



CAMBRIDGE CITY COUNCIL

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Alice K. Wolf
City Councillor

TO: City Councillors
Robert W. Healy, City Manager
Cambridge Rent Control Coalition
Kathy Spiegelman, Asst. City Manager for Community Development
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FROM: Alice K. Wolf, City Councillor

DATE: February 26, 1985

RE: LINKAGE AND INCLUSIONARY ZONING

While the City Council meeting of February 25 is still fresh in my mind, I am cataloging my impressions of the discussion and motions with regard to the linkage and inclusionary zoning petitions. My purpose is to lend support to a renewed and successful effort to have such a petition passed in the near future.

Where this discussion talks about "consensus," it means a consensus of the Councillors who have indicated their general support of the linkage idea. Although several Councillors have so far opposed the idea, I would hope that in future discussion their concerns could be addressed and that they will reconsider this opposition.

HOUSING

It is my impression that there is a consensus that the inclusionary zoning formula require approximately 25% low and moderate units. However, some have a concern that it is not economically feasible for all housing projects, particularly small ones, or moderate priced ones, to support that level without substantial subsidies whose availability is unclear. Several approaches tried to address that issue, but none adequately thought through to be clear that they would result in adequate subsidies at that right time. These approaches were the CRCC swapping notion, my suggestion for the use of subsidy or linkage money, and the Community Development Department proposal to subsidize a portion of the 25% be geared to "middle income" people resulting in a break even rather than subsidy situation for the developer.

An additional concern expressed was the need to find a way to fund, through inclusionary zoning, additional housing for middle income people who would need their rents written down, but would not need the deep subsidies that poor people need.

COMMERCIAL DEVELOPMENT

It is my impression that there is a consensus that large-scale commercial development does impact housing stock and should support the building of low and moderate income housing. There is a consensus that a cash payment should be able to be a substitute for the building of the actual units.

There was too little discussion on the linkage formula to be clear about exactly what the consensus on the appropriate magnitude of the exemption level, and the appropriate payment beyond that exemption. I believe we may need to gather more information to come to consensus on these issues. Our object should be to have a formula that will closely reflect what the cost of the development is in housing pressure terms, mitigated, if necessary, to the extent that feasibility of development is truly overbeleagured.

There was a suggestion that non-profit hospitals be excluded from linkage, but it was unclear that a distinction could or should be made between this non-profit institutional use and others.

The concern was also raised that formulas must be carefully assessed to ensure that "as of right" development does not exclude all major developments and apply only to the smaller ones.

ADMINISTRATION

Given the options of a totally separate Housing Trust or total Community Development Department administration, the discussion of the appropriate administration of these programs did not reach a consensus. There seemed to be agreement that there should be a "policy board" to set specific policy for the use of cash, but whether the final decisions on placement of units and other housing decisions should rest with a trust board or the Community Development Department.

There was no consensus on the membership of such a Board either, the options being either basically a board of consumers or a majority board of housing producers. There did seem to be consensus that the Community Development Department should be staff to a Board, but disagreement about what that role really means.

From the discussion it seemed to me that there needs to be a structure that:

1. Gives the housing expertise in the City clear input into the process. If we lose that expertise, it will be difficult and much too expensive to build the housing.
2. Gives consumers a real say.
3. Has representation of the financing and business community to provide that expertise.

The Board or Trust needs to be staffed by the Community Development Department, so that this activity compliments other housing and development activity going on in Cambridge and decisions are not made in a vacuum.

A piece that may be missing is that this has the potential of a large project that some full-time staff will be needed. The relationship of that staff to the Board and to the Community Development Department needs to be specified.

The policy of the City Council in relation to this Board or Trust also needs to be addressed.

USE OF THE CASH PAYMENTS

It seems to be the clear consensus that the major portion of the linkage cash payments be used for building of new units for low and moderate income people.

Several issues and other possible minor use of the money have been mentioned over the months of discussion. There has been some concern about whether over the years there will be adequate land on which to place this housing. Because of this and with the enormous cost of new construction, a small portion of this money, let's say not more than 20 or 25%, could be used to rehabilitate existing run-down housing for low and moderate income people.

The need for community residences that serve almost exclusively low/moderate income people who have special difficulties has been raised.

Lately the issue of whether small sums of money for other purposes, such as education, has been suggested.

LEGALITY

It is the consensus that the City Council must pass a linkage and inclusionary zoning petition that is highly likely to stand up in court, if challenged. Not only is that the Council's legal obligation, but that will at least reduce the possibility of a court challenge although a challenge from someone seems likely in any case.

The Community Development Department and CRCC proposed an approach to earlier objections of illegality that may be adequate to meet the legal requirements. More study needs to be completed on this, to ensure a sound legal approach.

In addition, the requirements for 6 versus 7 votes should be pursued. The LaTremouille analysis needs to be analyzed carefully as it may well have merits. But it was not really possible to be clear about that in the short time available.

FUTURE ACTION

There seems to be a consensus position we should now put together a process to develop a petition that meets the needs and objections expressed by all the participants. A great deal of work and thought was put in by City Councillors, the Working Group, CRCC, and the Community Development Department, and the Planning Board. Because of the complexity of the subject and politics of this issue, this work just did not jell in time into a whole.

There now seems to be a consensus position that we should regroup, and develop an effective way of dealing with the issues raised. Councillor Vellucci's suggestion of having a full-time person assigned to this project by the City to bring it all together is, I think, very important to success.

In addition, we should try again to involve the development and business institutional community in discussions. Although there is little evidence so far that they are willing to take other than a negative stance, we should try again to awaken their sense of responsibility to the City which they impact so heavily and out of what they stand to make a good deal of money. If their cooperation is unobtainable on this basis, we must make the success of the petition so likely that it is in their self-interest to participate.

AKW/smc

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Comm. from Councillor Alice K. Wolf Re: her impressions of the discussion & motions with regard to the linkage & inclusionary zoning petitions, made at the Council meeting of February 25, 1985.

In City Council,

March 4, 1985

*Placed on File
Copies to City Manager*

*Copy sent to the City Manager
3/6/85 mh*