

August 27, 2021

VIA FEDERAL EXPRESS & ELECTRONIC MAIL

Constantine Alexander, Chairman
Board of Zoning Appeal
831 Massachusetts Avenue
Cambridge, MA 02139
ranjits@cambridgema.gov

Re: 2072 Massachusetts Avenue Comprehensive Permit

Dear Chairman Alexander:

I represent CC HRE 2072 Mass Ave Tenant LLC, the ground lessee (the "Applicant") of 2072 Massachusetts Avenue in Cambridge (the "Site"), and am writing to formally withdraw the Applicant's Comprehensive Permit Application submitted to the Board of Zoning Appeal ("BZA") on November 10, 2020. This withdrawal – which is not the outcome the Applicant had been hoping for – is intended to allow the Applicant and project team the time to respond to BZA and community feedback while also safeguarding the Project's significant benefits for the City of Cambridge.

As you know, the Applicant has spent years engaging with the community and stakeholders, and that process culminated in the proposal of a Passive House nine-story apartment building with 48 perpetually affordable housing units (the "Project"). The Project has been thoughtfully proposed to provide a myriad of public benefits, including much-needed affordable housing, sustainable and resilient building design of the highest quality, and neighborhood infrastructure improvements. Cambridge has an extreme shortage of affordable housing, particularly affordable *family* units (i.e., two- and three-bedroom units). The Project will not only be 100% affordable in perpetuity – providing 40 apartments for households at or below 60% Area Median Income, and 8 apartments for households at or below 30% Area Median Income – but also, 67% of the units will be two- and three-bedroom units suitable for families. Moreover, these affordable housing units were proposed in a state-of-the-art resilient building that will be Passive House certified, include a green roof and rooftop solar, all electric HVAC systems, a high-performance building envelope, and EV charging stations for cars and bikes. The Project's proposed improvements also spread beyond the edges of the Site, providing a reinvigorated streetscape and updated sidewalk landscaping and paving improvements to revitalize this area of Massachusetts Avenue.

There are two different permitting processes available for developing 100% affordable housing buildings such as this Project; one is through a Comprehensive Permit Application governed by state statutes and regulations, and the other is through local zoning ordinances and by-laws. The Comprehensive Permit process encourages affordable housing development by suspending certain local regulations – such as

zoning – that regulate the development potential of affordable housing projects. It is a permitting tool that is available at all times and in all municipalities across the Commonwealth. The Applicant chose to apply for a Comprehensive Permit specifically to allow for the increased development of affordable family units, which are in extreme short supply in the City of Cambridge. In a recent study from April 2021 by the Cambridge Community Foundation entitled “Equity & Innovation Cities, the Case of Cambridge”, the Foundation described the trend of children “disappearing” from the 25 leading Innovation Cities (i.e., San Francisco, Seattle, Boston), stating that, among these Innovation Cities, Cambridge has, over the last decade, experienced one of the largest declines in its under-18 population. As a result, Cambridge now has *the smallest child population* of all Innovation Cities. *Page 11*. This trend is most pronounced for middle- and lower-income families. The percentage of households with children in Cambridge has stagnated or fallen over the past decade in all but the highest income bracket, and for good reason; Cambridge’s rental costs are nearly *twice* the median of Innovation Cities. *Pages 12; 24-32*. With a Comprehensive Permit, the Project had the opportunity to fill this demonstrated local need for affordable housing rental units for middle- and low-income families in a significant way.

The second process available in the City of Cambridge for the development of affordable housing is pursuant to Ordinance No. 2020-8. On October 6, 2020, the City passed Ordinance 2020-8, with the intent to incentivize affordable housing development across the City by allowing 100% affordable residential projects greater density and height – among other looser zoning restrictions – to make affordable housing developments more viable. Ordinance 2020-8 is commendable in that it provides an *as-of-right* zoning-based method to encourage affordable housing development throughout Cambridge. Nevertheless, the state Comprehensive Permit process always remains available as a permitting tool to allow developments, such as this Project, to proceed through a robust local and state review process to provide for increased affordable housing development over and beyond what is allowed by as-of-right zoning. Ordinance 2020-8 is only one path to affordable housing. It does not override or replace the state Comprehensive Permit Process.

Unfortunately, there has been confusion in the City regarding the availability of the state Comprehensive Permit process for this Project. As set forth above, Ordinance 2020-8 does not override or replace the Comprehensive Permit process. Either path remains available to developers, including the Applicant here, and in this case the Comprehensive Permit process allows for a project with more significant community benefits. Under Ordinance 2020-8, the largest affordable housing family project that could be delivered at this Site would be approximately 30 units, which would be 38% less than what the Project could deliver to the City of Cambridge through the Comprehensive Permit process. Moreover, the Applicant studied a scaled-down version of the Project under Ordinance 2020-8 that would attempt to provide a similar level of community benefits as the proposed Project, and found it to be financially infeasible. Because of the misunderstanding regarding the availability of the Comprehensive Permit process despite Ordinance 2020-8, the Applicant is compelled to withdraw its pending application to protect the public benefits of the Project.

The Applicant and the project team remain resolved to provide a high quality affordable housing development for the City of Cambridge at this Site. In order to provide all stakeholders the opportunity to come back to this Project fresh – and to ensure all of the Project’s public benefits can be provided to future Project residents and the surrounding Cambridge community – the Applicant looks forward to

engaging with the community and the City on the Project at a future time. The Project provides a truly first-class affordable housing development, and the Applicant looks forward to working with you and the City in the future to develop a vibrant affordable housing community at this Site.

Sincerely,

/s/ Jennifer R. Schultz
Jennifer R. Schultz, Esq.

cc: Sean D. Hope, Esq., Hope Real Estate Enterprises LLC (via email)
Jason Korb, Capstone Communities LLC (via email)
Jennifer Tamarkin, Capstone Communities LLC (via email)
Ranjit Singanayagam, City of Cambridge Inspectional Services Department (via email)
Catherine Racer, Department of Housing and Community Development, Associate Director (via email)