. The range of professional experiences with inclusionary housing within private developments is very broad with hundreds of individuals, and a high staffing turnover common in the industry.

The Study includes a list of recommendations which include measures over which the City has varying degrees of control. The City administers Inclusionary Housing differs from most communities, taking an active role in managing access to affordable units and working directly with residents, while most communities are not involved in managing inclusionary housing in privately-owned buildings beyond periodic compliance monitoring. While this approach provides opportunities to influence resident experiences, it can also create a perception that the City has the ability to control and/or address areas of the resident experience that are not possible. Recognizing where the City has control or influence is important to understanding how the City can improve the experience of residents through work with residents, property owners and managers, providers of community-based support and assistance for residents.

WHAT THE PROGRAM CAN CONTROL:

- Compliance with the Inclusionary Housing Ordinance and corresponding affordable housing covenants;
- Access to Inclusionary Housing units;
- Referrals to resources and support for IHP residents experiencing challenges in inclusionary housing;
- Developing resources and providing support for property managers of buildings with Inclusionary Housing;

WHAT THE PROGRAM CAN INFLUENCE:

- Helping people understand what Inclusionary Housing Program is, and what it is not;
- Building and maintaining trust with the wide range of stakeholders;
- The experience of residents living in Inclusionary Housing;

WHAT WE'VE DONE SO FAR:

Transitioning from the Study to taking action on recommendations we wanted to develop a proactive and deliberative approach to engagement while also increasing our awareness and support for resident needs within the limits of the program authority and capacity. We have worked to build on existing connections and to create new relationships where residents and other stakeholders can feel safe sharing experiences, ideas and concerns to learn from their experiences and provide support while acknowledging what is within our purview. We have also looked for opportunities to expand collaboration with City and non-profit partners who residents rely on both to learn from them and to connect residents with support for their individual needs. We have:

- Reviewed the Study results with residents;
- Visited and engaged with many residents in their homes as part of a multi-year monitoring effort where we visited every inclusionary rental unit to better understand experiences in each building and, when possible, directly engage with residents in their homes;
- Intensive engagement with residents in rental buildings when specific concerns were raised or where issues were identified during portfolio-wide monitoring;
 - Support for residents has been coordinated by Housing staff with assistance from staff in the Office of the Housing Liaison, Multi-Service Center, Inspectional Services Department, the Human Rights Commission, and Law Department;
- Established property management trainings for staff of the 65 IHP rental buildings on program requirements, policies, practices, and expectations;
- Expanded work with other City departments including the Office of the Housing Liaison, the Multi-Service Center, the Human Rights Commission, the Commission for Persons with Disabilities, Cambridge Cares, Inspectional Services to and share resources and support for residents:
- Streamlined process for referring residents who need more intensive support to other departments or agencies for deeper assistance and follow-up;
- Initiated and continued regular team discussions of the signs, signals and reports of the experience of biases among residents – including the perception of bias – so that program staff are aware of the impacts and better attuned to respond and elevate concerns brought to them by residents in their day-to-day interactions;
- Created an email address unique to inclusionary renters InclusionaryRenters@cambridgema.gov through which they will be able to communicate concerns, ideas, and questions specific to inclusionary renters and through which we can share program-specific resources and updates.

WHAT WE ARE WORKING TOWARDS:

The IHP rental program team is now fully staffed for the first time in several years with the filling of the Senior Program Manager position in 2024. With this key position filled, a prime focus has been moving forward with work on Study recommendations which will be advanced this year. We are continuing to increase our efforts to connect with residents, owners and managers operating inclusionary housing and to develop new and bolster existing relationships with property owners, property managers, and onsite staff to better understand the culture of the buildings as it relates to residents so we can offer guidance.

In the coming months we will begin:

- A series of recurring listening and informational sessions with residents at properties that have inclusionary rental units that:
 - will be held in buildings that have inclusionary units;
 - will be open to all renters of inclusionary units;
 - will rotate through different neighborhoods;
 - will give residents another way to interact with IHP staff;
- Scheduling listening sessions with property managers and owners to learn from them what they think is working and identify areas where they see challenges or room for improvement.

We are also planning to develop new tools and resources in response to what we have already heard from residents and property managers directly. New resources and tools will help residents and managers understand and communicate around IHP program requirements and processes, improve communication; set clear expectations and boundaries so all stakeholders can more clearly understand what the program is and how it works – distinguishing between Inclusionary Housing and more traditional affordable housing programs – and providing informational resources to those who would benefit from them. We will bring in what we hear from listening sessions as specific tools are developed so they will respond to resident concerns.

Looking out further, we plan to create new digital and paper program materials and resources. Some work on this has begun, and it will continue as we identify priorities for improvements in communication methods. Some examples include:

- Welcome Guides that include program policies, standards, & practices for residents & property managers;
- Concise tutorials offering guidance to residents and property managers explaining the what, why, when and how details of key program components (e.g. annual recertification, unit-transfers, significant loss of income);
- Newsletters and regular communication for inclusionary renters, property managers, and other stakeholders through which we can:
 - communicate directly with all inclusionary renters;
 - share information and stories about experiences of residents living in inclusionary rental housing and other program stakeholders to help build community within the program;
 - share surveys with an anonymous submission option through which residents and property teams can share their experiences;
 - provide feedback based on survey responses;
 - respond to common questions about program requirements and provide information about other resources and assistance for residents;

Finally, we recognize that the experience of renters in inclusionary units can be profoundly affected by their relationship and interactions with property managers. We are exploring with other City departments the feasibility of a deepening the training we offer to property managers around the IHP program, and the

feasibility of creating new trainings for property managers in collaboration with other City departments to offer to owners and property managers responsible for providing inclusionary and other rental housing in the city an opportunity to hear directly about City goals, requirements, assistance and expectations for rental property managers.

NEXT STEPS:

Our ability to deliver on the work ahead will depend on staff capacity to advance new work while managing and maintaining core program operations. All staff have more than a full workload managing the day-to-day operation of the program given the volume of work administering the program with more than 1,275 units while housing more than 200 new applicants each year. The program will also continue to grow with new buildings being built. We will need to think differently about how we are staffed to engage and support residents as the program continues to grow. To allow us to move forward with deepening our engagement with residents and other stakeholders, we will include a request in the FY26 budget to create a new position to increase support for and work directly with residents living in inclusionary housing. A new Resident Engagement Manager position will focus on our communication with and support for renters and owners living in inclusionary housing. This position will differ from current program staff, all of whom have direct responsibility for various aspects of operating and managing the Inclusionary Housing Program. The new position will focus on and build out our approach to engaging with, communicating with, and supporting inclusionary residents. The position will also work closely with IHP staff along with staff from other City departments and non-profit partners to help inclusionary housing residents in accessing available community support. The Resident Engagement Manager will be focused on growing community among residents, property owners, managers and other stakeholders within and across the Inclusionary Housing Program.

INCLUSIONARY HOMEOWNERSHIP:

The IHP homeownership program differs from the IHP rental program in that it is one part of the City's range of affordable homeownership options, which also include HomeBridge, fully-affordable condominium development, and the Homeownership Resale Pool. Inclusionary homeownership units are administered as part of the City's affordable homeownership stock which also includes units created with City funding. New IHP ownership units are initially sold through a lottery process and now have a maximum income limit of 100% of AMI (this limit was previously 80% of AMI). After the initial sale, subsequent buyers access inclusionary homeownership units through the Homeownership Resale Pool. There are currently 215 inclusionary homeownership units located throughout the city in mixed-income developments ranging in size from 7 to more than 325 units. These developments are resident-controlled through each condominium association.

While the Study included both renters and homeowners in the survey, the larger rental sample size and response led to more robust results on the rental side. The small sample sizes for homeowners in both affordable IHP, market units in inclusionary buildings, and all-affordable developments suggest that the survey results may be less representative.

As noted, homeowners reported a high rate of “belonging” as defined in the study. 100% of respondents said their building is a good place for them to live, and 93% said they feel at home in the building. The rate of reported experience of bias was similar across renters and owners, but the source of the reported bias varied. Renters identified the management company as the source of bias 59% of the time, while owners identified the management company in only 22% of incidents. Most bias experienced by homeowners was reported as coming from other residents in the building in 73% of incidents; for renters, that number was 32%.

There are also differences in the role that the City has in IHP condominium buildings. In both programs, the inclusionary housing requirements are put in place through a covenant between the project sponsor and the City prior to construction. In the rental program, the development sponsor/owner remains bound by the Covenant for so long as they own the building. If the building is sold, the obligations under the Covenant are transferred to the new owner, and the City continues to work with owners and their managers on an ongoing basis.

In a homeownership building, as affordable units are sold, the homebuyers take on the obligations under the Covenant as they take on control of the condominium from the project sponsor. When enough total units are sold, the residents assume control of the building through the condominium association. The City therefore has no ongoing relationship with the sponsor or with the condominium association or manager or the building as a whole. Ongoing compliance with the Covenant is managed directly with individual owners of affordable units. Management companies work directly for the condominium association. This different structure limits the City’s ability to engage with condominium properties as a whole.

Another important difference is that IHP units are only one piece of the City’s affordable homeownership program. IHP units currently represent less than 40% of the affordable homeownership stock. As we develop tools to improve the resident experience, the homeownership team looks at offering resources equitably to all owners of affordable homes to ensure that all can benefit, while also being responsive to the variety of challenges and opportunities across programs. For example, all HomeBridge units are located in market or mixed-income buildings.

As the Study was nearing completion, the homeownership program team began a comprehensive process to update some of the terms of the City’s affordability requirements for homeowners. As part of this process, we engaged with owners through surveys; small group listening sessions; and larger public meetings. While the primary purpose of this engagement was to discuss program terms, it was also an opportunity to hear from residents in a variety of ways and hear more direct feedback from residents on their experiences.

Homeowners across the program expressed a desire for the following:

- More resources to support owners, with a focus on ongoing training and education, particularly on issues and challenges of condominiums;
- Guidance on how to plan for and complete maintenance, including information on available financial resources;

- Ways to connect to other owners to share experiences and learn from others.

The Housing Department has begun developing an outline of what is needed to develop and implement these desired resources for homeowners. This will require additional staff capacity and partnership with other groups who currently work with owners. The addition of a Resident Engagement Manager to the Housing Department will enable this work to advance more quickly. In addition, resources developed to support tenants dealing with incidents of bias can also be shared with homeowners when applicable. The laws around condominium associations are not the same as tenant/landlord laws and therefore reporting and enforcement may look different. However, City resources such as the Human Rights Commission, the Office of the Housing Liaison are available to and have also assisted homeowners living in City-assisted affordable homeownership units.