



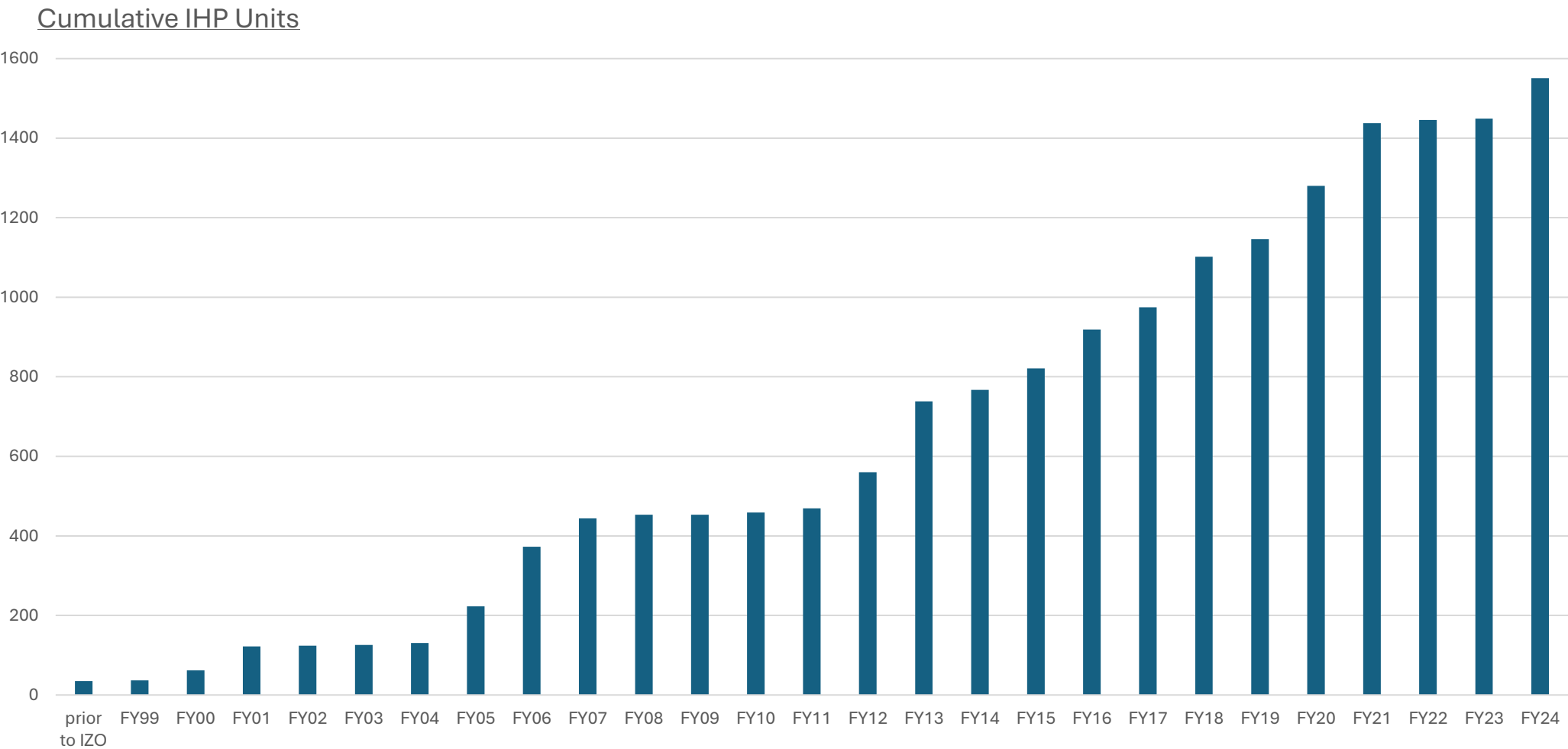
**CITY OF
CAMBRIDGE**

Inclusionary Housing Program - New Development

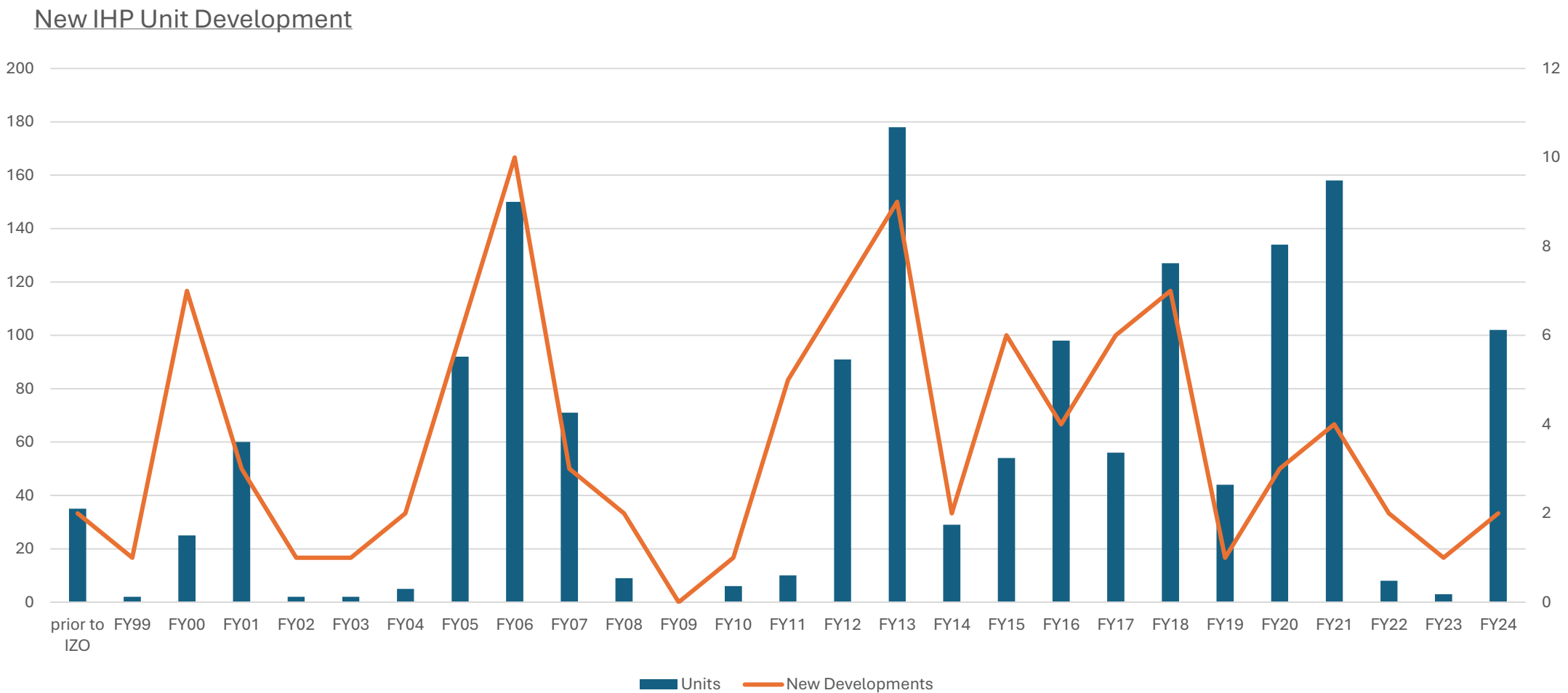


May 12, 2024

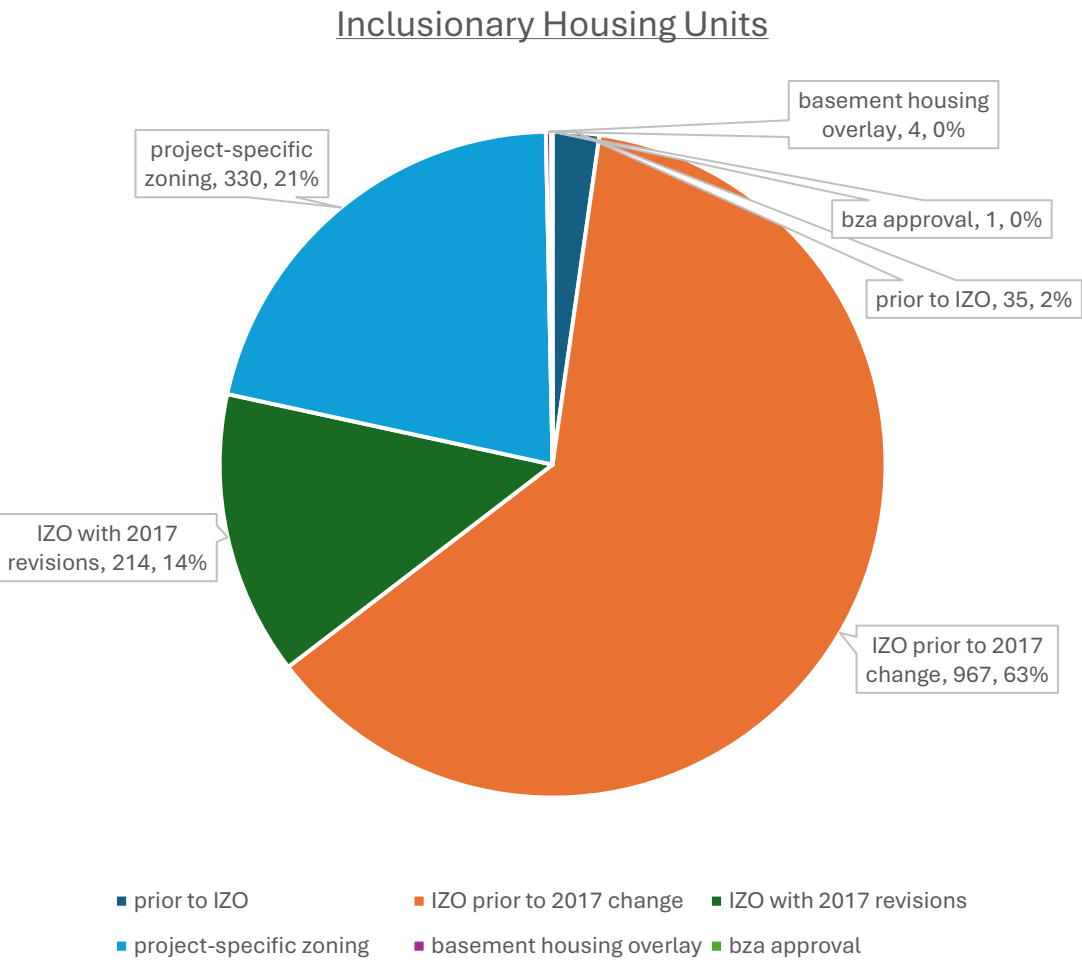
The City’s Inclusionary Housing Program has been in existence since the Inclusionary Zoning Ordinance (IZO) was first adopted in 1998



Over this time, creation of new IHP units has followed economic cycles in which macroeconomic factors such as the cost of capital, construction, and land costs have made development more and less feasible at times



Affordable units in the Inclusionary Housing Program are created through several zoning and permitting provision



Pre-Inclusionary Zoning Ordinance (IZO): affordable units in market housing developments approved with permits which required affordable units before the adoption of the IZO in 1998, which are administered through the IHP

IZO prior to 2017 change: IHP units in housing developments subject to the 1998 IZO provisions which required a nominal 15% of units to be affordable, which after application of density bonus typically yielded 11% - 15% of units as affordable

IZO with 2017 revisions: IHP units in housing developments subject to the 2017 IZO revisions which increased the affordability requirements, first to 15% of residential floor area, and then to 20% of residential floor area

Project-specific Zoning: IHP units in housing developments subject to project specific zoning requirement (i.e. zoning provisions other than those in Section 11.200) which may be based on the IZO, and are administered through the IHP

Basement Housing Overlay: affordable units created through the Basement Housing Overlay, Section 20.600 of the ZO, which are administered through the IHP

BZA Approval: affordable units required by BZA decisions to be administered through the IHP

**In 2017, the IZO was amended to increase the required affordable housing ratio;
new housing developments may now be subject to:**

**IZO prior to 2017
revisions**

**Developments that
received permits
before 2017 revisions
became applicable**

**Project specific
zoning
requirements**

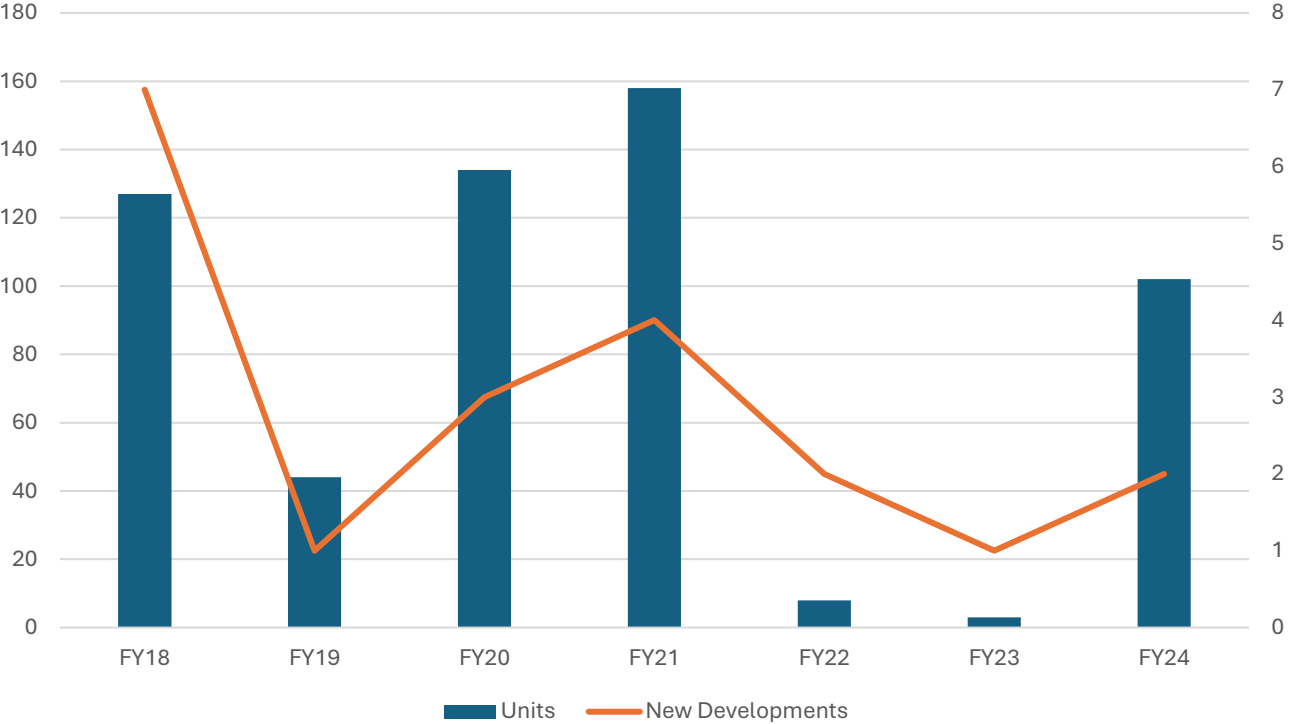
**Developments that
received permits
before 2017 revisions**

**IZO with 2017
revisions**

**Developments that
received permits
after the 2017
revisions became
applicable**

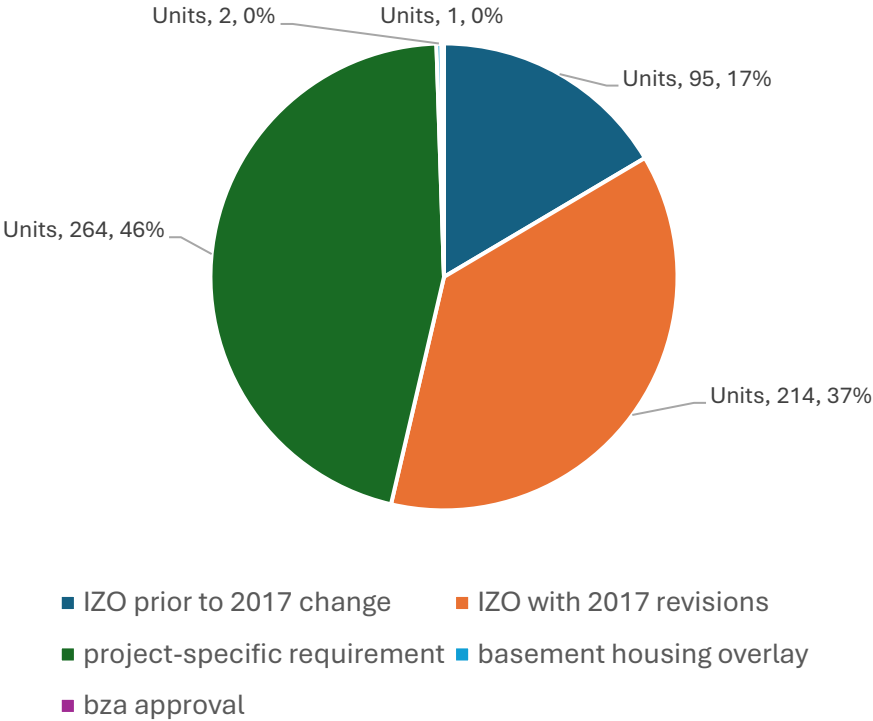
New Inclusionary Housing Development has continued but numbers in recent years have been down

New IHP Units FY18 – FY24



Year	Units	New Developments
FY18	127	7
FY19	44	1
FY20	134	3
FY21	158	4
FY22	8	2
FY23	3	1
FY24	102	2
Total	576	20

New IHP Units FY18 – FY24



Requirement Type	Units	New Developments
IZO prior to 2017 change	95	6
IZO with 2017 revisions	214	7
project-specific requirement	264	4
basement housing overlay	2	2
bza approval	1	1
Total	576	20

Developments producing new IHP Units FY18 – FY24:

Development	Tenure	Total Units	IHP Units	IHP Ratio	Reported	Applicable Requirements	Status
305 Webster	condo	35	4	11%	FY18	IZO pre-2017 change	complete
47 Bishop Allen	rental	23	3	13%	FY18	IZO with 2017 revisions	complete
St. James Place	condo	46	5	11%	FY18	IZO pre-2017 change	complete
Mass & Main	rental	285	58	20%	FY18	project-specific requirement	complete
249 Third Street	rental	84	12	14%	FY18	IZO pre-2017 change	complete
201 & 203 Concord Turnpike	rental	320	44	14%	FY18	IZO with 2017 revisions	complete
14-16 Chauncy Street	rental	9	1	11%	FY18	basement housing overlay	complete
50 Rogers	rental	136	44	32%	FY19	project-specific requirement	complete
Charles & Hurley	rental	136	16	12%	FY20	IZO pre-2017 change	complete
50 Cambridge Park Drive	rental	294	55	19%	FY20	IZO with 2017 revisions	complete
165 Main Street	rental	300	63	21%	FY20	project-specific requirement	complete
95-99 Elmwood	condo	34	4	12%	FY21	IZO pre-2017 change	complete
151 North First Street	rental	468	54	12%	FY21	IZO pre-2017 change	complete
212 Hampshire Street	rental	8	1	13%	FY21	BZA approval	complete
55 Wheeler Street	rental	525	99	19%	FY21	IZO with 2017 revisions	complete
605 Concord Ave.	rental	49	7	14%	FY22	IZO with 2017 revisions	under construction
3-5 Linnean Street	rental	5	1	20%	FY22	basement housing overlay	Complete
1055 Cambridge Street	condo	18	3	17%	FY23	IZO with 2017 revisions	Complete
121 Broadway	rental	434	99	23%	FY24	project-specific requirement	under construction
8 Winter Street	rental	18	3	17%	FY24	IZO with 2017 revisions	under construction

Funding for a new Inclusionary Housing Study is included in the submitted FY26 Budget request

- Procurement to begin in early FY26
- Key components and questions:
 - Socioeconomic diversity analysis: who can afford to live in Cambridge; what is the impact on the socioeconomic diversity of the community?
 - Market-rate housing trends
 - Housing affordability
 - Household Income
 - Economic Feasibility Analysis: what is the optimal inclusionary housing requirement in the current market?
 - analyze various developments prototypes to assess impact on different types of construction and housing tenure
 - Legal Analysis
 - Policy Options to Consider

Key Dates – 2016 Inclusionary Housing Study & 2017 IZO Amendments

11/3/2014: RFP for Inclusionary Housing Study Team Issued

12/4/2014: proposals due

1/5/2015: Contract with Study Team

4/11/2016: Inclusionary Housing Study submitted to City Council

May – September 2016: City Council discussion

11/16/2016: Petition to amend IZO filed

4/3/2017: Petition to amend IZO ordained