



HOUSING COMMITTEE

COMMITTEE MEETING

~ MINUTES ~

Wednesday, March 16, 2022

2:00 PM

Sullivan Chamber

The Housing Committee will hold a public hearing to continue discussions around potentially raising the linkage fee rates.

Attendee Name	Present	Absent	Late	Arrived
E. Denise Simmons	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Burhan Azeem	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dennis J. Carlone	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Alanna Mallon	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Marc C. McGovern	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

The Housing Committee shall continue discussions about potentially raising the linkage fee rate. good afternoon.

E. Denise Simmons, chair: a quorum being present this meeting is being called to order and the call to meeting is to continue the discussion around potentially raising the linkage fee. Pursuant to Chapter 20 of the act of 2021 adopted by the Massachusetts General Assembly and approved by the governor, the City is authorized to use remote participation at meetings of the chamber. We also have set up zoom teleconference for public comment. Please be aware that zoom is primary being used for public comment. To watch the meeting please tune in to Channel 22 or the portal on the City's website.

If you would like to provide public comment, please visit the Council section of the City's webpage, instructions on how to sign up are posted there. Once you have completed the sign-up procedure, you will receive the link to the zoom meeting. We will not allow public comment after 2:30. Madam Deputy, please call the roll.

PRESENT: COUNCILLOR SIMMONS, COUNCILLOR AZEEM, COUNCILLOR CARLONE,
COUNCILLOR MCGOVERN -4

ABSENT: VICE MAYOR MALLON -1

>> Paula Crane: A quorum is present with 4 members.

>> E. Denise Simmons, chair: Please let the record show I was contacted by the Vice Mayor, she will be in attendance, but she's coming from a meeting, so she will be delayed. I'm sure she will be here so we can change the record from being absent, so people know she is on her way. With that call of the roll, all of today's votes will be by roll call. I also want to note that we received four communications that shall be made part of the record for this hearing. Today's hearing is a continuation of the Housing Committee discussion – let me pause for a moment because I did see our mayor is also present for this meeting and I don't see any other members. Welcome to the mayor and to Councillor Zondervan and I thank them for their attendance. Today is the

continuation of the housing discussion that was held in November and December, which is going to focus on potentially increasing the linkage fee rate. Those meetings explored the questions of whether the city's linkage fee should be raised, how much it should be raised, and what the legislative process for carrying this process forward would entail. At our last meeting in December, we noted that the City Council voted in 2015 to raise the linkage fee for the first time in over a decade from \$4.58 a square foot to \$12 a square foot, with that rate being increased one dollar every year for the next three years. It was increased again in 2019, and the current rate stands at \$20.31 a square foot. The policy order from last September that sparked this latest round of hearings is asking us to consider whether to raise the rate to \$33.34 a square foot. At the heart of that discussion is the question: how high can we raise the linkage fee, thus bringing in the maximum amount of money to our affordable housing trust without going so high that it negatively impacts commercial development, thereby depriving us of new funds for affordable housing?

>> E. Denise Simmons, chair: We must be mindful of the fact that this conversation does not take place in a vacuum. The council is looking at considerations, such as changing the minimum parking requirements, the BEUDO amendments, and how we receive those items also certainly is going to have an impact on this discussion. And there are additional considerations: we have rising inflation, increased gas prices stemming from the war in Ukraine, increased prices stemming from supply chain issues that are well beyond the control of the City Council, but we must take them into consideration while we're holding this discussion. All that being said: I would like to come out of today's hearing with the general consensus around the best path forward. I believe the appetite is broadly there for raising the linkage fee, so the question that this comes down to is what numbers are we comfortable landing on? We've invited the major affordable housing providers to this meeting, and so I shall open this meeting by asking our own CDD to weigh in, followed by the Housing Authority, Just a Start, and HRI – they may yield if they do not want to weigh in at this time. After we hear from them, I will open the floor for general discussion from members of the Housing Committee, and then we shall have Public Comment after that. When we come to the section of the Council discussion, I will discuss the council parameters. Having said that, I would like to either go to Jeff Roberts or Iram Farooq to see if they want to lead us off in this discussion. So the floor is yours, Ms. Farooq.

>> Iram Farooq: Thank you, chair, and good afternoon. Iram Farooq, Assistant City Manager for Community Development and I am joined by Jeff Roberts, our Director of Zoning and Development, and Chris Cotter, our Housing Director, and from the City, also by the City Solicitor, Ms. Glowa. I wanted to just mention you have provided a good summary, so there's not a ton for us to say aside from the fact we did the last nexus study that serves as the foundation for any kind of linkage fee, which is what our incentive zoning provision is, was last done in 2019 and the zoning provision requires us to actually initiate the next nexus study in FY23, so that is going to be one of our budget requests in the upcoming budget item. I just wanted to give the Council that context as well, that there is a next study coming up the next year or so, and I think in terms of where we are, you've already summarized that, so I will not take up more of the committee's time. Thank you.

>>E. Denise Simmons, chair: Is there anyone else from your department that would like to weigh in before we move on?

>>Iram Farooq: I do not see anybody wanting to say anything at this time, but we are happy to answer questions as they come up.

>> E. Denise Simmons, chair: I also want to note we have members of the Affordable Housing Trust, so before we go to the Council, we will certainly give them the opportunity to comment on this, as part of this discussion. I would like to call on the Cambridge Housing Authority. I see Margaret Donnelly, I don't see Mike Johnston.

>> Margaret Donnelly Moran: Mike has a conflict today, so I am representing the Housing Authority. Of course, we are very supportive of linkage. It's very difficult for us to determine what would be the proper amount to establish, but we can certainly speak to the fact that it's been a beneficial resource to affordable housing creation and development in the city. I think you have a lot to balance between the competing elements of it, so we continue to support linkage and love to continue to benefit it in terms of expanding our housing.

>>E. Denise Simmons, chair: Thank you, Ms. Donnelly. Are you yielding the floor?

>> Margaret Donnelly Moran: Yes I am, thank you.

>> E. Denise Simmons, chair: Let's hear from Carl Nagy-Koechlin from Just a Start, after which we'll hear from Peter Daly from HRI. Carl?

>> Carl Nagy-Koechlin: Hi, Councillor Simmons, and greetings to members of the Housing Committee, and our friends at CDD and the Housing Trust. As you all probably know, just about everything that Just a Start does, including the things we have in our development pipeline, are going to depend on Housing Trust funds, which are going to include linkage funds, and everything we are doing is getting more expensive: acquiring land, construction costs. So, the need for ample funds to do that and to move forward very proactively to develop new housing will depend on having more linkage funds. I guess the other thing I would say is I'm assuming that this is somewhat based on the Karl Seidman report that was done some time ago. And I think Karl Seidman is smarter than I am on these particular things, in terms of, what is the amount that's going to tip the balance? We want maximum revenue overall, so certainly none of us want to put it to a level where you are stifling the very development that's generating the linkage funds. So I really would defer to him on what is and elasticity question, to use the economic terms. What is the amount that would discourage developers?

I will say that certainly in the life science field, commercial market rate housing, there seems to be no end to the demand to be developing in Cambridge. So I guess I would encourage you all to push toward the higher end of that range that he proposed, and count on us, as those funds come in, to be identifying projects that that money would be put to good use on.

The other thing I want to say, and I know it's not this committee's purview, but I think the other side of supporting families to thrive in Cambridge is the "economic development and jobs" side of the equation. So I would propose that you leave room in the formula for some job linkage. You know, it's not in the range of what you're going to be providing for housing linkage. I think typically in Boston it's a 1 to 10 ratio, or maybe 1 to 5. You can look at what Somerville and

Boston are doing, but I think the other piece once we get people stably housed, let's have the funds we need to support them to thrive in the local economy, let's make sure we are factoring that into the linkage formula, thanks. I yield the floor to my colleague at HRI.

>>Alanna Mallon: Councillor, you are muted.

>>E. Denise Simmons, chair: I want to acknowledge that the Vice Mayor is with us, who is also a member of this committee. Thank you for joining us and getting to us safely. Before I go to HRI, I see that the trust is here in its entirety and for them to speak on this might be a violation of the open meeting law. I know, Peter, you sit on the Trust –

>>Peter Daly: I do.

>>E. Denise Simmons, chair: Let me go to Ms. Glowa to see if you can speak to this issue given that you are a member of the Trust and there is a majority of the trust here. Let me go to Ms. Glowa and I will come back to you if possible. Ms. Glowa, you have the floor. Could you please opine on this.

>>Nancy Glowa: Thank you, Madam Chair and yes, there would be a problem under the open meeting law if there is a quorum or more of members of the trust. I don't personally recall what the quorum would be. Perhaps Ms. Farooq can supply that information. But if there is a quorum or more, then members of the Trust may attend and watch but not speak.

>> E. Denise Simmons, chair: Thank you, we have this very difficult or interesting situation because Peter Daly is also the head of HRI and I think he has value to impart. So I guess the first question for Ms. Farooq is do we have a quorum present, because I don't want to put the Trust or this conversation in jeopardy, and maybe Mr. Daly may not be able to speak because he's a part of the Trust. Ms. Farooq, do we have a quorum of the Trust present?

>> Iram Farooq: Thank you, chair. Quorum of the Trust is five members, and we currently only have two on this call, including Mr. Daly. So I think at present, at least, it is fine for him to speak.

>> E. Denise Simmons, chair: Very good. Mr. Daly, speak fast. Ms. Farooq is going to yield the floor, let's hear from you, Mr. Daly of HRI, your thoughts on increasing the linkage fee. Where do you lean in on this?

>>Peter Daly: Thank you, Madam Chair and Committee, appreciate the opportunity to talk. Linkage is a key piece of the affording housing finance system we have in Cambridge, joined with the budget funds that you put in every year and CPA, and hopefully transfer tax. Because I think we are going to need every dime we can get, and that includes the linkage fee. A lot of clouds on the horizon when it comes to affordable housing in Cambridge. Carl mentioned about the cost. Costs are just astronomical and there's a number of factors driving it. I think we are seeing an inexplicable increase in rents and as we all know, rents drive value. So rents are going up, value of property is going up, which means we're going to pay more to acquire a piece of property. Construction costs continue to be high both because of labor size and material side and

we keep hearing that maybe it's only temporary, but we haven't seen any sign of that abating. We are now seeing interest rates ticking up after a very long period of time of stable predictable interest rates, they're starting to climb, and given the size of the projects that we do, even 25 basis point increase means less money we are able to borrow and more money we're going to need to raise as subsidy. And finally we are starting to hear that all of these impacts could reduce the tax pricing which, again, every rental project we do has tax credit financing and if we see tax credit pricing go down, that will also increase the need for subsidy. So all those are pushing us to say we need more subsidy for affordable housing. And again, if the incentive, if the linkage fee stays the same – and it has stayed the same now for three years and prices have gone up because of all the things i mentioned – say 20% in those three years, that's basically a devaluation of the fund of 20%. So I would encourage you to increase it. Again, I don't know what the right number is. I think during covid it was okay to not increase it, because there's a lot of issues around development, but now we are coming out of covid, the economy is starting to pick up. We are starting to see a lot of development activity that this would be a good time to increase it. I would again be on the bold side, but if we are too concerned about that, we can certainly have it phased in over some period of time. Maybe over a two-year period to get over that number we are talking about. I'm definitely for an increase and I would defer to people smarter than me as to what that should be, but let's get up to the number that was cited in the report before too long. Thank you.

>> E. Denise Simmons, chair: Thank you for your input. Having heard from the housing CBOs, is there anyone from the City side or the CBOs that wants to weigh in before I move on to the Housing Committee? Hearing none, are there questions from the floor? And this is what I would ask of my colleagues: each person should take the floor, have their discussion, and then yield. Let's hear from each member of the Housing Committee at least one time before we go to nonmembers, and then back to members, and then to Public Comment as time allows. The person whose hand I do see up is Councillor Azeem. Councillor Azeem, you have the floor.

>>Burhan Azeem: I appreciate you organizing this hearing and certainly increasing the linkage fee is something I support. I want to note for CDD and others as they are coming up with language and as we decide on the right number, two things that I want to make sure we take into account: one is marginal effects. I worry that if the linkage fee kicks in at whatever the square footage is right now, than there is a huge incentive to build 9 units instead of 10. To see if we can have it marginally kick in, especially at the boundary, is something that I would be interested in seeing if that's a reasonable response to make sure we don't reduce at the margins. I'm certainly open to increasing the linkage fee to the maximum. I think a few things I would love to hear more about is (a) it affects everything, just not necessarily high profit margin at the moment, but office spaces, hotels, which can be lower margins. And so I'd be curious what the right number is per category type, or if we increase it too high does it mean all development would be lab develop because those were the only people to pay linkage fees? And my final comment is I would be curious about any downturn in the market right now, but you can always be at the risk of recession. Once we increase the linkage fee there's very little appetite to ever decrease it, which i think is the right mode in general, but i would be worried about increasing it and we can sustain development at the rate we have right now, but then we have a modest downturn in its effectively limiting any new comment. Those are just my three comments, and with that, I will yield the floor.

>> E. Denise Simmons, chair: Councillor Azeem yields the floor and I'll now go to Councillor McGovern.

>>Marc McGovern: Thank you, Madam Chair. Similar question as Councillor Azeem in terms of, I wasn't thinking as much in terms of the different types of development, labs versus hotel, but I was thinking in terms of size of development. When we think about this fee, I think (at least for me) what comes to mind, I immediately jump to the MITs and the Alexandrias and the big players that build large, high-cost buildings, who could you know, absorb this fee I think relatively easily. But then you have smaller developers who maybe this fee is gonna be more of a stretch for them and does impact what they can and cannot move forward. I think the last time we did this, Ms. Farooq, we did have a conversation about having different fees for different sizes or for different areas of the city. So my first question is, would we revisit that? Does it make sense to just do the same for everybody? Does it make sense to have that conversation again? And then I would say also, I do support raising it as high as we think we can. I think we've shown there was some concern when we did it last time you know, that it would put a burden and lead to less development. That didn't happen. I think we can go a little higher this time. My question is now that we are doing this study, what happens if we raise this now, and you said were going to do another nexus study in 2023. I can't remember how long this study takes to get done. If that study comes back with different information, what do we do then? Given that the study is happening next year and we raise it now, is there some conflict there? Should the study say something different?

>> E. Denise Simmons, chair: I believe that's a question to Ms. Farooq.

>>Iram Farooq: Thank you, through you chair, if it's okay, I would ask Chris Cotter and Jeff Roberts to join in the conversation, but I will start by saying to the first question about whether we can stratify by size or whether to have different fees geographically or by type of use – I think we would need to do some of that assessment as part of the nexus study in order for that to be something that we could implement. That's one piece of it. And then the second is we had some discussions with our consultant when we were initiating the last study, and at that point in time the consultant had advised as well that Cambridge, the size of Cambridge, is such, and that the market is not all that different from one part of the city to the other. While there are absolutely differences – Kendall Square is a place that is held in some ways in comparison to the rest of the city in terms of commercial development– however, it would be hard to break apart the city into districts, and it would just be both complicated and may not yield very significant differences if we were going by different uses. The second part is that it would actually place probably the highest burden on the uses that were least able to afford to pay – retail, for instance, would create the largest demand and retail has the least ability to pay a large amount whereas lab uses has low density of employees, and also their employees already make more and are able to afford for the most part the market rates proportionately, and therefore they would end up with a lower fee as calculated by the nexus. So that might be opposite of where we want to be in terms of who gets to pay. The nexus is less about who can afford to pay but who needs affordable housing the most? That is just some challenges I recall from the last study that we should keep in mind as we have this discussion and perhaps we can ask for more of that detail in the next study. I think I will stop now and turn it over to Jeff and Chris if they have more to add.

>> E. Denise Simmons, chair: Mr. Roberts, the floor is yours.

>>Jeff Roberts: Thank you to the Chair and the committee. I don't really have a lot to add. Looking at the nexus study that was done in the past, we certainly did explore these questions and they were explored thoroughly in the report. i think in general the way the nexus study works is it is looking at development and how that affects employment within the city and how that employment within the city then affects the need for affordable housing. you know, splitting it apart by use does have some interesting consequences if you then start to say what kinds of uses are generating more of a demand of the need for affordable housing? So that is one aspect of it. Another thing, if you look at the size threshold issue, i think that when you look at uses such as retail uses or other uses that are different in sort of their character from the larger commercial development, you find a lot of that falls underneath the 30,000 ft.² threshold. at the same time, the analysis from the nexus study showed if you added up all the nonresidential development less than 30,000 sq ft., it generally would not even add up to the same amount as one larger commercial project. no matter how you make those kinds of adjustments, it doesn't have that much of an impact in what the total fee collection is because most of it is going to be driven by the larger projects.

>> E. Denise Simmons, chair: I think one of the questions that Councillor McGovern asked is: if we do the study and it's different than what we agreed on, what do we do? Does anyone have a response, or thoughts on that before we go to the next Councillor? Does anyone have any thoughts on that? Did I represent your question properly, Councillor?

>>Marc McGovern: Yes, thank you.

>>Chris Cotter: I would just say we are planning to do the study in the next year because the ordinance calls for a reevaluation within three years of the last change by the Council, so at this point that last change was in the beginning of 2020. So if the council were to take action now, we would want to revisit when to do that study to see if it makes sense to do the study at that point.

>>E. Denise Simmons, chair: Thank you. Councillor McGovern, do you have other questions or do you yield?

>>Marc McGovern: I yield, Madam Chair.

>>E. Denise Simmons, chair: We now go to Councillor Carlone, Councillor Carlone, you have the floor.

>>Dennis Carlone: Thank you, Madam Chair. I do have a number of comments and recommendations, but I wanted to follow-up on what we just discussed. So I assume it's possible to have different rates for different land uses, if we wanted to. We don't include housing for obvious reasons. But retail is very different than a lab building and I think we want to promote retail where we can, although as Mr. Roberts said, if it's under 30,000 square feet, we don't charge it, so maybe this isn't necessary. The thing that comes to mind to me is that we need to know the whole picture, and what I mean by that is we know our linkage fee now – and I think

we should increase it, I think we should get into middle income subsidized housing, by the way – and I think the city should be buying (with its nonprofits) land up and down Mass Ave and Cambridge Street, but I'll get to that another time. We should compare not just the linkage fee; the tax rate, we are low. We know we're low, we are the lowest of Boston and Somerville. I'm not sure if there's another city that should be considered, but we know we are low on that and other fees, transportation fee. Or on the positive side from a business, what kind of programs do they provide to assist, as Carl said, in job training? There should be a negative and a plus to that. And then once we compare all of that, and I think it will show that we can increase this linkage fee. Once you consider all the costs that we impose on development. Now, as far as how high can we go, you probably all know I was going to save this until tomorrow night, but an office building sold for \$440 million in East Cambridge. They are converting it to labs, and it's now sold to another developer for almost double the cost, \$820 million. So, labs are so hot, rents are up to \$110 a foot, that we are not impacting that as far as I'm concerned. I know we'll hear that we are impacting all of that. We have more labs I believe per capita than any place else in the country, and yet every lab wants to be here. They are going to Cambridge Street, a lab developer bought near my house on Mass Avenue, they are not going to build housing, they are going to build labs. That's how strong this lab market is. I think we have to control it in lesser locations, more neighborhood related locations.

The other question that came up was well, if we raise the fee now, are we not going to do a nexus until three years from now? And I think we are going to have to say yes, we are. And I doubt very much if we raised it to \$28, I doubt very much the nexus would be less than that. It's always been appreciatively more than what we imposed. I think we, at the next meeting, having the tax rates of at least Boston and Somerville, and if the assessor thinks another city makes sense, that's fine. The linkage rate, other fees that are charged to development, Boston has a few I know; Somerville, I don't know. I can find out, probably. So then we have a whole picture, and my hunch is we can raise this pretty significantly, the linkage fee, compared to all the costs. It's a one time fee, it's not taxes every year. Thank you, Madam Chair.

>>E. Denise Simmons, chair: Thank you Councillor Carlone. Vice Mayor Mallon?

>>Alanna Mallon: Thank you, Madam Chair and I apologize for being late, I was running from another meeting and I'm not sure if this was covered, but I did catch the last few minutes of Carl's comments around an employment linkage fee and the need in the community to have job training and to have dedicated funding for this really critical vulnerable population that, y'know, Just a Start has several great programs that are small, that are trying to address this need. But if you look at the 2019 study and I would imagine the 2023 nexus study this will come up even more, given how many people have been displaced, given the amount of very white collar jobs in these lab environments, I think in 2023 we are only going to see this more out of our nexus study and it's going to be critical for us as a Council to commit to this idea of having a dedicated funding stream for economic development and ensuring that we have a workforce that can get to work. I know that there has been push back in the past. In our last meeting there was conversation about it being not enough of an amount to establish a trust. However, I just want to say that you have to start somewhere, and I do think that in 2023 we are going to see that number climb even higher and we should be prepared and ready for that. We are talking about Alewife right now and the Quad, and needing low barrier to entry jobs. We are planning for low barrier to

entry jobs. We should be doing as much planning and as much expanding medium entry jobs and high entry jobs into lucrative careers for many residents that are being left behind.

I don't want to reiterate all of my colleagues' comments around increasing the linkage fee for affordable housing, because certainly I am for increasing it to the place we need it to be, whether that's \$33, I think somebody mentioned \$28, and then looking to see what we do in 2023, but we should absolutely – to Councillor Carlone's point around our low tax rate for commercial, those things have to be factored in when we think about is it going to chill the market? Are people going to leave and go to Watertown? We have a biotech corridor here. People want to be here because you can walk down the street and have a conversation with somebody at the Broad, or pulling together folks at MIT. Cambridge is the place for labs. Cambridge is the place for development, and I think we've known this for a long time and we need to capitalize on ensuring that we are pulling those benefits out even knowing that, like Peter was saying, our trust has lost 20% of its value over the past several years because of inflation and cost of development and building. I am for moving that up to the max, but I also strongly want to urge this council and this committee to move forward with a workforce linkage fee because Somerville is doing it, Boston is doing it. Our residents need it. We know nonprofits are doing this work are doing it on a shoestring and can use this money. I'm going to yield at this time. Thank you for convening this meeting and I'm sure I will have more to say later, thank you.

>>E. Denise Simmons, chair: The Vice Mayor yields the floor. I want to go ask Councillor Azeem and see if there's a question he has. Councillor Azeem, is there a question you wanted to ask before we move on to non-members of the Housing Committee?

>>Burhan Azeem: No, I just wanted to make my points. I feel they are pretty intensive questions, so I just wanted to save them for a future meeting where we can mark them down as questions I will ask in future meetings. Thank you for checking, I appreciate it and I yield.

>> E. Denise Simmons, chair: Councillor Azeem yields. Mayor Siddiqui, the floor is yours.

>>Sumbul Siddiqui: I concur with a lot of what has been said by my colleagues, particularly Councillor Carlone and Vice Mayor Mallon, I think we should increase the linkage fee. The way I think about it is for so long it was so low. It was \$4, and I think the whole idea was: this risk, we don't want to increase it from there because it may chill development, and frankly: lucky developers, because that didn't really happen, and the amount was so low. I understand the study, and I also feel at this point even though it could be said that we could still use it for 2023, so much has changed in the last – we are still going through a pandemic – but we've gone through a hard two years and I think it's very clear who is hurting and who is not. We see that with who is buying up parts of Cambridge and for how much. So I think I will stop there, but I do think we need to increase it and that's all I will say. On the jobs linkage fee, when we think about Kendall Square, we think about who was in Cambridge and we think about the pathways...there are some pathways, but if someone called me today and said "I'm interested in working in the lab in the future, I'm in high school or I'm in middle school, how do I get to a Phillips? How do I get to a Takeda?" I don't really know where I can point them to. I think Just a Start has done some great work. We have some programs, but I don't have a good sense, and I think that needs to change. I will stop there, thanks.

>> E. Denise Simmons, chair: Mayor Siddiqui yields the floor. Councillor Zondervan, you have the floor.

>>Quinton Zondervan: Thank you, Madam Chair. I also concur with my colleagues. I do think we need to raise the fee to \$33 a square foot right away and do the study and go from there. I also agree on the job linkage fee and trying to get at that a little bit through the Green New Deal, but that's only focused on green jobs specifically. We do need a broader effort to help people be able to take advantage of the economic opportunity that's being created here, and we are not doing enough of that. I'm not really concerned about raising it too high. I think as we heard, the market is driving up these costs and these rents far faster than we are, through linkage fees or otherwise. That doesn't seem to be a major issue. So far historically, and we will do another nexus study and we'll find out what the new limit is, but the current study is already almost three years old. So if we increase it to the max from that study, we are already still behind. So I think we should increase it as quickly as possible.

>> E. Denise Simmons, chair: Thank you Councillor. Any questions you want to pose?

>>Quinton Zondervan: Thank you. I did want to clarify because I heard something about hotels, but it's my understanding hotels would not bring a linkage fee because they are residential use, is that correct?

>> E. Denise Simmons, chair: Ms. Farooq, do you want to answer that?

>> Iram Farooq: I'm going to turn it over to Jeff Roberts to speak to that.

>> E. Denise Simmons, chair: Mr. Roberts, you have the floor.

>>Jeff Roberts: Certainly. I'm just checking the zoning ordinance to be sure, but I'm fairly certain that hotel is a use that is of a qualifying use for incentive zoning payments. A hotel use would not be subject to inclusionary zoning. A normal residential use would be subject to inclusionary zoning, and a hotel use, while I was vamping I looked it up, and hotel use is a qualifying use under the incentive zoning definition.

>> E. Denise Simmons, chair: Councillor Zondervan yields the floor. I just want to go back to my colleagues on the Housing Committee before we go to Public Comment. Is there any question you want to have asked and do not? Hearing none, to the non-members of the Housing Committee, are there any questions you would've liked to have asked and have not? Hearing none, I will now move to Public Comment. Madam Deputy, would you please open for public comment?

>>Paula Crane: Sure, the first person is Esther Hanig.

>> E. Denise Simmons, chair: Public Comment is now open. Each speaker has 3 to 5 minutes. Ms. Hanig, you have the floor for three minutes. Thank you, Madam Deputy.

>> Esther Hanig: Chair Simmons and members of the Housing Committee and other councillors, I just want to express my strongest support possible for raising the linkage fee to the maximum of \$33 per square foot. Clearly I think both for the sake of maintaining and increasing the diversity in our city and incredible need, and we've heard from all of our nonprofit developers what they are facing in terms of financing, I just think the need is huge and I feel very strongly that time is of the essence. As we talk, all of these buildings are being built; when they are built, they are increasing the need for housing and I think some of them, some of the employees are going to be using more high-end housing, in the end that still increases the cost for everyone. I think clearly what everybody is saying is that these developers can afford this. And so, I think that we would be doing such disservice to the future of our city because if these developments continue without the resources to provide additional housing, I worry about what kind of city we are going to have. I thank all of the Councillors for their fascinating comments and the great discussion and I really hope that we can raise this fee as quickly as possible because the need is so great. Thank you very much for your consideration.

>> E. Denise Simmons, chair: And thank you for your comments. The next speaker is Lee Farris. Ms. Farris, you have the floor.

>>Lee Farris: Great, you can hear me?

>> E. Denise Simmons, chair: Yes, we can.

>>Lee Farris: I agree with all the councillors and the prior speaker that we need to raise the linkage fee now. In fact, I think it's already overdue. I wish it had gotten raised last year when the policy order was put in. And I'm not going to speak about why we need it, because that's well known, but I would like to see the policy order from last year strengthened in two ways. The 2019 study stated that the rate needed to provide the full subsidy for affordable housing is \$55.27 per square foot and the report said that available and affordable state housing funds mean that it would be adequate to simply increase the fee to \$33.34. This is in effect offering a discount to commercial developers that I don't think we should be offering. We can't count on the federal and state affordable housing funds, and in fact, they are playing a decreasing role in the funding that affordable housing is receiving in Cambridge, and the Cambridge role is going up. Therefore, I think the linkage fee we should be striving for is \$55.27. We should increase that fee now to \$33.34 with the gradual annual increase of \$4.40 per square foot over the next five years, plus the proposed CPI increase ticket to get to the full \$55.27 that's needed. Lastly, as to what to use it for, a kind of affordable housing that Cambridge has very little of is social housing. Cambridge residents have a say on what type of housing is built and how it's run and maintained. I would ask that some portion of the increased linkage fees be dedicated to social housing. One form that this could take would be funding a community land trust. So I look forward to working with councillors on these proposals. Lastly, on the new linkage study that's supposed to start in 2023, in the past I have seen them take about a year to conduct from the time that the contract goes out to find the consultant to when the consultant does the report and brings it back. I would ask, it's not going to be ready until 2024 probably. Please don't delay it any further. Thank you very much.

>>E. Denise Simmons, chair: Next speaker, Madam Deputy.

>>Paula Crane: The final speaker is Christopher Schmidt.

>>E. Denise Simmons, chair: Mr. Schmidt, you have the floor.

>>Naomie Stephen: Chair Simmons, I'm unable to promote Christopher Schmidt. They would need to update their Zoom version and come back. While I have you, there was an issue with the public comment sign-up. It was down for a portion of the time when we started the meeting, so there are three more people with hands up if we want to call on them. We do acknowledge there was a problem with the sign up around 2 – 2:15.

>>E. Denise Simmons, chair: I would say let's go forward then and call on these people, and try to come back to Mr. Schmidt. Do you have those folks?

>>Naomie Stephen: Yes. Suzanne Blier, please go ahead, you have the floor.

>>Suzanne Blier: Thank you, and thank you for this meeting, Councillor Simmons. I, too, support linkage fees and I think that we need more commercial involvement helping us in various ways.

I want to begin by thanking Carl Nagy-Koechlin as well. We had a wonderful discussion and I appreciate his conversing with me about this also, I have spoken with Jason Korb, which has been helpful. I think at the same time we need far more transparency, and it would be beneficial. I would love for the Affordable Housing Trust, if we can get new and different people, because a lot of these people have been there for a while. They are from the trade. I would also love open to public comment and on transparency. Just thinking about the 900,000+ unit without land costs, this transparency is critical, and more homeownership to build equity. Also, real data I think are important. There are 1,500 Cambridge residents on the affordable housing list. We can house them in one or two structures on the corridors. Yes to buying land on Mass Ave and elsewhere. As others have said, on the unhoused, we have roughly 67 long-term in Cambridge. Roughly 35 to 79 depending on the month. I would say that we tend to want to do things as of right with no input, but many of us feel 40B was stronger and better. You can build taller, better design. So let's think about that as a way going forward in addition to the AHO. I worry we are replicating some of the federal policies of the 1950s creating racially and segregated housing. I don't have the actual data, but from what I understand, it's roughly 40% African descent, 20% Asian, and less than 10% Caucasian. We can do better and thinking about what we are actually doing for policy. I agree on inclusionary with Councillor Azeem. I also worry about the transient hotels are a little bit like Airbnb, and is there a way for zoning to separate out, particularly the transient hotels from residential. Labs risk replacing space for housing, in addition to everything else. The best natural housing is where people are now in the various homes around Cambridge, as Senators Lydia Edwards and Jehlen have pointed out. Google in North Carolina is required, I think it's North Carolina, to reduce their high salaries. I don't think we can do that, but can we consider having a fee to have them amplify salaries here for those who are in lower income. As Lee Farris said, we are losing on this battle. And get institutions and commercials to actually add more housing. There's 14,000 students and postdocs. That's a lot of housing we could have if we can get 30% to work from home, I support efforts on this matter for city institutions or otherwise, and let's open up discussions as we did for the city manager search, because I think we are all in

this together. We agree on 95% of the things. I think we all want more transparency and better results.

>>E. Denise Simmons, chair: Next speaker, please.

>>Naomie Stephen: Marie Elena Saccoccio, please go ahead.

>> Marie Elena Saccoccio: Hello, Marie Elena Saccoccio, 55 Otis Street. I am definitely in support of increasing the linkage fees. I think we are late to the game doing this. I think, you know, I notice (living in East Cambridge) who is working in places like Hubspot and Biogen and Genzyme, and trust me when I say it is the whitest workplace I've ever seen. I was a science major as an undergraduate. I worked labs for five years. What it takes to work in a lab and make a decent salary is academic credentials, there's no reason why our high school students should not be mentored and linked up with local scientists. It takes a lot of academic training and actual credentials if you don't want to stick your local kids in a dishwashing positions within a lab setting, probably making 22, \$23,000 a year. We have to be realistic about what it takes to actually be a researcher, and I think integrating this kind of work early on right at the high school from first year on, so that kids have a realistic assessment of what it really takes and they know the steps and they have people on the ground who are interested and willing to mentor them. Thank you.

>> E. Denise Simmons, chair: Next speaker?

>> Naomie Stephen: Sorry, next speaker is Raffi Mardirosian.

>>Raffi Mardirosian: Thank you. I think a number of great points have been brought up. I fully support raising the linkage fee and I strongly agree with Lee Farris that it should be the full \$55 a square foot mentioned in the report. There is not infinite state and federal money to build affordable housing, yet the nexus study assumes that for any new affordable housing development there will be those state and federal funds available, which is not true. They are fixed and capped, so we need to make sure we are assuming new housing is to be created, money is there from the affordable housing trust. I think there are other methodological problems with the nexus study. It does not take into account any displacement from rising costs that are actually caused by new developments. And it also assumes a very low percentage of jobs being created by people that actually want to live in Cambridge. The study assumes only 12% of those that are newly employed want to live in Cambridge. I think it's unrealistic to assume that 88% of these new jobs will be from commuters. Especially that we are talking about lower income individuals for which commuting is a higher percentage of their income, typically from individuals with less support from childcare and other aspects of life that can be challenging. I also agree with Lee that a linkage study should not take a year. A study like that should be doable in no more than 45 to 60 days, and I think we should push whatever consultant we have to do one quickly. Thank you.

>>E. Denise Simmons, chair: Thank you. Are there any other speakers signed up?

>>Naomie Stephen: That is all. I'm checking to see if Christopher Schmidt was able to rejoin us.

They have left and not returned, so I don't know if you want to leave comment open until they come back, but that's it.

>>E. Denise Simmons, chair: How long was it before we were able to get comment to work? Fifteen minutes?

>>Naomie Stephen: We had left it open to 3:00 today to make up for the time where people couldn't access it.

>>E. Denise Simmons, chair: I don't know if this requires a motion. I would say let's keep public comment open until 3:15. Maybe Mr. Schmidt will come on. I'll go back to the Council, see if there's any comments, we can then close public comment. That way we can make up for any difficulty people may have had to get on. Does that require a vote, Madam Deputy? No vote being required, I turn our conversation back to the council. I see the Vice Mayor had her hand up and would like to be called upon. I recognize the Vice Mayor, who has the floor.

>>Alanna Mallon: Thank you Madam Chair. I did notice that Christopher Schmidt seems to be on the Zoom. I'm wondering if we can just quickly go back and see.

>>E. Denise Simmons, chair: Are you yielding, Madam Vice Mayor?

>>Alanna Mallon: I am yielding.

>> Naomie Stephen: They may have left, they have not returned yet.

>>E. Denise Simmons, chair: Ok you'll let us know if he comes back. Madam Vice Mayor, the floor is yours.

>> Alanna Mallon: Thank you. I just wanted to speak to something that came up in Public Comment, which I've heard a couple of times now, that the CHA waiting list only has 1,500 Cambridge residents on it. We talk about the 20,000 folks that are on the waiting list. I did ask Mike Johnston for a breakdown because that number seemed incredibly low to me, and that is a number that has been thrown around several times at several meetings, so I just wanted to share what Mike Johnston has apprised me of: the amount of residents that have a local preference is 6,730. So those are Cambridge residents, Cambridge employees, or veterans. So that 1,500 number that we've heard several times in Public Comment is not accurate. If anybody is interested in receiving this information, I will be happy to send it. I do want to say anytime you hear that 1,500 number, it is not accurate and we need to push back on that number. So I just wanted to let you know, Madam Chair, and members of the public to have heard that number and thinking that is the number, but isn't. I yield back at this time.

>>E. Denise Simmons, chair: the Vice Mayor yields the floor. Are there members of the housing committee that would like to ask a question to make a comment? Councillor McGovern, you lit up your face.

>>Marc McGovern: Just turning the camera back on. But now that I'm here, thank you, Vice

Mayor, for pointing that out. I was thinking the same thing, that number did not seem accurate. I just hope as we are talking about all of this, I didn't mention when I spoke at the beginning about the work incentive piece, so I do want to echo my support for that and thank folks for bringing that up. This is a puzzle, and this is one piece of the puzzle. But we can have a lot of money sitting in a bank, but if we are not addressing zoning and actually supporting these projects being built, the money isn't going to lead us to where we want to go. I think we should raise this. I don't know if I would jump to 55 right out of the gate. I think 33 is reasonable and then we will have the study and see what that shows. But I do want to encourage us, if we do this and when we do this, and we start raising more significant funds and as federal money and hopefully get some more city money, that's all great. But we all need to be pulling together to actually see shovels in the ground and the housing be built, because the money alone doesn't provide a roof over somebody's head. It's the roof. I hope this leads to more discussions on how we can be more aggressive and actually building what it is we say we want. Thank you, Madam Chair.

>>E. Denise Simmons, chair: Thank you Councillor McGovern. Councillor Azeem, do you have any questions or comments you want to make?

>>Burhan Azeem. Not at this time, thank you.

>>E. Denise Simmons, chair: Councillor Azeem yields the floor. Councillor Carlone, is there a question or comment you would like to make?

>>Dennis Carlone: Thank you for the opportunity. Two things: I would like to move, unless you were going to do it later, that we do get the additional information I assume from the assessor's office on linkage fees for Boston and Somerville, tax rates for commercial buildings, and any other additional fees related to development. We have a transportation fee in Kendall. That's one thing, and the other thing is: it isn't always increasing the height and density that you need. You have to question what else is eligible to be built on Mass Avenue and Main Street and Cambridge Street. Parts of Broadway and labs, which is the subject tomorrow night, are eligible. Housing will never beat labs and buying land, never. It is night and day. Even market rate housing. So it's looking at the whole picture and how to open up a huge area, like Alwife, for housing. So, I just wanted to say that and I will let you move on my proposal as you see fit. I yield. Thank you, madam.

>>Naomie Stephen: Councillor Simmons, Mr. Schmidt is back.

>>E. Denise Simmons, chair: Thank you. We are going to go back to Public Comment to hear from Mr. Schmidt, after which we will close Public Comment. I will come back to you, Councillor Carlone, to see if you want to offer your motion for discussion and possible adoption. With that, I will go back to Ms. Stephen. Would you please acknowledge the person waiting in public comment?

>>Naomie Stephen: Christopher Schmidt, please go ahead.

>>Christopher Schmidt: Thanks, Christopher Schmidt, 17 Laurel Street. Thanks to the Housing Committee for holding this meeting. I wanted to encourage the Housing Committee to move

forward as quickly as possible with upping the linkage fee to \$33 a square foot and moving forward quickly with another nexus study. As others have said, we are now three years past the last one. I think the world continues to change. I share some of the concerns with the previous nexus study around only 12 percent of people in buildings wanting to live in Cambridge always struck me as odd. I think we should look at that, but the reality is we have what we have and we should go for that. Overall, the impact of this on rent in newly built buildings would be approximately \$1.50 per square foot and rent on numbers that are already at \$88 a square foot, an increase of about 2% over current rent and costs that are largely passed on to tenants in large buildings. I think it's moderate or mild, much smaller than the rent increases we have seen tenants already absorb. I think there are real concerns about size of buildings. I think one of the things I think is always risky and we should consider is cliffs. 30,001 square ft. being responsible for paying a \$1 million fee while 29,999 is responsible for paying zero is probably bad. An incremental fee or marginal fee when you start paying per square foot after 30,000 would have a minimal impact on the total amount of money raised, but would eliminate that steep cliff that we have today, which I think has changed what is built in Cambridge and should be thought of next. I think most of the comments today are really thoughtful approaches, but I would like to say moving forward there's plenty of things we can talk about. We can talk about affordable housing until we're blue in the face. The Trust can't do as much as it could if we had more money. We should give them more money and this is one of the many ways we can and need to do this. I think we have that responsibility to mitigate this pain. I will also say attempting to get employers to pay people less is not a good solution for anybody. It's harmful and we should not encourage that. I know that did come up, and I don't think it's a realistic approach to the problems that we face. I thank you very much for the work. Looking forward to it and the sooner the better. We lost \$20 million by not doing this in the past year.

>>E. Denise Simmons, chair: Thank you, Mr. Schmidt. Is there anyone else lined up for public comment?

>>Naomie Stephen: That is all that have signed up.

>>E. Denise Simmons, chair: If there's no other individuals signed up for public comment, I would like to take a vote for closing public comment.

YEAS: COUNCILLOR SIMMONS, COUNCILLOR AZEEM, COUNCILLOR CARLONE,
VICE MAYOR MALLON, COUNCILLOR MCGOVERN -5

ABSENT: -0

>>Paula Crane: Public Comment is closed at 3:07 p.m. on the affirmative vote with five in favor.

>>E. Denise Simmons, chair: Councillor Carlone, I'm going to come back to you, you had a pending motion. Would you like to offer your motion, we can then have discussion and see if the motion carries. Councillor Carlone, you have the floor.

>>Dennis Carlone: Thank you, Madam Chair. I know we have to substantiate this as much as we can, and it seems to me at least the tax rate alone is a powerful comparison with other cities that we can afford and businesses can afford this extra increase to what was proposed in the past. I

move that we ask the City Manager to have his staff provide information on comparative cities of Boston and Somerville for their commercial tax rate, for their linkage fee, and any other associated fees with development approval. And that is the motion. I think it will help us make a firmer reason why this is needed. Thank you, Madam Chair, I yield.

>>E. Denise Simmons, chair: Councillor Carlone has offered up his motion, is there a discussion on the motion? I see there's two hands up but right now we are discussing Councillor Carlone's motion. So of the members of the Housing Committee, is there any discussion on this motion? Let me ask, to my colleague on the committee, are you offering this motion in lieu of raising it at this time, or are you saying I want this information? The reason I ask this question is my inclination would be to make a recommendation to the City Council to take a vote of raising it and I do want to hear information, but I don't know if I want to necessarily wait until I get information to do that, so what is your intention?

>>Dennis Carlone: That is fine with me to vote on raising the fee now, but supplying this information hopefully in the near future.

>>E. Denise Simmons, chair: Thank you, Councillor. So the motion is, for members that need to have it read back, only ask for additional information. I would then like to either offer emotion or entertain a motion and have some discussion to raise the fee to \$33.34. The first thing we need to do is to vote on your motion. As I understand it, the motion is only to ask for the city manager and appropriate staff to seek information on those areas that you outlined.

>>Dennis Carlone: That's correct, Madam Chair.

>>E. Denise Simmons, chair: Does anyone on the Housing Committee need more information if we take a vote? Hearing none, Madam Clerk, on the vote seeking further information as outlined by Councillor Carlone, please call the roll.

>> Paula Crane: On that motion

YEAS: COUNCILLOR SIMMONS, COUNCILLOR AZEEM, COUNCILLOR CARLONE,
VICE MAYOR MALLON, COUNCILLOR MCGOVERN -5

ABSENT: -0

>>Paula Crane: The motion passes on the affirmative vote with 5 in favor.

>>E. Denise Simmons, chair: Thank you, Madam Deputy. Councillor Carlone yields the floor. Vice Mayor Mallon, you have the floor.

>>Alanna Mallon: Thank you, Madam Chair, in hearing some of my colleagues in support of the workforce development linkage fee of \$1.94, I would also ask that we move this to City Council that we move the \$1.94 workplace training linkage fee to be included with it, and with that I would ask the city manager work with his staff to put together a memo on how that would be implemented.

>>E. Denise Simmons, chair: Thank you. Are you yielding?

>>Alanna Mallon: Yes.

>>E. Denise Simmons, chair: The Vice Mayor is yielding. I would suggest we take a vote to raise the fee to \$33.34. With the indulgence of the committee, let's put that forward as a motion, let's see if it passes, and after which we go back to you, Vice Mayor, to offer your motion that says you would like to see \$1.94 set aside for workforce development. Is that a correct iteration of what you're asking? So there's a motion before us. Is there any discussion that we raise the fee to \$33.34. Discussion on the motion? Members of the housing committee, discussion? Councillor Azeem, you have the floor.

>>Burhan Azeem: Thank you. I was actually curious, if we vote yes on this motion now, will it go to City Council and then will it need to go to Ordinance or will the City Council be the final vote on this?

>>E. Denise Simmons, chair: Councillor Azeem's question is, does it go to the Council? Yes, it does go to the council. We are voting to recommend that the fee be increased, then the Council has to vote that. Whether it then goes to Ordinance, I'm going to defer to Ms. Glowa. If the Council votes, because it is a change, if this committee votes to recommend that we increase the amount to \$33.34 and that then goes to the Council and is voted affirmatively, what would be the next step?

>>Nancy Glowa: Madam Chair, I believe that this is provided in the zoning ordinance and therefore it would require a City Council petition to amend the ordinance to affectuate this change.

>>E. Denise Simmons, chair: Thank you. So back to you, Councillor Azeem. So now that we see this vote is a recommendation that goes to the full Council for adoption. If the council adopts it, it still has to go through the ordinance process. I do think that really does put a bit of urgency because there's a whole other step now. We vote it, it's in the minutes, the minutes go to the Council, the Council votes to adopt the minutes and the underlying motion, that motion gets adopted and has to go back by way of petition to the Council and go to the ordinance process. Does that answer your question?

>>Burhan Azeem: Yeah, at this time I support the motion. I would love to get more information on the 33 dollars and what the implications would be for commercial development, but I don't see a reason to hold up the process now, so I will be supporting the motion. Thank you.

>>E. Denise Simmons, chair: Thank you Councillor Azeem. Is there any discussion relative to this by members of the Housing Committee? Hearing none, I ask the Deputy Clerk to call the roll.

>>Paula Crane: On the motion:

YEAS: COUNCILLOR SIMMONS, COUNCILLOR AZEEM, COUNCILLOR CARLONE,
VICE MAYOR MALLON, COUNCILLOR MCGOVERN -5

ABSENT:

-0

>>Paula Crane: The motion passes on the affirmative vote with 5 in favor.

>>E. Denise Simmons, chair: We now go back to the Vice Mayor, who had a motion she wanted to offer, and I do see Councillor Zondervan's hand up. Vice Mayor, do you want to yield to have the Councillor, the non-voting member, on the item of his interest or do you want to go forward with your motion before we do that?

>>Alanna Mallon: I would be happy to let Councillor Zondervan speak at this point.

>>E. Denise Simmons: Councillor Zondervan, you have the floor.

>>Quinton Zondervan: I just wanted to briefly ask if we could also get updated information from the Affordable Housing Trust on how much funding has been received through the linkage fee over the last five years let's say, or maybe we want to go back further. I'm surprised that this information doesn't seem to be routinely available. It would be good if it were.

>> E. Denise Simmons, chair: Just so I'm correct, Councillor Zondervan, you want an update on the information of the funding we have received from linkage?

>>Quinton Zondervan: Correct, and also in general how much money the Affordable Housing Trust has received from different sources.

>>E. Denise Simmons, chair: Thank you, Councillor Zondervan. I will have to have a member of the Housing Committee offer that as a motion or recommendation. I think the way Ms. Glowa would recommend is that it's a motion, and after we take up the Vice Mayor's, I can look to see if there's a member of the committee that would take this motion and offer it. Do you yield the floor?

>>Quinton Zondervan: Yes, thank you.

>>E. Denise Simmons, chair: Councillor Carlone, we will go back to the Vice Mayor and come to you. Vice Mayor, the floor is yours.

>>Alanna Mallon: Thank you, can we vote on the motion on the floor?

>>E. Denise Simmons, chair: Let's bring the motion forward. There's a motion by the Vice Mayor that a \$1.94 job linkage fee be part of the consideration through which we increase the linkage fee to \$33.34. That is pretty sloppy how I said that, Vice Mayor would you like to state your intention?

>>Alanna Mallon: There's just one quick thing, the \$1.94 would be on top of the \$33.34.

>>E. Denise Simmons, chair: Just so I have it right: we have now voted for \$33.34. You are now

offering a motion that you would like to add an additional \$1.94 on top of the linkage fee and that is specifically for job-training, is that correct?

>>Alanna Mallon: Correct, and that is asking the City Manager to work with staff to provide a memo on exactly how the mechanics of that would work, what that would entail. A job linkage trust, all of those details.

>>E. Denise Simmons, chair: So we can have a clear understanding of the motion, the motion is to increase the linkage fee by \$1.94 and to inquire of Community Development Department, through the City Manager, of what all that entails. Having heard the motion, is there any discussion on the motion from the Housing Committee? Is there any discussion on that motion? Hearing none, Madam Deputy, would you please call the roll?

>>Paula Crane: On the motion:

YEAS: COUNCILLOR SIMMONS, COUNCILLOR AZEEM, COUNCILLOR CARLONE,
VICE MAYOR MALLON, COUNCILLOR MCGOVERN -5

ABSENT: -0

>>Paula Crane: The motion passes on the affirmative vote with 5 in favor.

>>E. Denise Simmons, chair: Thank you Madam Deputy. Councillor Carlone, you had your hand up?

>>Dennis Carlone: Yes, Madam Chair. I just wanted to comment on Councillor Zondervan's discussion point. I'm sure he meant this, but we should get yearly numbers, not an accumulative number, as far as funding for the Trust, so we can see a history of hopefully increasing over the years.

>>E. Denise Simmons, chair: So Councillor Carlone, are you offering a motion that the City Council asks the CDD through the City Manager to update the information on the funding we receive on linkage fees on annual contributions?

>>Dennis Carlone: Yes, that was the point, it wasn't stated.

>>E. Denise Simmons, chair: Very good. Did I repeat that adequately?

>>Dennis Carlone: For me. Councillor Zondervan was the master proposer, so....

>>E. Denise Simmons, chair: I wanted to make sure I reflected what you said. I will go back to Councillor Zondervan to make sure this is clear. Vice Mayor Mallon, do you require some edification on this?

>>Alanna Mallon: I was going to request as part of that motion that we ask for future projections. I think it would be important for us to know what's in the pipeline as well.

>>E. Denise Simmons, chair: Ok, so the motion should read the City Manager is requested to get information from the CDD to include, but not be limited to, funding received through the linkage program, that those fees be reported out annually, and what was the third thing?

>>Alanna Mallon: And including future projections by year.

>>E. Denise Simmons, chair: ...and include future projections by year. Madam Deputy, do you have that?

>>Paula Crane: I do.

>>E. Denise Simmons, chair: Councillor Zondervan, coming to you. Does that reflect the base principle of your suggested item that you wanted offered as a motion?

>>Quinton Zondervan: Thank you, Madam Chair. Yes, it does.

>>E. Denise Simmons, chair: The Vice Mayor yields. Councillor Carlone, do you have further discussion on the motion as it's being offered?

>>Dennis Carlone: No thank you, Madam Chair. I left my hand up.

>>E. Denise Simmons, chair: Any discussion on the motion? Hearing none, Madam Deputy, would you please call the roll?

>>Paula Crane: On the motion:

YEAS: COUNCILLOR SIMMONS, COUNCILLOR AZEEM, COUNCILLOR CARLONE,
VICE MAYOR MALLON, COUNCILLOR MCGOVERN -5

ABSENT: -0

>>Paula Crane: The motion passes on the affirmative vote with 5 in favor.

>>E. Denise Simmons, chair: Is there any other discussion relative to the increase of the linkage fee, which has now been adopted and will move on to city council? Any other items you would like to speak to in that context? Vice Mayor Mallon, I see your hand is up, you have the floor.

>>Alanna Mallon: Sorry, I put my hand up too soon. I have a question on a future linkage report or nexus study, so I will hold my question to that point.

>>E. Denise Simmons, chair: Is there any other item other than what the Vice Mayor would like to speak on? Let me just go to our housing CBOs. So far, is there anything we might have missed that you want us to at least consider? Any points issued?

>> Carl Nagy-Koechlin: I'll just speak for Just a Start. It's been a very thorough discussion and I appreciated all the thought that went into it. I'm all for it.

>> E. Denise Simmons, chair: Well, thank you. To the Homeowners Rehab, any thoughts? Anything that we might have missed that you would like us to take into consideration? Hearing none, I will move to the CHA. Any thoughts?

>> Margaret Donnelly Moran: Again, to echo the comments from Just a Start, I think it was a really deep and full discussion and we have nothing further to offer. Thank you for everybody's comments and considerations.

>>E. Denise Simmons, chair: Thank you. From CDD? Ms. Farooq, anything we should've paid attention to and did not?

>>Iram Farooq: No. This was thorough, Chair. We have our marching orders.

>>E. Denise Simmons, chair: Very good. Vice Mayor Mallon, the floor comes back to you. The floor is yours.

>>Alanna Mallon: Thank you Madam Chair and through you to Ms. Farooq, there were some questions and concerns around the length of time the nexus study takes and has taken in the past. I just wanted to give you the opportunity to speak to that issue. Is there a way to shorten the runway on a report in 2023 and how long it will take us to get the report back? That's the first thing, and then the second thing is that we've all heard today and in the past some concerns that people have around some of the facts that were presented in the report around the number of residents displaced, the number of residents in new office jobs that would want to live in Cambridge. To what extent can CDD really work with whomever gets the bid for proposal to talk about some of these concerns so they pay attention to them in the 2023 report?

>>E. Denise Simmons, chair: Ms. Farooq, the floor is yours.

>>Iram Farooq: Thank you to the Chair and to the Vice Mayor. We actually were just also taking notes on some of the issues that were raised that we want to make sure that the next person who is selected for a study, that we end up having a conversation about these specifics with them. I will actually ask Chris Cotter to join the conversation, but we previously used to have a methodology that focused on displacement, and after a lot of assessment, it was thought that that was not the defensible and thorough strategy, and it was changed to one that we currently use, which looks at job creation and therefore number of people who might be desirous of living in the city who are in those low/mod income tiers and what impact that has on the affordable housing trust. That was deemed to be a more defensible strategy, but we can talk about whether there's a feasible way to build in something related to displacement because we understand that is of course absolutely worth considering as long as we can frame something that is workable. The piece about timing is interesting because one of the questions that was raised related to how many people might want to live in Cambridge from new jobs that are created, and initially that was gauged by doing a survey of employees. And it took something like -- it took a while to do it. Chris can say more about that. That is something that we did not do the last time, so we used the original numbers, but can build that in. I will say that will add time to the study to then do that. The other piece of your question, just how long it takes to do the study. When can we do it?

The last time the study was done you might recall our consultant recommended that the 3 years we have in the ordinance is a pretty tight rhythm of doing studies and that they had recommended moving from the three year to a five-year interval for doing studies, which the council did not adopt that change, and I think that was principally to make sure that if we start a study at three years, which is how it's written in the ordinance, that will get us answers in time for the council to adopt changes before we get to that five-year time horizon. That was the discussion I recall from last time. That's the background and we can have additional conversations with a consultant once they are selected. I'm going to see, with your permission, chair, if Chris Cotter has anything to add to that.

>>E. Denise Simmons, chair: Mr. Cotter, the floor is yours.

>>Chris Cotter: Thank you, Madam Chair. I think the recommendation on the five-year interval was more to really see the impact of any change that was made over five years and have enough data to look back and see what the impact was. I can see where the rate was increased substantially, I think we didn't see the first contribution coming in until 2018 or 2019 because the lack here in terms of development. We really haven't seen a lot of the impact even from that 2015 change. Really beginning in 2019, and I can say there's a question earlier about what the ordinance has generated to date since that 2015 change, the Trust has received \$37.8 million from the incentive provisions. We are happy to give you all the information, but those contributions began in earnest in 2019 and then ramped up considerably to this point. We are at \$13 million in contributions in FY22. Again, we can provide you all the information. To the point about impact, the study and the way that it's designed and the way we've done at the last two times now looking at direct impact I think, looking at the impact on cost more broadly, looking at a more indirect impact, it's something of a different methodology than we've looked at, we can certainly talk with the team that looks to do it next time and ask for ideas on how to do that. One of the things we are looking to do here is to quantify direct impact from development so we can say this is the justifiable rate, as opposed to things that might be more related, but not directly attributable. I there's a question there about methodology, but we are certainly happy to look into that, and the survey that was done to determine how many people took a job in Cambridge wanted to be in Cambridge is what informed that piece of the study. We did not do that in the 2015 study. I want to think that survey added a considerable amount of time at the beginning to get that. As we look forward, we can certainly look at that and try to both update that information and determine how to get it more quickly, because it could have changed in the intervening, five to seven years, but at the same time, recognize the desire to move forward as quickly as we can with completing that study.

>>E. Denise Simmons, chair: Thank you, Mr. Cotter, are you yielding? Mr. Cotter yields the floor. Vice Mayor, back to you.

>>Alanna Mallon: Thank you, Madam Chair. We certainly don't want to shortchange ourselves if we are getting good data that is defensible that helps us get to a linkage fee that is the right one, but I think really looking at what we are asking the consultants to do, what we are asking them to measure, and how long it takes is really critical. So moving forward, I think that's going to be something that we should do. In terms of us just seeing some of the linkage fees coming in now, the benefits of them coming in now and those additional dollars, it's all the more urgent that

we go up to the max now so that by the time it is three to four years from now, we will be showing those increasing that rate. I think it's really important. I'm glad we have made this step to go to the max now and looking at 2023 making sure we are getting that good clear data around what we need, what is defensible. But we know that more than 12% of employees are going to want to live in Cambridge. Really trying to tease some of that out will be critical. Thank you, Madam Chair. I yield back.

>>E. Denise Simmons, chair: The Vice Mayor yields the floor. Concluding statements from the committee, are there any concluding statements? To non-members of the Housing Committee, other concluding statements? Hearing none, I would entertain a motion to adjourn.

>>Marc McGovern: So moved.

>>E. Denise Simmons, chair: On motion by Councillor McGovern to close this meeting. Deputy Clerk please call the roll.

>>Paula Crane: On adjournment:

YEAS: COUNCILLOR SIMMONS, COUNCILLOR AZEEM, COUNCILLOR CARLONE,
VICE MAYOR MALLON, COUNCILLOR MCGOVERN -5

ABSENT: -0

>>Paula Crane: The meeting is adjourned at 3:33 p.m. on the affirmative vote with 5 in favor.

>>E. Denise Simmons, chair: Thank you everyone for your attention. Have a good afternoon.

>>Dennis Carlone: Thank you. good meeting.

>>E. Denise Simmons, chair: Thank you.

1. **Section 11.202(b) of Article 11.000 Special Regulations linkage fee., be amended by substitution. (Ordinance #2022-14)**
2. **That the City Manager be and hereby is requested to instruct the Community Development depart to provide information to the City Council about how to add \$1.94 linkage fee to Housing Contribution Rate that is specifically targeted for job training.**
3. **That the City Manager be and hereby is requested to get information from the Community Development Department to include, but not be limited to, funding received through the linkage program, that those fees be reported out annually, and including future projections by year.**