

New City of Cambridge Zoning Ordinances Could Have Potential Impact on Developers Throughout New England

Description

On October 24, 2022, the City of Cambridge, Massachusetts amended its zoning code to abolish all minimum parking requirements. Previously, the Cambridge regulation required all new multi-family residential developments to have at least one off-street parking space per unit. The Cambridge City Council's amendment eliminated this requirement for all multi-family developments comprised of more than two units, setting all minimum parking spaces to zero. For two-family or single-family residences, the minimum parking requirements still apply. This change in regulation could positively affect developers who are thinking about breaking ground on new construction in Cambridge, as the revised ordinance allows these developers flexibility in choosing the number of parking spaces to correspond to the fit and need of the development and neighborhood.

Earlier in October, the City of Cambridge also amended a zoning regulation that applies to commercial developments and real estate developers. The Incentive Zoning Ordinance (the "IZO"), first established in 1988, levies fees on "Incentive Projects" by commercial real estate developers in order to fund the city's trust for affordable housing. According to the amendment, an "Incentive Project" is any new commercial development of at least 30,000 square feet that is devoted to one of the specific uses listed in the ordinance, including noncommercial research facilities, health care facilities, office and laboratory use, or retail or consumer service establishments, among others. Although there are some exemptions, the IZO applies to any new development over 30,000 square feet, including new buildings, additions to existing buildings, or substantial rehabilitation of all or a portion of existing buildings to accommodate one of the Incentive Project uses. Although the rate increases automatically every year based on the Consumer Price Index, the new amendment, once codified, will impose an additional increase to these fees from \$20.10 per square foot to \$33.34 per square foot. To illustrate, this would mean that a 30,000 square foot Incentive Project that would previously render fees of \$603,000 under the old ordinance would significantly increase to an amount of \$1,000,200 after the amended IZO takes effect.

Cambridge is the largest city in Massachusetts to do away with parking minimums for new residential developments, and the new IZO fees on Incentive Projects are nearly double the amount of equivalent fees levied in neighboring Boston. Other towns and cities across New England are sure to monitor these new Cambridge ordinances to assess whether these regulations produce a positive or negative outcome. The success or failure of these changes may impact the decisions of these other cities or towns to amend their own zoning laws. Developers and commercial real estate professionals should keep an eye out for changes in zoning across New England as it could potentially affect future projects.

[Partridge Snow & Hahn's Business Group](#) is ready to answer questions and to provide advice.

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