

# City of Cambridge

# **Executive Department**

August 27, 2024

To the Honorable, the Housing Committee:

In response to AR 24-8 regarding recommendations for the refinement and improvement of the housing permitting process with a focus on reducing delays, minimizing costs, and enhancing clarity and accessibility for all stakeholders, we submit the following report, which is broken into the sections below:

- 1. Housing is a Key City Priority
- 2. Goals of Permitting and Review Process
- 3. What has been done to streamline permitting
- 4. Additional Improvements
- 5. Fees
- 6. **Details on Process** Building Permit
- 7. **Details on Process** Special Permits
- 8. Conclusions / Next Steps

#### 1. Housing is a Key City Priority

Increasing housing supply and housing affordability are key goals of the Cambridge community and the City Council, and crucial to fostering a vibrant and inclusive community. Ensuring access to a range of housing options helps to support diverse populations, from students and young professionals to long-time residents and low-income families. By addressing our community's housing needs, we aim to promote social equity, economic stability, and enhance the overall quality of life for all residents.

In recent years, the City Council and City staff have worked on policies to support and facilitate the development of affordable housing citywide. We are now working with the Housing Committee to propose updates to the Zoning Ordinance to eliminate exclusionary zoning and facilitate the development of a range of housing types throughout the city, with the goal of ensuring that Cambridge remains a dynamic and equitable city where everyone has the opportunity to thrive. It is important to recognize, that the development of housing is impacted both by zoning and the permitting process. In this memo, we provide information on the housing permitting process in Cambridge, as well as recent and ongoing efforts to streamline the process.

#### 2. Goals of Permitting and Review Process

All development, redevelopment, and building renovations require permits from the City to ensure they meet City, State and Federal requirements. In the last number of years, the City has incorporated many new requirements, ordinances and regulations in both the municipal code and the zoning ordinance around tree protection, green buildings, green roofs, fossil fuel free construction and resiliency zoning. These ordinance changes add additional complications, cost and time to the permitting process, but also ensure that projects meet city goals and prepare us for the future.

The complexity of the permitting and review process increases as projects get larger, but in general, the process aims to ensure that projects:

#### A. meet **state requirements**, such as

- a. State Building, Plumbing and Gas, Electrical, and Mechanical Codes
- b. State Sanitary Code
- c. Massachusetts Architectural Access Board Regulations
- d. State Stretch Energy Code
- e. Massachusetts Fire Safety Code and National Fire Prevention Association Standards

# B. meet City Zoning Ordinances

- C. have adequate and reliable utility service
- D. mitigate additional sewage flows into the system, which could otherwise cause backups for other properties or increase combined sewer overflows the Charles River and Alewife Brook
- E. properly manage **stormwater**
- F. minimize and mitigate any additional traffic associated with the development
- G. demolishing an existing building, or part of an existing building, that is in excess of **50** years old have the proper approvals
- H. located within an **Historic District** or **Conservation District** have proper approvals
- meet city urban design standards and are consistent with neighborhood and city planning documents

#### J. meet city sustainability requirements including

- a. Green Building Requirements
- b. Green Roofs Requirements
- c. Flood Resilience Standards
- d. Green Factor Standards
- e. Tree Protection Ordinance
- f. Fossil Fuel Free Construction

Many of these standards apply to larger-scale developments or new construction and tend not to apply to smaller-scale projects or rehabilitation projects. Part of the permitting process is to confirm if the project is subject to these requirements, and if so, does the project meet the requirements. Ensuring that projects meet all of the applicable requirements and can be approved for permits is complicated and involves staff from multiple departments.

**Smaller projects** that meet zoning requirements get reviewed through a Building Permit. While **Larger projects** and certain types of buildings and uses must receive approval from the **Planning Board or the Board of Zoning Appeals** before applying for a Building Permit. See Sections 6 and 7 for more details on these processes.

#### 3. What has been done to streamline permitting?

Understanding the importance of the permitting process, as well as the challenges and complexity of navigating the permitting system, staff have been working and continue to work on improvements to streamline the process, while ensuring projects meet the various federal, state and local requirements identified in Section 2.

# A. Zoning Changes

- a. Recognizing that housing is a critical need in Cambridge, our **zoning in many districts** allows **residential buildings to be taller and larger** than non-residential buildings.
- b. The **Affordable Housing Overlay** was adopted in 2020 to reduce special permits or variances for affordable housing development. Projects go through an advisory review process that does not carry the risk of denial or appeal. This approach makes the **process and outcome more predictable**. Since 2021, seven projects containing a total of **700+ units** have gone through the AHO review process.
- c. Current discussions with the City Council's Housing Committee on **proposals to promote multifamily housing** include **simplifying dimensional requirements**, which would make it less likely that developments would need to seek zoning relief.
- d. Another topic being discussed at the Housing Committee is **changing the thresholds for special permits**, so that only projects that are especially large would need to obtain a special permit and smaller-scale developments could proceed as-of-right, possibly with advisory review.

#### **B.** One-Stop Permitting through Viewpoint

In 2018, the City implemented permitting in Viewpoint. This permitting system allows applicants to submit **Building Permits on-line** and all the departments reviewing permits to review permits and communicate with applicants in a **collaborative and coordinated** fashion.

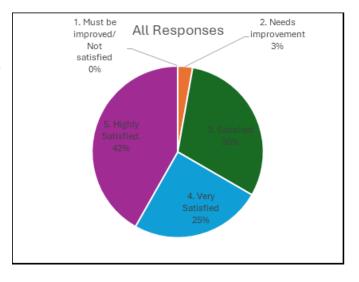
In 2022, the City modified the Viewpoint system to **allow concurrent reviews** to occur, which has significantly reduced the review timeline for applicants. Previously one department reviewed the plans and the next department couldn't begin their review until the first department was completed. This caused significant delays in the process. Now **multiple departments are reviewing the plans at the same time, which is improving the process and reducing delays**. For example, Additional/Alteration Permits have been reduced from 22 days in 2018 to 10 days in 2023. Some examples of these permits would include a Lab Renovation, a Restaurant Renovation, a dormer on a single-family home, or a new kitchen or bathroom.





In May 2024, the City conducted a survey of stakeholders who have building received permits Cambridge using Viewpoint to get feedback on the system, focusing on several key areas to identify and address issues related to delays, costs and usability. Overall respondents were fairly positive about the system, but also identified potential improvements.

The pie chart shows that 96% of all responses were either satisfied, very satisfied, or highly satisfied with the current permitting system.



Respondents compared Cambridge' permitting process favorably to neighboring communities. One of the key benefits of Cambridge's system compared to many other communities is that it allows applicants to communicate directly with staff through the portal, making the process more open and accessible, reducing confusion and allowing for questions to be answered more quickly.

The survey also asked for potential improvements to the permitting system. Two affordable housing developers suggested that a prerequisite meeting with all relevant

departments should be required to **help prevent last minute issues** coming up during the review process and also to discuss the process for requesting that the City waive permitting fees for individual projects. Staff will be establishing this process for future projects.

# C. Regular Meetings / Enhanced Communication Between City Departments

Beginning in 2023, City departments involved in Building Permit reviews including Community Development, Fire, Historical Commission, Information Technology, Inspectional Services, Public Works, Water, and Traffic, Parking & Transportation began meeting monthly to review procedures, maintain communication and identify process issues and improvements.

# D. Training and Outreach

Over the past few years, the City has made a significant effort to be more public facing, accessible, and collaborative with stakeholders involved in the permitting process. Welcoming feedback and holding workshops has allowed staff to make more informed decisions while educating the public on permitting processes. A few examples of recent trainings are highlighted below.

- a. **Building Permit Application Training:** On June 24, 2024, city staff hosted a building permit application training session. The session was advertised through a press release and social media posts to encourage residents to participate. The training covered Fossil Fuel Free Construction and how it relates to existing buildings, the stretch energy code, zoning implications for additions to existing residential homes, flood resistance zoning specifics, and fire prevention as it relates to construction safety and many more.
- b. **Energy Code Training:** When new state codes and City ordinances are implemented like MA Stretch Energy Code and the Fossil Fuel Free Demonstration, not only does it add time and complexity to the permit process, but it also puts a strain on City staff and contractors to understand and implement these changes. In September 2023, the **City hosted four 3-hour training sessions on the new Stretch Code and Fossil Fuel Free Ordinance**. This training was attended by local architects, builders, and developers, and inspectors from ISD and neighboring communities.
- c. **Pre-Building Permit Reviews**: As described more fully in Section 6, there are a series of trigger questions that applicants answer to determine which departments will review the building permit. ISD staff recently performed an in-depth review of the "trigger questions" and the process to identify inefficiencies and reconsider thresholds. The review identified several unnecessary questions and review steps which have been removed. The impacts of this change will be monitored by staff to confirm that the changes are having the desired affect of streamlining the process.

- 4. <u>Additional Improvements</u> City staff continue to evaluate additional ways to improve the permitting process.
  - A. Based on the feedback from the survey, staff will be establishing **prerequisite meetings** with affordable hosing developers and relevant departments to **help prevent last minute issues** from coming up during the review process and also to proactively discuss the process for requesting that the City Manager waive permitting fees for individual projects.
  - B. **Staff Training:** The Inspectional Services Department is training administrative staff to handle low-cost, limited-scope permits with no changes to the building's exterior or usage. This will reduce the inspectors' workload, allowing them to focus on complex applications. And processing times for straightforward permits will improve, and inspectors can dedicate more attention to detailed plan reviews. This strategic change aims to optimize resources within the department, ensuring that both simple and complex permit applications are handled more efficiently and effectively.
  - C. Enhanced Communication: The City is committed to increasing communication with applicants through enhanced email correspondence. This will include regular reminders about the review status of their applications and notifications if signoffs from departments are required. This will help clarify the process for applicants and reduce delays. One of the most significant delays occurs when applicants or their consultants do not respond to requests for additional information.

#### 5. Fees

Below is a summary of fees associated with building permits for housing developments.

- A. **Building Permit Fees** are based on the initial estimated cost of construction. The permit fee schedule is as follows:
  - a. Building permits involving structures containing three residential units or less: Fee = \$15 for every \$1000 of estimated cost of construction.
  - b. Building permits involving all other structures (four residential units or more and commercial): Fee = \$20 for every \$1000 of estimated cost of construction.
- B. Planning Board Special Permit Fees are only required for the small set of projects that need Planning Board review (they are not required for Affordable Housing Overlay projects). The fee rate is typically \$0.10 per square foot of development, due at the time of special permit application. That rate has been unchanged since 2004. No additional fees are required if the project needs additional Planning Board review, such as amending the special permit, and no fees are charged for certification of conditions at the building permit or certificate of occupancy stage.
- C. **BOARD OF ZONING APPEAL (FEE SCHEDULE)** The full fee schedule for a public hearing before the Board of Zoning Appeal is available on <u>ISD's website</u>. The sections most relevant to housing are summarized below:

- a. **Parking:** \$200.00 per space for which relief is requested. Even though we have removed parking minimums, if parking is provided that doesn't conform to the zoning ordinance, a variance is required.
- b. Additions, Structural Alterations, Dimensional Violations, Alteration of **Non-Conforming Structure for Variance/Special Permits**: \$200.00 plus \$50.00 per 100 square feet of construction requiring relief.
- c. **Subdivision**: \$500.00 plus \$200.00 per new lot proposed.
- d. Conversion to **Additional Dwelling Unit**: \$300.00 plus \$200.00 per dwelling unit requested.
- e. Variance or Special Permit for **non-conforming uses** shall be subject to a minimum fee of \$200 plus an additional fee of \$.50 per square foot of new construction or conversion requiring relief depending Use Variance or Special Permit applications for non-conforming uses, including housing in zoning districts where not all types of housing are permitted, shall be subject to a minimum fee of \$200, plus an additional fee of \$0.50 per square foot for any new construction or conversion requiring relief, depending on the type of use.

Notwithstanding the above schedule of fees, City Agencies and Non-Profit Institutions established for the welfare of citizens of the City of Cambridge shall be subject to a maximum fee of \$100.00 or the actual cost of advertisement and notification of the Board of Zoning Appeal's hearing, whichever is greater. **Non-profit housing developers would be capped at \$100**, but not all housing.

D. **Sewer Connection Fees** are calculated based on the number of new or renovated plumbing fixtures. The fee was established to collect funds, **specific to increased demands on the sewer infrastructure**.

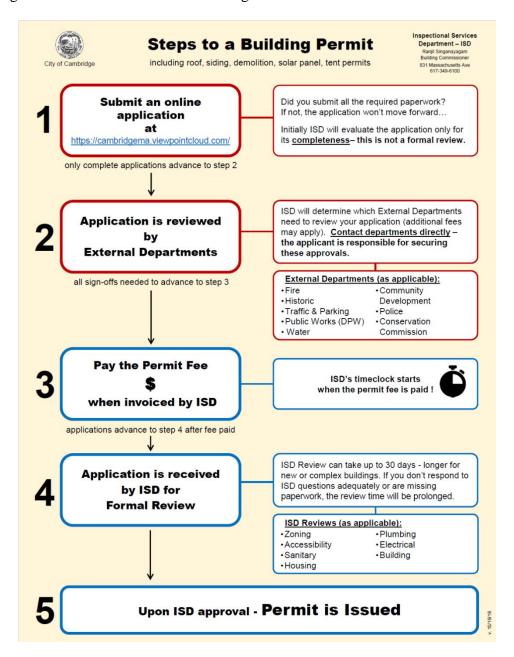
		Fee
Residential		
	Minimum Fee	\$225
	Additional per fixture	\$45
Commercial		
	Minimum Fee	\$350
	Additional per fixture	\$70
Industrial		
	Minimum Fee	\$550
	Additional per fixture	\$110

Depending on financing and various other factors, permit fees for affordable housing projects can be waived at the discretion of the City Manager.

#### 6. Details on Process – Building Permits

All development, redevelopment, and building renovations require permits from the City to ensure they meet City, State and Federal requirements. **Smaller projects** that meet zoning requirements get reviewed through a Building Permit. While **Larger projects** and certain types of buildings and uses must receive approval from the **Planning Board or the Board of Zoning Appeals** (See Section 7) before applying for a Building Permit.

The **Building Permit Process** is summarized in the chart below. ISD is responsible for managing the Building Permit process, while other city departments play a critical role, as shown in Step 2 "External Departments". This Step 2 is known as the **Pre-Building Permit Review Process**, as it has to be completed before the applicant can pay the permit fee and ISD can begin the formal review of the Building Permit.



The Pre-Building Permit Review Process requires applicants to address significant building support issues prior to the formal building permit review beginning. These reviews can be fairly limited or more involved, depending on the complexity of the project.

When applicants submit their application, they answer a series of yes / no threshold question to determine which of the Pre-Building Permit Reviews are triggered by the project. The Departments most frequently involved in substantial pre-building permit reviews are the Department of Public Works and the Fire Department.

Department (Avg # of Pre-Bldg Permit Reviews, 2021 - 2023)	Trigger	Review Scope
Community Development Department (240 per year)	Project subject to Planning Board Special Permit?	Ensure that the Building Permit plans are consistent with the project's Planning Board Special Permit.
Fire Department (740 per year)	Project includes substantial demolition (more than 25% of the existing building) of an existing structure?  Project increases the size of the building?  Fire prevention facilities are incorporated within the facility?	Ensure project is compliant with the Massachusetts Fire Safety Code and the National Fire Prevention Association Standards.
Historic Commission (430 per year)	Permit for a building 50 or more years old?  Project site is individually designated as a Landmark or located within an Historic District or Conservation	Historic Commission determines building age and conducts an initial determination of significance. If required, follow Historical Commission procedures for demolition permit review (Ch. 2.78, Art II).  Ensure proposal conforms with Historic Historical Commission or Neighborhood Conservation District permitting procedures (Ch. 2.78, Art. I or III and MGL Ch. 40C).
Public Works (375 per year)	District? Project significantly increases sewer flows?	Significant new sewer flows must be offset to ensure the existing infrastructure is not compromised. Large projects that increase sewer flows by 5,000 gallons or more per day are required to remove existing

		stormwater from the system to offset the increased sewer flow. This is known as Inflow and Infiltration (I/I) removal and is required by state DEP regulations.
	Project increases stormwater runoff?	Ensure project meets requirements of City and State Stormwater Regulations. DPW works to keep requirements up to date with increasing precipitation projections as a result of climate change. Review of Stormwater Managment Plans is critical to confirm there will be no adverse impacts on the City's infrastructure, the water bodies to which the stormwater is conveyed and to abutters and downstream neighbors.
	the public way (roadway,	Ensure project is addressing the street and roadway infrastructure: restoring areas impacted by the building and utility construction, accessibility, and consistency with City wide goals such as Complete Streets and Vision Zero.
	Project includes work in a sensitive area that may need special consideration (Alewife Overlay District, FEMA Delineated Floodway, etc.)?	Ensure project is meeting Local, State and Federal Regulations specific to sensitive areas.
	General Review	While not specifically part of the DPW pre- review, DPW uses the process as a critical touchpoint with projects to educate them new or relevant local Ordinances like the Tree Protection Ordinance and Fossil Fuel Free Ordinance.
Traffic, Parking,	Project includes 5 or more	TP+T, in coordination with CDD staff,
	new off-street vehicle	review the project for compliance with the
(20 per year)	parking spaces?	City 's Parking and Transportation Demand
		Management (PTDM)
		Ordinance. Information about the PTDM
		ordinance is available at
		https://www.cambridgema.gov/CDD/Transportation/fordevelopers/ptdm))
	<u> </u>	oranon/rorueveropers/plain))

# 7. <u>Details on Process – Special Permits (Planning Board or Board of Zoning Appeal)</u>

Before development entities can apply for a building permit, some need to go through a separate zoning approval process at the Planning Board or Board of Zoning Appeal (BZA).

- A. **Special Permits** are needed when it says in the Zoning Ordinance that certain uses can be allowed by special permit under some circumstances. The Zoning Ordinance says whether the BZA or Planning Board can grant a special permit. For example, uses such as Quick-Service Food Establishments need a special permit from the BZA in some districts. And sometimes a special permit is needed for a use of a particular size in a district. For example, multifamily housing of 12 units or more in a Residence C-1 district needs a special permit from the Planning Board.
- B. **Variances** are needed if a proposed development does not meet all zoning requirements, and the owner wants to seek relief from a requirement based on a hardship due to the unique conditions of the site. Only the BZA can grant variances.

Each process follows **requirements in state law**. The special permit and variance processes are somewhat different, but both require scheduling and advertising a public hearing about one to two months in advance after receiving an application. After the public hearing, the applicable board has a period of time to take action and file a written decision at the City Clerk's office. There is then a 20-day period when interested parties, including the applicant and abutting property owners, can appeal the decision in Massachusetts Land Court. Overall, a special permit or variance process can take 3-6 months or longer to conclude, and legal appeals can take many additional months if not years to resolve before a project can proceed.

Special permits and variances are **common for development in Cambridge**. Although there are some public benefits to special permit and variance processes, the added time and risk can be burdensome on housing development. City staff have been working with the City Council on policy initiatives to address this issue. Although the special permit and variance processes cannot be changed without changes to state law, the **City Council can amend the zoning ordinance to reduce instances where a special permit or variance would be needed**, as was done in 2020 with the passing of the Affordable Housing Overlay.

#### Planning Board Review

The Planning Board hears certain types of special permit cases as required by the Zoning Ordinance. The Board also reviews some other non-special permit cases, most notably advisory design consultations of projects under the Affordable Housing Overlay (AHO).

The types of cases that come to the **Planning Board tend to be large and complex** or involve nuanced planning issues that benefit from holistic review. In contrast, **BZA cases tend to focus on relief from specific zoning requirements**. The Planning Board hears relatively few cases compared to the BZA. Although they take more time, Planning Board cases are almost always approved, because the Board provides the necessary time for developers to improve their proposals until they meet the applicable standards.

Part of the Planning Board process involves work that is done before making an application:

- **Urban Design:** All Planning Board cases involve reviewing the proposal against urban design objectives. The developer's design team gets input from CDD's urban design staff to help the proposal meet those objectives, which leads to a better reception by the Planning Board. The amount of time spent on this review can vary depending on the scale of the proposal, with smaller proposals needing one or two meetings and larger proposals needing several months of iterative review. Ideally, the developer engages with staff throughout the design process early on, instead of designing the entire proposal before getting feedback, which can lengthen the process.
- Transportation Impact Study (TIS): Traffic Impact Studies are required by the zoning ordinance based on the square footage of a project. Generally, projects of 50,000 square feet or more require a TIS, although certain categories of projects, such as health care facilities, retail, or banks, have lower square footage thresholds.
  - o If a project requires a TIS, the applicant provides a draft TIS Scope to TP+T, who works with the applicant to refine the scope, which includes the study area, the extent of data collection, and how much traffic will be generated by the proposed development. Upon submission of the completed TIS, TP+T has 21 days to review the study and either certify it as complete or deny the certification. If denied, TP+T provides comments on the deficiencies and the applicant can remedy and resubmit. Upon resubmission, TP+T has 14 days to review and approve.
  - o Once TP+T certifies a TIS, they work with the applicant to develop a mitigation package that addresses the traffic impacts. TP+T then communicates their findings and the recommended mitigation package via memo to the Planning Board.
- Community Engagement: Since 2016, in response to feedback from the public and Council, the Planning Board has required developers to undertake a community engagement process before applying for any new special permit (advisory review under the AHO also requires community engagement). Developers must host at least one community meeting on or near the site (as well as a virtual option) but are encouraged to do more outreach tailored to the area, such as reaching out to community organizations (especially those groups who are underrepresented in review of urban development) and providing opportunities to learn about the proposal and give feedback online. Developers must document and report on their engagement and the input received in their Planning Board applications.

The processes above typically run in parallel with the City's review of other design and development standards. For developments that involve a high level of review, there is a coordinated process involving multiple departments including CDD, TP+T, DPW, and others such as Housing and Historical, if applicable to that project. This provides a streamlined way for developers to learn about required standards and processes and receive consolidated feedback.

Examples of Planning Board cases range from large, multi-phased Planned Unit Developments (MIT's redevelopment of the Volpe site, New England Development's redevelopment of CambridgeSide, Boston Properties' redevelopment in Kendall Square) to much smaller

projects like infill housing in Residence B districts and approval of Formula Businesses in Central Square. The chart below summarizes the number of new special permit cases heard by the Planning Board over the past five fiscal years. It also includes cases where the Board reviewed the design of a new building, such as AHO advisory design review and design approval of buildings in Planned Unit Developments.

Case Type	FY20	FY21	FY22	FY23	FY24
New Special Permit Case	17	17	9	8	2
Housing only	3	4	1	5	0
New Design/Advisory					
Review	1	2	8	4	4
Housing only	0	1	5	1	3

Several factors explain the changes in the number of Planning Board cases in recent years. Current economic conditions have resulted in a smaller number of developments seeking permits overall. Changes in policy have also affected the types of cases that come to the Planning Board. For example, many special permit cases in FY20 and FY21 were for cannabis retail stores. In addition to a general slowdown in cannabis retail proposals after the initial wave, the City Council has changed the zoning to not require a special permit.

For housing, a major shift in recent years has been from market-rate housing developments seeking special permits to affordable housing developments going through the advisory design review process. Special permit cases for market-rate housing, which have declined in recent years, have included some larger multifamily developments of 50+ units but also many smaller developments of single-family rear infill units or smaller multifamily projects. **Removing the special permit requirement for smaller projects** and/or shifting to an advisory design review approach for some housing **would shorten the review time and reduce the permitting risk** for those projects.

#### Other Standards in Zoning

There are several standards in zoning that are not part of a review process like a special permit, but can add time to the permitting process. These standards usually apply to either larger-scale developments or new construction and tend not to apply to smaller-scale projects or rehabilitations.

Some key standards are summarized below. In each case, the developer must provide documentation demonstrating how the requirement is being met at the special permit (if applicable), building permit, and certificate of occupancy stage of the project. If the requirement applies to a Planning Board case, which it often does, this review usually happens in coordination with other processes like pre-application design review or building permit certification.

The applicable review department has a period of time in which to review the submission and reply either to verify that the documentation is sufficient to show the requirement is met or to say what additional information is needed. Staff often does not use the maximum time for each

review. In practice, the process is most often a dialogue between staff and the developer's team to focus on providing the needed information.

Requirement	What it is	What it applies to	Department	Time for review
Inclusionary Housing (Section 11.203)	Residential projects must include affordable housing units	10+ new units, or 10,000+ SF new residential buildings	Housing	30 days
Green Building Requirements (Section 22.20)	Projects must meet standards under LEED, Passive House, or Enterprise Green Communities	25,000+ SF development	CDD	30 days
Green Roof Requirement (Section 22.35)	Must provide a minimum percentage of green roof area (can also be solar in the case of residential)		CDD	30 days
Flood Resilience Standards (Section 22.80)	Projects must use the City's projected future flood elevations for the site and ensure that vulnerable spaces (where applicable) are protected or recoverable	New buildings and substantial additions or enlargements	DPW	45 days
Green Factor Standard (Section 22.80)	Projects must incorporate cool roofs and meet a "cool score" based on site design features such as trees, plantings, shade, and solar-reflective pavement	New buildings and substantial additions or enlargements	CDD	30 days

# 8. Conclusion / Next Steps

As the City continues efforts to support and facilitate the development of affordable housing citywide, the zoning and permitting requirements and processes are an important piece of the puzzle. City staff have made improvements to the processes and continue to evaluate additional ways to improve the permitting process. These efforts include continually reviewing the data to identify issues & evaluate effectiveness of changes, additional zoning changes, staff training, and improved communications.

Very truly yours,

Yi-An Huang City Manager