CAMBRIDGE CITY COUNCIL

To: Cambridge City Council
From: Finance Co-chairs, Councillor Patricia Nolan and Councillor Ayah Al-Zubi
Date: November 19, 2026
Subject: FY28 City Council Budget Priorities and Long-term Financial Planning

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Dear colleagues,

On December 2 the Finance Committee will hold a public hearing to discuss the established City Council budget priorities for the FY28 Budget and the continued conversation on the City's long-term financial planning. We are providing this memo in advance of the meeting to memorialize some of the previous and ongoing financial prioritization work that this Council and the City administration have done and set expectations for the meeting. As we outlined in our September 10, 2026 Communication related to the proposed schedule for budget-related Finance Committee Hearings for FY28, the Finance Committee, over the course of several years, has sought to continue to build out a more structured budget process that more clearly reflects the year-long and ongoing process of long-term financial planning. The new Cambridge City Charter, passed by the City Council and adopted by voters in 2025, also reflects statutory changes that codify some of that municipal financial planning structure.

In 2026, this City Council has gone through two specific processes to help to build out budget priorities and work with the City Manager to publish priorities and work through focused, long-term financial planning for a named set of priorities. In January, as part of the new Council on-boarding process, the City Council adopted both the City Council Value Statement and the City Council Priority Areas. The Mayor's Office submitted a Communication for February 9, 2026 outlining both. Starting in February, and continuing through May, the Finance Committee led the City Council through a process for identifying future budget priorities. As part of that process, we worked through a collaborative approach which identified initiatives that would be priorities for scoping and planning for City staff and the City Council. We collectively worked to identify priorities, refine the list, and voted to prioritize 3 different items to scope in collaboration with City staff. A brief outline of that process is shown below.

Timeline and Process:

In February 2026, we reviewed and discussed a longer list of initiatives identified by reviewing previous prioritization sessions, committee hearings, and policy orders, and through discussions with individual councillors, the Mayor, and City staff. This list, which was organized by Council Priority Areas, was further refined and amended based on the substantive discussion in committee.

Through a phased approach, we worked through a collaborative process to identify within the list of initiatives, 3 initiatives to scope with City staff and the City Manager. We did this through a phased approach of submitting a list of 4 line items from the longer list to prioritize, which resulted in a tiered list that helped us refine. At the April 9 Finance Committee meeting the Finance Committee identified 3 initiatives that were prioritized by the most councillors: **Social Housing, Childcare Access Expansion, and Supportive Housing.** That process was outlined in a memo on May 28, 2026, COF 2026 #82. As the memo notes, these ideas and priorities are not new and represent ongoing work and initiatives years in the

making. Additionally, it is important to understand that while this process was designed to help us collectively identify the largest priority areas for major scoping, the City Council and City administration continue to work to make substantial investments across all City Council Priority Areas and other vital community needs, as outlined in the Consolidated Spending Categories section of the Budget Book, and continue to pursue budget and operational priorities through policy orders, committee meetings, and ongoing partnerships. The budget priorities process was intended to help focus staff capacity on the City's larger, longer-term priorities and does not preclude the Council from continuing to consider, advance, and act on policy orders addressing other matters. A brief summary of progress across the top 3 priority areas is included below.

Social Housing

- On May 18, 2026, the City Manager delivered CMA 2026 #141 and CMA 2026 #152 which were responsive to POR 2025 #131 and to a Housing Committee hearing on December 16, 2025 that brought together social housing stakeholders to discuss the potential for social housing. The Mayor and City Manager have appointed a Task Force that has been charged with evaluating and presenting a social housing model in Cambridge. The Task Force delivered an interim update on September 10, 2026 (COF 2026 #114) with a summary of its first three meetings and the road ahead. A report is expected in May 2027.

Childcare Access Expansion

- On April 27, 2026, the City Manager delivered CMA 2026 #92 which was responsive to POR 2026 #34 asking the City Manager to work to implement a process by which Cambridge can expand early childcare offerings. The report included information on current CPP programming, policy considerations for means testing future programming, opportunities for expansion, and recommendations for future work. The City Council and the School Committee held a joint Roundtable meeting on June 29, 2026 to discuss the Cambridge Preschool Program, including means testing and program expansion. The Mayor and City Manager have appointed a Task Force that has been charged with examining Cambridge's current early childhood and childcare programs, and evaluating policy options that expand access, affordability, and sector stability. A report is expected in June 2027.

Supportive Housing

- The Supportive Housing Expansion line item that Councillors determined to prioritize was an amalgamation of a number of related items including: Albany Street Shelter expansion, Day Center, Housing Voucher expansion, and Overdose Prevention Center. Analyzing the current state of supportive housing investment within the city and what goals the Council and the City would like to pursue will be an important backdrop for scoping. Possible next steps include a Human Services Committee meeting to discuss the landscape of supportive housing and defining the scope of expanded investment.

Next steps:

At the Finance Committee meeting on December 2, we will review this memo as well as a presentation from City staff outlining the Charter requirements for the City Council and the City Manager. Per City Charter §6-3, the City Council shall develop and publish budgetary priorities that take into consideration the Council's policy guidance and objectives. The City Manager will then develop and propose a City Budget and will outline how the proposed budget is consistent with the Council's budgetary priorities.

In order to fulfill our Charter requirements, we recommend the City Council reaffirm and adopt the five City Council Priority Areas originally adopted on February 9, 2026, as well as the three Priority Initiatives developed through the Finance Committee. Those Priority Areas will provide a guiding framework for understanding budget investments and the Priority Initiatives will work as a pathway to ensure substantial progress across a range of more specific priorities. The City Manager should continue to provide Consolidate Spending Summaries in the Budget Book, outlining expenditures across a wider range of programming initiatives.

The City Council should vote to adopt the Priority Areas and Priority Initiatives before the end of the calendar year, and the Finance Committee will submit a communication to that effect for the December 7, 2026 City Council Meeting.

Throughout December and into the Spring, the City Manager and the Budget team will be working to ensure that the priorities we espouse through this process are clearly defined in the FY28 City Budget and that we continue to make progress on key initiatives within that framework. Thank you all for working through this prioritization process in the first part of this term, and we hope this process reflects a shared commitment to transparency and collaboration in budget formation. The ongoing work of the continued evolution and refinement of the year-long budget process, the development of Council budget priorities, and the continued discussion of long-term financial planning will provide important structure for how we collaborate between the City Council and the City administration and approach municipal finance in service of residents.

With gratitude,

Patricia Nolan
City Councillor
Finance Committee Co-Chair

Ayah Al-Zubi
City Councillor
Finance Committee Co-Chair