

City of Cambridge

Executive Department

YI-AN HUANG
City Manager

CMA 2025 #298
IN CITY COUNCIL
December 15, 2025

To the Honorable, the City Council:

Please see attached a memo regarding development of a policy for future private development from Assistant City Manager for Community Development, Melissa Peters.

Very truly yours,

A handwritten signature in black ink that reads "Yi-An Huang".

Yi-An Huang
City Manager



CITY OF CAMBRIDGE

CDD
Community
Development



To: Yi-An Huang, City Manager

From: Melissa Peters, Assistant City Manager for Community Development

Date: December 11, 2025

Re: **Response to Policy Order 2025 #118 Re: Community Benefits in Zoning Petitions**

Background

The above-referenced policy order requested a report on various issues related to zoning petitions and community benefits being offered through the zoning amendment process. These issues include property owners' engagement with the city and community, steps to be taken before filing a petition, identifying impacts, and processes for assessing "mitigation benefits" and allocating "mitigation funds." The stated motivation for this Policy Order is the recent BioMed Realty rezoning petition, adopted in August.

This report provides context on the legal, procedural, and practical considerations of a zoning amendment process, which can be complex. Within the limitations of the process, this report and its conclusion suggests some ways that staff may work with Council to address issues in the future.

Zoning Amendments

Zoning Process

The Cambridge Zoning Ordinance can only be amended by the City Council. State law (Chapter 40A) requires a process of public hearing and deliberation before a zoning amendment can be voted on. That process begins with the filing of a "zoning petition" to be considered by the City Council. Under state law, a zoning petition can be filed by the City Council, Planning Board, BZA, regional planning agency, a group of at least 10 people registered to vote in Cambridge, or a property owner affected by the proposed zoning change.

Many zoning petitions are developed by CDD staff working with the City Council or Planning Board to advance objectives coming out of city planning processes. There are also many zoning petitions filed by residents or property owners, which may or may not be directly related to city planning efforts.

CDD staff are available to answer questions and offer feedback to anyone considering a zoning petition. Petitioners are encouraged to meet with staff to get input before filing. Staff also advise petitioners to engage with community members who would be affected by the proposed zoning change. CDD has provided a set of Guidelines for Community Engagement that were originally

directed toward developers seeking special permits from the Planning Board, but the same guidance has been shared with proponents of zoning changes as well.

Because residents and property owners have the right to petition for a zoning change under state law, the City cannot require an additional process to take place before filing a zoning petition. The Council and staff can work together to provide clearer guidance and encouragement to petitioners on how to conduct community engagement in a way that is preferred by the Council. Although the City cannot reject a petition simply because it did not follow a defined process, the City Council is also not obligated to vote on a zoning petition and can let the petition expire or be refiled if there is concern about inadequate community input.

Contract Zoning

Property owners sometimes petition to change the zoning for their land to advance a development proposal. These property owners have offered specific public benefits as part of the rezoning, either as part of the zoning petition itself or as voluntary commitments offered through a “letter of commitment” that is agreed to separately from the zoning amendment but is made a condition of the development.

Since 2009, there have been 18 zoning amendments adopted with associated “letters of commitment.” Most are from commercial property owners and developers, with some from institutions and residential developers. Not all petitions of this type have been adopted.

<https://www.cambridgema.gov/CDD/zoninganddevelopment/Zoning/commitmentletters>

These types of zoning amendments are sometimes referred to as “contract zoning” because the petitioner, who would receive some benefit from the zoning petition, is offering public benefits in return. Case law has established some legal constraints around this type of zoning. In general, they are considered lawful as long as they follow the required public process and are adopted based on planning and policy considerations and not to benefit the property owner or to extract concessions. The following practices are recommended:

- Zoning petitions should be evaluated on their own merits as they relate to city planning and policy objectives before considering additional contributions being offered.
- Benefits offered by the property owner should be made voluntarily, and not demanded by the City as a prerequisite for considering a zoning change.
- Consideration of both the proposed zoning and public benefits should occur through a transparent public process.

Public Benefits

As a concept, “public benefits” can encompass many different things. The following is a list of items that are often referred to as “public benefits,” though the categories are not always distinct.

City Development Objectives

Often, the development of land itself can provide a benefit by advancing stated planning objectives. Examples include the development of housing (affordable and/or market-rate), creation of open space, programming of active uses in key parts of the city, and providing arts and cultural amenities. Commercial development in designated areas can also serve city objectives by supporting the tax base and providing local employment opportunities.

These types of benefits can often be incorporated into zoning. Much of Cambridge's zoning uses an "incentive" approach, in which some development is allowed as-of-right but larger-scale development can be permitted if a development meets certain criteria, like a minimum amount of housing, open space, or active uses. Planned Unit Development ("PUD") zoning is an example of this approach. The value of the added development is leveraged to support the publicly beneficial uses that would otherwise be difficult for the private sector to support financially.

Both City-led and property owner-led zoning petitions can incorporate these types of benefits, if the incentives and criteria all are within the scope of zoning regulations. In the case of a property owner petition, this type of benefit might also be included in a separate letter of commitment, such as when the proposed benefit involves land that is outside of the rezoned district.

Project Mitigation

The term "mitigation" is sometimes used to refer to all types of benefits offered by a developer. To planners, mitigation refers to measures that directly reduce or offset the negative impacts of a specific development. Typical examples include transportation and public infrastructure mitigation, such as street improvements and stormwater retention systems. Noise and light trespass are other issues that often need to be mitigated as a condition of development. Environmental mitigation can include measures to reduce greenhouse gas emissions or promote resilience to climate change. Aesthetic improvements to a proposal might be viewed as "mitigation," though it can be more subjective.

Mitigation is highly dependent on the specifics of the development proposal, so it is usually considered during the review and permitting process rather than a rezoning process. For example, under Article 19 of the Zoning Ordinance, developments above a certain size threshold must provide studies of transportation and infrastructure impacts, and where a special permit is required it can be conditioned on a program of mitigation to reduce negative impacts on the neighborhood or the city.

These types of impacts are more difficult to consider during the zoning process, although some of the other types of public benefits described in this section could have a mitigating effect. A rezoning might also include requirements for additional studies to be undertaken and criteria to be met through mitigation efforts during the review stage. Mitigation that is required through a special permit process needs to be tied to specific criteria in the Zoning Ordinance.

The important takeaway, often emphasized by staff, is that benefits offered by a petitioner are sometimes characterized as “mitigation,” but they do not supersede any other zoning requirements for study and mitigation during the review and permitting stage.

Mandatory Contributions

Some contributions included in the category of “benefits” are mandated by zoning as a condition of development rather than being offered voluntarily by a property owner. These are similar to “mitigation” but tend to be required more uniformly and not based on case-by-case review.

The most common citywide examples are inclusionary housing, which requires a set-aside of affordable housing units in larger residential developments, and incentive zoning (or “linkage”), which requires monetary contributions to the Affordable Housing Trust for most non-residential development. There are similar examples applicable in different parts of the city, such as contributions to open space, transportation, and workforce development programs in Kendall Square and contributions to public infrastructure in Alewife (although these could also be considered “incentive” approaches because they are attached to special permit processes).

This type of mandatory benefit must be based on a demonstrated “nexus,” or a direct and roughly proportionate relationship, between the requirement and the impact of the development that is subject to the requirement. For example, the linkage contribution is based on a study demonstrating the impact that new non-residential development has on the demand for affordable housing in the city, and then translating that impact into a subsidy that the City would need to provide in order to satisfy that demand.

Voluntary Contributions

Voluntary contributions by property owners, unlike the prior categories, do not need to be within the scope of zoning regulations, do not need to have a direct relationship to city planning objectives or the impacts of a particular project, and do not need to be justified by a nexus study. They can address needs specific to the neighborhood or broader citywide needs. Instead of being incorporated into the Zoning Ordinance, these voluntary contributions are usually offered through a letter of commitment that accompanies a zoning petition.

These contributions can take a variety of forms. One common form is a direct fund contribution to the City. Sometimes these fund contributions have been for specific purposes, like public space improvements or planning studies. A rezoning petition by Novartis in 2011 simply offered contributions to the City totaling \$1,000,000 without restriction. As a result of this and later contributions, the City established a Community Benefits Fund and established a Community Benefits Advisory Committee in 2015 to make recommendations about how those funds would be distributed to community-based organizations within the city.

Some contributions include conveyance of land to the City or commitments to take on separate development initiatives that are connected to City planning objectives. One notable example of

the latter was MIT's commitment to create at least 950 new beds of on-campus graduate student housing as a result of the City Council adopting the rezoning of the Volpe parcel, though the two development efforts were not otherwise connected.

Letters of commitment are not ordinances, so the City Council cannot write or amend them. However, the Council usually incorporates them by reference into the Zoning Ordinance so that fulfilling the commitments becomes a condition of using the development rights assigned by the adopted zoning. Therefore, it is important for the Council to consider the practical implications of a commitment. For example, in the recent BioMed Realty zoning petition, staff cautioned that a commitment to provide funds to a third party could be difficult to monitor and enforce as a condition of issuing City permits for development. Another good practice is to ensure there are clear timelines for fulfilling commitments, ideally tied to City actions such as permit issuances.

Staff Involvement in Zoning Amendment Process

As explained above, state law determines who can petition for a zoning change and the process for considering that zoning change. Based on those requirements, it is within the purview of the City Council to decide whether it is in the public interest to amend the zoning as proposed, based on the merits of the petition, with secondary consideration of additional public benefits to be gained from voluntary contributions.

CDD staff is heavily involved throughout the zoning petition process, even when CDD has not worked directly on the proposal. Staff's primary role is to provide information and analysis to the Planning Board and City Council that will help to evaluate the proposal and reach an informed decision. The following is a description of ways that staff currently support the process and ideas for ways to strengthen that support in the future.

Pre-Filing Engagement

- **Planning Review.** CDD staff are available to meet with petitioners and provide input on a range of issues, including City planning and policy goals for an area, information and historical context around past land use actions, design objectives, and advice on drafting zoning text. CDD staff will encourage petitioners to consider benefits that would advance stated planning and policy goals. Some petitioners engage with CDD early and often when developing a proposal, while others have limited or no engagement.
- **Community Engagement.** Staff also provide advice on community engagement, including information about neighborhood organizations and stakeholders as well as best practices and guidelines. Although staff cannot enforce a mandatory pre-filing process, petitioners are advised that the City Council expects robust community engagement before filing a petition. Staff could work more closely with the Council to determine if there are preferred practices or more specific guidelines that should be conveyed to petitioners.

- **Support for Planning Goals.** CDD and other City staff can provide input on area planning goals when a petitioner is considering voluntary contributions. An example is the rezoning process for the 325 Binney Street site, which led to the property owner committing a substantial contribution of land and funding to complete a key section of the Grand Junction Multiuse Path that would have been difficult to achieve without private involvement. These goals might be related to housing, transportation, open space, arts and culture, economic development, social services, and other topics identified in City planning efforts.
- **Community Organization Needs.** When a petitioner is considering benefits to support community organizations or programs, CDD can engage more proactively and coordinate with other departments to provide input before the petitioner makes a proposal. However, this type of engagement should be approached cautiously to ensure that it is not taken as an opportunity to make specific demands from a property owner as a prerequisite for considering their zoning proposal. There is also the option of contributions to the Community Benefits Fund, which was established by the Council to collect voluntary contributions and distribute to community-based organizations as recommended by the Community Benefits Advisory Committee.

Post-Filing Engagement

- **Planning Report.** CDD staff provide a report on each zoning petition that explains the effects of the proposed change and how it relates to established planning goals for the area and the city. The main intent is to inform the Planning Board, which holds a public hearing and provides a recommendation to the City Council based on state law. This report and recommendation focus on the merits of the proposal, which considers the benefits of the zoning itself (as described above) independent of additional benefits being offered.
- **Economic Analysis.** In 2019, the City Council adopted a Policy Order asking for a third-party economic analysis of proposed rezonings and public benefits being offered. CDD has engaged with an outside consultant who collects financial information from the development industry (including from the petitioner), develops basic assumptions, and provides a rough estimate of the increase in value generated by the proposed zoning compared to the proposed benefits. This analysis is not meant to make a recommendation on the proposal but to give the Council a sense of the value of the additional contributions in relation to the value gained by the property owner from the proposed zoning.
- **Letter of Commitment Review.** The Law Department, sometimes with input from CDD, will review a letter of commitment at the Council's request to identify any provisions that could be legally or practically concerning. It is not the practice of staff or the Planning Board to make a recommendation on the proposed voluntary contributions. As with the economic analysis, staff can provide specific information as needed by the Council to help make a

decision. However, neither staff nor the City Council can amend a letter of commitment, because it is a voluntary contribution by the petitioner.

Post-Adoption

- **Zoning Implementation.** A property owner-led rezoning usually (but not always) enables a development plan that is subject to further review and approval through a PUD and/or Project Review Special Permit. CDD staff helps to ensure that the provisions of the zoning are carried through the review process and that the outcome is consistent with the objectives of the rezoning. Part of this process involves certifying that commitments (in the zoning and letter of commitment) are being met at the appropriate stages of development.
- **Community Benefits Distribution.** The Community Benefits Advisory Committee, with representation from various departments, is tasked with making recommendations on distribution of funds that are assigned to that purpose when those funds are received. The Council has separately requested looking at the committee's scope to determine if the use of funds could be broadened, such as for capital as well as programmatic needs.

Conclusion

The zoning amendment process is set forth in state law. Because certain groups have the right to petition for a zoning change, additional process can be suggested but cannot be enforced as mandatory.

The zoning amendment process is also more open-ended than a permit review process. The City Council has latitude in weighing the benefits of a zoning proposal along with additional benefits being voluntarily offered (within legal limitations). While staff can provide more information and support, the responsibility for determining whether those benefits serve the public interest overall is with the Council.

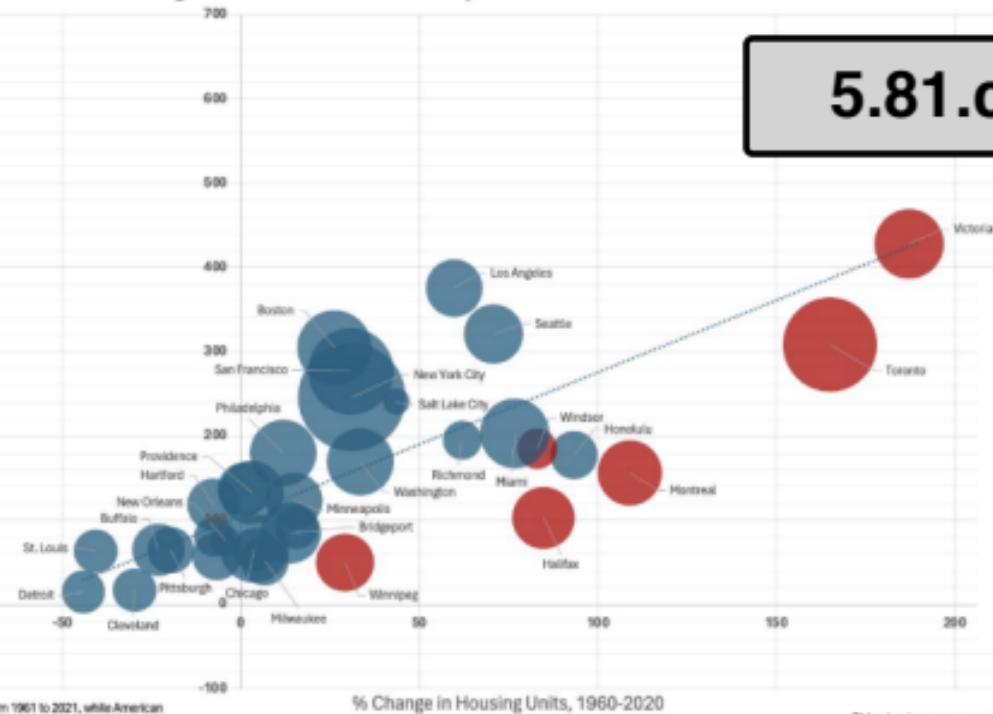
The following are some suggestions of ways that staff can better support the process to achieve better outcomes:

- Provide clearer guidelines and/or best practices to petitioners for community engagement before filing a zoning petition.
- Engage more proactively with petitioners on any voluntary contributions being considered before a petition is filed, to provide feedback based on community planning goals and to coordinate with other departments where necessary to provide information on programmatic needs.
- Provide more specific information to the Council, as requested, during the petition process that would help the Council evaluate the public benefit of contributions being offered.

Housing Construction and Affordability in North American Centre Cities: 1960-2020

5.81.c

% Change in Median Home Value to Income Ratio, 1960-2020**



*Canadian cities' data is from 1961 to 2021, while American cities are from 1960 to 2020.

**The affordability ratio is calculated by dividing the median home value by the median household income. The vertical axis charts the percent change of this ratio between 1960 and 2020 (i.e., a 500% change means it takes 500% more years of earning the median household income to buy the median home).

Data Sources:
 1960 Census of Canada (Statistics Canada)
 2021 Census (Statistics Canada)
 2020 Decennial Census (U.S. Census Bureau)
 1960 Census of Population (U.S. Census Bureau)
 1960 Census of Housing (U.S. Census Bureau)

Attachment

This chart compares centre cities to each other. Centre cities are municipalities in the centre of metro regions which have not expanded their boundaries. The positive correlation means

Packet Pg. 405

2020 data for some cities has been separated out from its enlarged/merged/present boundary to match its 1960 boundary.