



OFFICE OF THE CITY CLERK

CITY OF CAMBRIDGE

CITY HALL, CAMBRIDGE, MASSACHUSETTS 02139

(617) 349-4260

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D. MARGARET DRURY
CITY CLERK

JOHN E. FLYNN
DEPUTY CITY CLERK

NOVEMBER 4, 1992

TO: MAYOR KENNETH E. REEVES

FROM: ^{DMD}
D. MARGARET DRURY
CITY CLERK

SUBJECT: HOUSING OPTIONS FOR KENDALL SQUARE.

At the City Council meeting of November 2, 1992 on the City Manager's Consent Agenda there was an Awaiting Report regarding housing options for Kendall Square.

On your motion, this item was referred to the organizers of an event to be scheduled on November 21, 1992. I have enclosed a copy of this item for your information. Would you kindly forward this matter to the organizers of this event.

Thank you for your cooperation in this matter.



CITY OF CAMBRIDGE
COMMUNITY DEVELOPMENT DEPARTMENT

MICHAEL ROSENBERG,
Assistant City Manager for
Community Development

October 22, 1992

MARY FLYNN,
Deputy Director for
Community Development

To: Robert W. Healy, City Manager

From: Michael Rosenberg, Assistant City Manager for Community
development

Subject: Council Order #65, August 3, 1992 - Housing in Kendall
Square

Housing in Kendall Square

The question of what role housing should play in the future development of Kendall Square was raised anew as part of the discussions surrounding the efforts to encourage the Lotus Development Corporation to locate its headquarters within the Kendall Square Urban Renewal Area, on Parcel 3. That parcel has always been viewed as the most logical site for the construction of a significant number of residential units in the MXD portion of the Urban Renewal area. Previous Redevelopment Authority plans for that parcel, before the Lotus initiative, had proposed such use. In addition, for some time the Authority has been exploring the opportunities for housing that might be realized on portions of the Department of Transportation site which lie within the Kendall Square Urban Renewal Plan area and which might be declared surplus at some future date. Further, the East Cambridge Rezoning Advisory Committee, made up of residents and property owners in the industrial area of East Cambridge, and the Community Development Department have been jointly exploring the options for including new housing in that area in conjunction with future commercial development.

In general housing has been viewed as a positive addition to any future reuse plan for the city's several evolving industrial areas. For Kendall Square in particular, housing has been considered as a desirable, positive addition to the mix of office, retail and research and development activities which have been established there over the past decade: by adding street life to the district after normal business hours, by tying the district more fully into the residential life of the city, by providing opportunities for employees in the new businesses to live in the city.

While housing is a permitted use in much of the East Cambridge industrial district and in all of the Urban Renewal Area in Kendall Square, housing is not a mandated use. Under the prevailing zoning framework, in Kendall Square and elsewhere in East Cambridge, housing construction depends on the convergence of the right market forces to make its production profitable in competition with alternate uses like first class office space. The East Cambridge Rezoning Advisory Committee struggled for more than a year to devise a zoning regulatory mechanism which might more actively encourage the construction of housing by linking additional commercial office space to the provision of housing. While there has not been a consensus on the character of a rezoning proposal for the industrial district in East Cambridge, the more proactive approach explored there might be applied to the zoning affecting the Kendall Square Urban Renewal Plan area.

The MXD District

The MXD District regulates construction in those portions of the Kendall Square Urban Renewal Plan area under the control of the Cambridge Redevelopment Authority or its designated developer, Boston Properties. The remainder of the Kendall Square Urban Renewal Plan area is under the control of the federal Department of Transportation and the Cambridge Gas Company and is regulated by a standard Office 3A zoning district.

Almost unique among zoning districts in Cambridge, the MXD District is organized around a series of use categories (residential, light industrial, office/R and D, retail, etc.) to which maximum permitted gross floor area quantities are assigned. Independently, the District also establishes the total amount of gross floor area to be permitted within the entire district (i.e. 2,773,000 square feet). Within this system, the Redevelopment Authority and its designated developer may pick and choose the kinds of uses accommodated in response to prevailing market demand. The zoning does not mandate a specific mix of uses, and while housing is permitted (300,000 square feet of building, approximately 300 units) housing is not required to be built. In fact it is possible to build out the district to its maximum potential (2,773,000 square feet) without incorporating any residential units.

Absent any adjustment in the MXD district's regulations, development of all the gross floor area permitted in the Urban Renewal Area would require the designated developer to choose between construction of some housing units and some industrial facilities or construction of the full complement of industrial gross floor area permitted (770,000 square feet) without any housing at all. If both of those alternatives were thought to be unprofitable the designated developer would be forced to halt construction at a level below the maximum potential allowed in the district.

Modifications to the MXD District Regulations

A variety of approaches might be taken to make housing construction more likely in the MXD District. All would require some modifications to the current MXD regulations but would not require a fundamental reworking of the structure of those regulations. Some options are outlined below.

1. Most simply, construction in the MXD District could be made subject to the linkage requirements now imposed on some office and retail development elsewhere in the city under specific circumstances defined in Section 11.200 of the Zoning Ordinance. No housing would necessarily be built within the Kendall Square area in such circumstances, as the Incentive Zoning Ordinance permits a money payment in lieu of actual construction of housing. The current money payment is based on an assessment of \$2.00 a square foot of authorized development above a modest 30,000 square foot exemption.
2. Adjustments could be made to the allocation of development between various uses in the MXD District such that full development (at the 2,7730.000 square foot level) could only be achieved with the construction of housing. Again, housing would not be mandated but full development could only occur with the inclusion of a housing element within the Urban Renewal Plan area. However, the developer could well determine that housing was simply not a profitable venture, or a significant loss, and might forgo its construction completely in favor of less ultimate development.
3. To impart some additional value to construction of housing, even in the face of a hostile economic market, a variation on the above scheme might be considered. As adopted for the Cambridgeport Revitalization Development District, the MXD District might require that a certain amount of housing be built before the final complement of nonresidential development can proceed. Presumably the greater the amount of nonresidential development contingent on the construction of housing, the more likely there is a financial incentive for the construction of housing, assuming of course, that the commercial, perhaps first class office space, use has a high market value.
4. A variation on the above proposal might be to permit the construction of the housing elsewhere in East Cambridge, or elsewhere within the Urban Renewal Plan Area or some other geographically designated area. The housing possibilities on any surplus land at the Department of Transportation site would then come prominently into play. Support of the Redevelopment Authority's efforts to secure such land could significantly advance the possibility for housing construction in Kendall Square.
5. Any one of the above options might be combined with an increase in the total amount of development allowed in the MXD

District (something above the current limit of 2,773,000 square feet) so that the current nonresidential potential of the district is held harmless from whatever component of housing is mandated. The tradeoff, of course, is an increase in the density of a district that is already dense (when completely built out) by Cambridge standards.

Other Considerations

As the Renewal Plan advances toward completion, housing becomes an increasingly difficult land use to integrate if its location and quantity are not planned well in advance. In the MXD District one parcel (Parcel 4), site of the Marriott Hotel, is already fully developed; housing is completely excluded as a potential use. Parcel 2, the low rise development sector in the Urban Renewal Plan intended for industrial development, is perhaps the least suited location for housing construction given its planned predominant use, its planned low scale, and its remoteness from supporting services. Parcel 3, site of the proposed Lotus Headquarters development, has always been viewed as the most logical site for housing. But as the Lotus proposal indicated, housing could easily be precluded if its most appropriate site is not identified and reserved for that use before alternate schemes are implemented.

An additional consideration is the remoteness of the MXD District, and the Kendall Square Urban Renewal Plan area generally, from existing established residential neighborhoods. It is desirable that housing be built in sufficiently large quantities as to establish a critical mass that can quickly define a new neighborhood. Construction of housing on the Department of Transportation site as well as construction within the MXD District would help to establish that critical mass and make residential living in Kendall Square that much more likely and desirable.



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EXECUTIVE DEPARTMENT

ROBERT W. HEALY

City Manager

RICHARD C. ROSSI

Deputy City Manager

November 2, 1992

To The Honorable, The City Council:

With reference to Awaiting Report Item No. 13, regarding housing options for Kendall Square, please find attached a response received from Michael Rosenberg, Assistant City Manager for Community Development, relative to this issue.

Very truly yours,

Robert W. Healy
City Manager

RWH/mev
attachment

Consent Agenda # 2

Awaiting Report Item Number 13
regarding housing options for Kendall
Square.

In City Council,

November 2, 1992

*On motion of Mayor
Reeves - Referred to the
Organizers of event
scheduled for Nov. 21, 1992.*



CITY OF CAMBRIDGE
COMMUNITY DEVELOPMENT DEPARTMENT

MICHAEL ROSENBERG,
*Assistant City Manager for
Community Development*

October 22, 1992

MARY FLYNN,
*Deputy Director for
Community Development*

To: Robert W. Healy, City Manager

From: Michael Rosenberg, Assistant City Manager for Community
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Subject: Council Order #65, August 3, 1992 - Housing in Kendall
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2.



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City Manager

RICHARD C. ROSSI

Deputy City Manager

November 2, 1992

To The Honorable, The City Council:

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Very truly yours,

A handwritten signature in dark ink, appearing to read "Robert W. Healy", is written over a horizontal line.

Robert W. Healy
City Manager

RWH/mev
attachment

Consent Agenda # 2

Awaiting Report Item Number 13
regarding housing options for Kendall
Square.

S 886

In City Council,

November 2, 1992

On motion of Mayor
Reeves - Referred to the
Organizers of event
scheduled for Nov. 21, 1992
Copy sent to the Mayor
11/4/92 (R)