

City of Cambridge
Community Development Department

Multifamily Housing Citywide

City Council Housing Committee
June 27, 2024





Process Update

Zoning Principles

- End exclusionary zoning by enabling multifamily housing equitably across western and eastern Cambridge neighborhoods
- Allow more height and density for multifamily housing, with a focus on getting more inclusionary housing units
- Reduce zoning barriers that add time and cost to multifamily housing



Process Timeline



 City Council Committee Hearing

 Planning Board Hearing

 City Council Meeting



Today's Agenda



Key Questions

- What are the factors that make it easy or difficult to build multifamily housing across the city?
- What zoning changes can make a difference in supporting the market to produce more housing units (market-rate and inclusionary)
- How might zoning changes impact affordable housing development (esp. in relation to Affordable Housing Overlay)



Today's Agenda

- Overview of Inclusionary Housing program
- Overview of regional trends and current economic conditions
- Feedback from market-rate/inclusionary housing developers
- Feedback from affordable housing developers



Inclusionary Housing Program

Inclusionary Housing

Inclusionary Rental Housing

- Eligible Applicants
 - earn between 50% and 80% AMI, or
 - have rental housing vouchers (for those earning less than 50% AMI)
- Residents
 - Annual income recertification
 - Incomes vary over time for residents with and without vouchers
 - Income eligibility limit for recertifying residents is 100% AMI

2024 Inclusionary Housing Program Income Limits			
<u>Household Size</u>	<u>50% AMI</u>	<u>80% AMI</u>	<u>100% AMI</u>
One	\$52,100	\$91,200	\$104,200
Two	\$59,550	\$104,200	\$119,100
Three	\$67,000	\$117,250	\$134,000
Four	\$74,450	\$130,250	\$148,900

Inclusionary Homeownership

- Eligible Applicants
 - earn less than 100% AMI
- Residents
 - No ongoing income review

Inclusionary Housing

Inclusionary Rental Housing

- Residents with Vouchers
 - ~42% of residents have a rental housing voucher in a recent snapshot of more than 1000 units
 - Vouchers from Public Housing Authorities (PHAs): Cambridge, Metro Boston, Boston, Somerville, Arlington, Quincy, Brockton, Sandwich, etc.
 - Ratio fluctuates
 - as residents move in and move out
 - as PHAs make available new vouchers

Household Size	50% AMI (2023)	'Minimum Housing Payment' (rent and utilities)
One	\$51,950	\$1,039
Two	\$59,400	\$1,188
Three	\$66,800	\$1,336
Four	\$74,200	\$1,484

Residents earning less than 50% AMI

- More than 50% of residents have incomes less than 50% AMI (2023)
- Voucher holders: housing payment set by PHA for (typ. @ 30% of income)
- Non-voucher holders: housing payment for set at higher of 30% of income or Inclusionary Minimum Rent (Housing Payment) @ 30% of 40% AMI



Regional Trends and Economic Factors



Feedback from Market-Rate Housing Developers



Market-Rate Housing Developers

- Reached out to developers who have built small-to-medium-scale multifamily projects in Cambridge within past 5-10 years (with some inclusionary)
- Four developers joined a group discussion; received written responses from two others
- Also invited to join Housing Committee discussion



Market-Rate Housing Developers

Main Points of Agreement

- Density and height are needed to make projects economical, especially with inclusionary – larger developments are more feasible
- Permitting process is too long, unpredictable, not efficient
- Zoning requirements are too complicated (e.g., formula setbacks)
- Support for inclusionary to provide housing people need, but challenging to make costs work



Market-Rate Housing Developers

Other Comments

- Density and height especially attractive on corridors with low-scale commercial buildings where current zoning allows heights 45' or less
- Coordinated review with site plan approval better than special permit process
- Consider needs for middle-income housing options in the market



Market-Rate Housing Developers

Further Discussion



Feedback from Affordable Housing Developers



Affordable Housing Developers

- Reached out to major providers of affordable housing in Cambridge
- Discussion with representatives of HRI, Just-A-Start, CHA
- Also invited to Housing Committee discussion



Affordable Housing Developers

Main Points of Agreement

- Affordable housing developers need to be competitive with market developers for sites
- There is a need for both market-rate and affordable housing, but changes could make affordable housing more challenging



Affordable Housing Developers

Other Comments

- Important to keep an advantage for all-affordable developments
- Question around viability of building taller due to high-rise code construction costs
- Shorter review process would be helpful, especially for smaller projects
- Larger affordable developments are easier to finance (via LIHTC or similar), but City also interested in making smaller projects work
- Fewer footnotes in zoning would help



Affordable Housing Developers

Further Discussion



Conclusion