

Lopez, Donna

From: Ovadia R Simha [simha@mit.edu]
Sent: Thursday, January 29, 2015 9:36 PM
To: Lopez, Donna
Subject: Fwd: Nexus

Dear Donna,

I submitted this to the council members for the hearing this evening ..

Hope things are going well for you,

Bob Simha

Date: January 29, 2015 3:30:27 PM EST

To: <council@cambridgema.gov>, <citymanager@CambridgeMA.GOV>

Subject: Nexus

Comments on the K Seidman Nexus study !

This utility of this report may have been doomed from the outset by the parameters established by the CDD for the author. The limited focus on a dollar number serves to blind decision makers on the City Council from the larger policy questions that have to be addressed if an intelligent decision is to be made about the financing of housing for low , moderate and middle income families in Cambridge.

The good things about the report is that it expands obligatory participation to cover more categories of development. It also is more inclusive , not limiting it to special permit applicants. It includes institutions, the largest employers in the city, with the widest range of employee incomes and that serve as the economic base of the city with the most stable and resilient character.

What is missing from the report and what cripples its utility for wise long term decisions is:

There no base line data...At a minimum It should have stated the current Cambridge population and total housing inventory, followed by the affordable inventory .Is it 20% or 25% or what ?

There is no indication of the current employment in Cambridge What % of labor force are Cambridge residents ?

Simply projecting new employment of 14,152 based on the 4.5 million new square feet is not an adequate basis for making good judgements.

There is no suggestion for how the more inclusive group of developers can produce housing resources to meet some, as yet undetermined, housing and population goal . For example,Institutions should be required to develop or provide in concert with other developers 1 dwelling unit for every 1,000 square feet of institutionally sponsored development rather than a dollar contribution.

There is no note that the sharply diminishing land resources for development of housing in the city require a much more aggressive response from Institutions who have an inordinate demand for low and moderate income

housing . Institutions such as MIT and Harvard are the holders of a substantial amount of undeveloped land which they have in the past committed to using for residential development. MIT is now , with the council's action on rezoning on MIT's east campus, is considering the use of residential land for use for commercial purposes which will diminish MIT's ability to respond to its own housing needs . Will that policy help or hurt the city's housing efforts?

The survey of employers referenced in the report does not adequately reflect the demand for housing that will be generated by the commercial developments already underway by Novartis , Boston Properties and Alexandria.

Major commercial developers and employers such as Novartis , Pfizer , Genzyme etc are attracting new employees to the city in very large numbers . They should be asked to make a contribution to the Housing Trust or a similar housing fund as an expression of their civic responsibility and support for their employees

The report does not note that Incentives for mixed occupancy developments that serve low , middle and market housing as well as commercial development should be pursued in order to avoid over concentration in any one neighborhood but to also improve the economics of development that would justify a higher per square foot contribution to the housing fund.

The report does note that both commercial and housing developments should be held responsible for providing both rental and ownership housing opportunities . It says less about the importance of rebuilding the large, stable middle income family oriented population that Cambridge has been losing for years .

The report does not note that the development of an affordable housing policy should be part of an analysis of what the desirable size of the City's population should be. It does not note that any change in affordable housing policy without a concurrent understanding of city size, total numbers of dwelling units, dwelling unit size and population profile is a recipe for serious social and financial challenges . The city's housing program must be accompanied by an understanding of the capital expenditures for public infrastructure, public services, transportation and educational investment that will be required for what ever population target is selected.

Our current zoning has an implicit population size. Would it not be useful to determine more closely if the city can afford that size and be the kind of community it wants to be?

A quick look at Cambridge Housing history in the report would have been valuable to put the recommendations in context.

For instance the following data suggests that the projected housing need in the report may be well shy of what is needed under present policies.

Housing inventory over time

1960 34,253 du -107,000 population

2000 44,725 du 10,000 units added over 40 years - 250 per year

2010 47,291 du 2,566 units added in 10 years - 257 units per year

2014 49,000 dwelling units as reported in the City Budget for this year 2014 (population 101,355)

4 years - an average of 171 units per year

The report should provide a look at the historical owner / renter split

1965 78% renters / 22 % owner occupied

2014 67.7 % renters /32.3 percent owners

The increase is largely in small condo units with single or two person occupancy

Our policies have been producing a population profile that results in an economic dumbbell with a growing economic split between poor and rich and serious short and long term implications for the stability of the city.

The middle income resident family does not enjoy subsidy under current policies yet they are the key to a

balanced city population

The report bases its estimate of housing demand on new development of 4.6 million square feet ...What does this include ? How accurate is this estimate? Every proposal being brought forward includes a request for higher density. If awarded how does it square with this estimate?

The report's description of the current assumptions about Institutional growth are seriously flawed .They are based on short term analysis of federal support for research. National policies are likely to change , as they have many times in the past, in view of concerns for the nation's international competitive position ..

What happens to Cambridge if the Institutions are not producing the research and students that have attracted the bio tech companies to Cambridge . With reduced intellectual capital to draw on for its organizations , how long will they find Cambridge attractive ?

The nexus report as it stands leaves much to be desired . Its recommendations and proposals need a better set of context data and some real consideration of how big Cambridge wants to be and can be ?