

Cambridge Redevelopment Authority

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MEMORANDUM

From: Kathryn Madden
To: Tom Evans
Date: July 31, 2013
Subject: Strategic Plan: Summary of Board Member Interviews

VALUE PROPOSITION

What is our unique value within the context of City services, non-profit organizations, and the private market?

Portfolio of Services

- Knowledge of and focus on real estate transactions and development; ability to unlock the value of underutilized real estate
- Ability to buy land more quickly and efficiently than the City; assemble property; take on a piece of property that is “stuck”; more nimble, less encumbered than municipal or state government
- Offer a bigger vision of a place as a master developer working with multiple developers

Partnerships

- Provide a network of institutional connections across the City: build a trust relationship
- Private sector: build relationships with developers and retail businesses (or perhaps KSA focus on latter); are there advantages for the landowners or prospective developers to be in an UR district?
- State: build relationships with the State on issues like housing and community development, transportation, climate change, sea level rise and dam, environmental remediation,

CLIENTS

Who are our “clients”? Who are we serving?

Spectrum

- Spectrum from Boston Properties to the residents; represent everyone, need to build trust; based on recent meetings, our constituencies include City, private developers, employees, and local and citywide residents
- What is the trigger that would call for a CRA response, whether by City, City Council, or citizen activism?
- Original land resources are derived from the City, state, federal government, and MIT

Public interest

- Public interest; taxpayers; citywide citizens; both the City and the CRA serve the public interest
- Current stakeholders are the three surrounding neighborhoods (Area 3, Area 4, East Cambridge)
- Ultimate users of the public realm, people on the street, employees, etc.

Government

- City since the city manager appoints the Board
- State (DHCD) provides resources and oversight
- Federal government is involved with Volpe

Private Sector

- Business community; should we provide services like a membership organization (e.g. KSA or MASCO)?
- Landowners; we have an oversight role in Kendall Square, but we also encourage them to be successful; we can help communicate the role of the private sector

FINANCIAL REVENUES AND RESPONSIBILITY

What line of business will generate revenue to sustain the organization?

- **Public funding:** original source of CRA money is public funding; no future Federal funding through HUD; little state funding and very competitive environment, especially with need in other cities
- **Grants:** identify special demonstration projects that might be eligible (remediation, historic preservation, smart growth, eco-district, etc.), and for which Cambridge might be better positioned than basic economic development funding
- **Entitlement fees:** Boston Properties' developments fund the CRA through land sales and development rights, which has supported operations over the years
- **Project fees:** develop new projects; move into a growth mode to generate new revenues
- **Parking revenues:** parking lots and/or garage revenues
- **Investments:** manage funds based on auditor advice; is there a way to build value of fund; are there restrictions on our ability to invest funds?
- **Program administration fees:** CRA can add value in many areas but we would need to find a way to make money to support these efforts
- **Management:** Forecast funding stream; sources and cash flow

ACTIVITIES

In what activities should we engage and where?

General

- Role of government is to aggressively do good; carry this out in creative and imaginative ways
- Plan for cycles of activity acknowledging boom and bust economic cycles; acknowledge changing demographics in the city and the current economic focus on Kendall Square
- Focus on physical development
- Understand the role of all possible partners, what are their interests and missions, see if there is overlap and identify gaps or niches that need to be filled.

Planning and Policy

- City's job is to set policy for land use; what are the goals for industrial properties; should there be industrial only zoning; what is the current definition of "industrial", as it relates to air quality, noise, trucks, etc.?

Development and Design Review

- Hold development community to highest standards through rigorous design review; need to establish our design principles and guidelines; establish a way to engage community in a productive way during the design review process
- Review the development of the courthouse and its surrounding area

Programs

Affordable Housing

- Affordable housing was a previous role, Now housing policy is implemented by the City, Cambridge Housing Authority, and non-profits through inclusionary zoning, expiring use prevention, and development of affordable housing projects; in the past, CRA provided small bore homeowner programs, which Just-A-Start largely took on
- CDC's have a challenge in property acquisition in a competitive market
- Need to address cross jurisdictional housing efforts between cities and non-profits, e.g. Somerville and Cambridge, especially along McGrath/O'Brien Highway and Lechmere Station
- Maintain Cambridge's diversity

Community Funds and Loan Funds

- Community Benefits Fund was supposed to fund transportation, open space, and economic development but this has not yet been established; who will manage the zoning assessment on Kendall Square development? Affordable Housing Trust is a good model; what is geographic restriction on use of funds (e.g. East Cambridge Scholarship Fund)?
- Offer micro loans for façade improvements, signage, etc.; provide loans for storefronts in business districts (compare with City role)
- Just-A-Start provides funding and technical assistance for home improvements and approves contractors

Economic/Workforce Development

- Provide affordable space for startup companies; promote future entrepreneurs
- Train Cambridge community for fair local jobs; Influence large tech employers for local teens to get internships (high school or community college level)
- Promote cross jurisdictional workforce efforts between cities and non-profits in Somerville and Cambridge, especially along McGrath/O'Brien Highway and Lechmere Station
- What is the quality of life that economic development is producing? Is the public realm satisfactory?

Transportation

- Address transportation issues especially to promote Kendall Square interests and when cross jurisdictional: bike infrastructure, Red Line capacity, Longfellow Bridge, pedestrian public realm; acquire linear right-of-ways for bike paths
- Help form coalitions between city, state, and private sectors; manage projects to advance them; resolve any conflicting agendas between city, private sector, and state (e.g. Grand Junction, River paths from Elliot Bridge to the dam).

Real Estate Transactions

- Promote sound development, integrating concepts of built environment, affordable housing, sustainability, public realm, multi-modal transportation, connections, and infrastructure (where City role is more regulatory and private sector is responding to market demand; council is pushed and pulled by constituencies)
- Identify opportunities through real estate analysis: research and analysis; survey data to determine need, conduct due diligence, and identify appropriate roles and responsibilities and tools to address a situation
- Stabilize the residential market so it is robust but follows smart growth and does not destroy the neighborhoods; balance of uses with more housing and diverse housing
- Explore the use of District Improvement Financing (DIF) funding where appropriate

Management

- Be present and visible in the district and/or city
- Collect and analyze data, synthesis, and communicate (website)
- Build a constituency around content, such as lectures, walks, bike events, interpretive exhibits, etc. (or would this be a KSA role? Originally KSA was intended to be a marketing entity, not a chamber of commerce)
- Foster relationships among Board members and with constituencies; provide email blasts with news of what's going on; facilitate Board and committee meetings and ad-hoc meetings

GEOGRAPHY

Citywide

- History of a citywide role, e.g. Walden, Wellington-Harrington, Incinerator site; also Lilac Court, ice cream factory at 65-69 Hampshire
- We should not be limited by geography; expand roles to other parts of the city; help realize better connections with Charles River

East Cambridge

- Kendall Square: sustain our investment in Kendall Square and build on it to protect our assets (Longfellow Bridge, Foundry, Volpe, Third and First Avenues, O'Brien Highway); start safely close to Kendall Square and build trust, then work outward from Kendall Square
- Volpe: advocacy, in our domain; park was a great idea; Kendall Square needs breathing space – not like the big Rogers Street Park but closer in and places where you can see the light and stroll back and forth. What does the City want at Volpe?
- Foundry: interesting opportunity
- O'Brien Highway/1st to 3rd Avenue Corridors: including small parcels not in North Point, variety of uses near Lechmere, City parking garage, and a review of courthouse redevelopment

Concord-Alewife

- Alewife has creative zoning with transfer of development rights; does the City have the capacity to implement all elements of the proposed plan given zoning tools and other priorities?
- Alewife Towers/Rindge Avenue still has crime issues

- Grace property

Area 3

- DPW on Hampshire Street

Area 4

- Osborne Triangle; Harvard Street vacant lot

OPERATING PRINCIPLES

What are key operating principles?

1. Operate with transparency; provide oversight; operate as an honest broker and a convener, provide a forum for discussing issues, a nexus for discussion of substantive content
2. Maximize public benefit, serving broad public purpose (Board, City, State) with ethically sound practices
3. Operate with fiscal responsibility; develop independent funding sources; use funds efficiently, match income to staffing; use funds wisely to accomplish mission; don't pursue funding just because it's available, if it doesn't fit our mission
4. Act not just talk; use tools broadly and imaginatively; cooperate with City and aligned policies; complement City land planning role by focusing on implementation and facilitation of development;
5. Set an example through our actions; go beyond the standards of best practices; be innovative, take risks, advance thinking sustainability and the balance of economic, environmental, and social equity
6. Operate in the biggest context and the longest time frame; not spot decisions or knee jerk decisions; consider the long term consequences and ramifications in space (i.e. climate change)
7. Have a physical presence in the district and/or the city; know what's happening; foster face-to-face relationships; know the buildings and the real estate;