

# *Cambridge Affordable Housing Trust*

September 29, 2022

To the Honorable, the City Council:

The Cambridge Affordable Housing Trust appreciates the City Council's filing and consideration of a zoning amendment to increase the housing contribution rate under the Incentive Zoning provisions to \$33.34 per square-foot. Funds generated by the Incentive Zoning provisions have become a critical source of funding for the Trust, and we enthusiastically support an increase in the contribution rate.

We write, however, to express our concern about the two amendments recently made to the petition. We want to share our comments to ensure that the amendments to the Incentive Zoning provisions will increase funding generated for the Affordable Housing Trust and provide the funds needed to address the housing impacts of new non-residential buildings.

We understand that the Ordinance Committee has heard and discussed concerns about the impact of the Incentive Zoning provisions on smaller non-residential projects. We appreciate these concerns and the desire to not deter smaller developments that would benefit the community. However, we believe provisions included in the current petition to address this concern will have a more far-reaching impact than anticipated.

## Deduction of 30,000 of Gross Floor Area

The petition as advanced would allow for a deduction of 30,000 square-feet of floor area per project. This provision would reduce Incentive Zoning contributions by more than \$1 million per project. While we understand this may be advisable to assist smaller developments (i.e. those under 50,000 square feet), we do not see the reason to provide this significant reduction to larger developments, which are fully capable of making contributions based on their full size. We recommend the City Council amend the current petition to limit this deduction to smaller projects where it is most needed.

## Deduction of Gross Floor Area Demolished and Later Replaced


The petition would also allow for the deduction of the amount of floor area in existing structures if it is later rebuilt. This differs from how zoning typically considers existing structures and floor area. When an existing structure is demolished, its existence is not typically considered in determining applicability of current zoning provisions to a new structure. This provision would apply to large and smaller developments and add to the 30,000 square-foot deduction noted above. We are not certain of the policy goals behind this provision and believe it could have significant unintended consequences, including demolition of structures that could otherwise be renovated (as renovated floor area would be subject to the Incentive Provisions). We would also expect to see reductions in contributions from developments where floor area in vacant or underutilized existing structures would be deducted from the applicable floor area. Depending on the size of the existing building, these

deductions and reduced contributions could significantly impact our ability to fund housing needed to address impacts from these developments. We urge the Council to remove or limit this provision further.


Thank you for your consideration of our comments on the petition before you. We appreciate your consideration of changes to the Incentive Zoning provisions, and again strongly encourage your support to increase the contribution rate to \$33.34 per square-foot.

As you aware, the need for affordable housing continues to grow as housing costs are out of reach for more and more residents. The challenge of creating affordable housing is made more difficult with continuing significant increases in construction and other costs, rising interest rates, and increased competition for limited state and federal funding. The need for City funds such as those generated through the Incentive Zoning provisions is critical to support the acquisition of sites for affordable housing development and key to our ability to create new affordable housing in Cambridge.

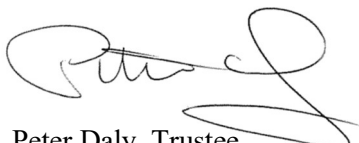
Respectfully submitted for the Affordable Housing Trust,



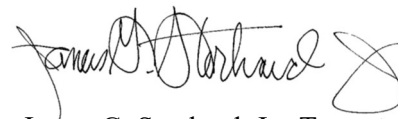
Yi-An Huang, Managing Trustee




Susan Schlesinger, Trustee



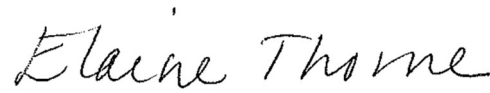
Peter Daly, Trustee



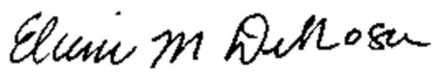
James G. Stockard, Jr., Trustee




Florrie Darwin, Trustee




Elaine Thorne, Trustee



Elaine M. DeRosa, Trustee



William Tibbs, Trustee



Gwendolen Noyes, Trustee