

UNION SQUARE NEIGHBORS

April 24, 2017

Mayor Curtatone
Board of Aldermen
Somerville Redevelopment Authority
City Hall
93 Highland Avenue
Somerville, MA 02143

Dear Mayor Curtatone, Honorable Aldermen, and members of the Redevelopment Authority,

As you know, we are in a critical phase of a multi-year process to develop consensus on our community's priorities for the future of Union Square and enshrine those priorities in enduring enforcement mechanisms. Over the last several months, copies of those enforcement mechanisms have been released to the public, including:

1. Union Square Overlay District Zoning Amendment (February 14, 2017 draft proposed by the Mayor)
2. Master Land Disposition Agreement (MLDA) between the Somerville Redevelopment Authority (SRA) and Union Square Station Associates (US2)
3. Covenant Agreement between the City of Somerville and US2

We have reviewed these documents in detail, and we know there is considerable pressure to adopt the Union Square zoning by May 31, 2017 and move forward with the redevelopment process. We are keenly aware that a host of public benefits can only become a reality if we move forward with this package of enforcement mechanisms, and time is of the essence. That said, there remains a critical list of priorities that need to be resolved prior to moving forward, and we wish to express our concerns and recommendations in hopes that you act quickly to address them.

Is this a good deal for Somerville and Union Square?

The overarching question we are most asked is whether this package is a good deal for Somerville and Union Square—specifically:

- Will the financial and benefits of the redevelopment offset the costs?
- Are the expected financial and public benefits reasonably certain to occur?

- Will 2.3 million square feet of new development make Union Square a better place to live and work?

Evaluating the financial and public benefits requires strong analyses. Costs and benefits must be weighed in present value terms to account for the timing of when they will occur. We understand the City of Somerville hired consultants to conduct fiscal impact analyses of the Union Square redevelopment project. The results of these fiscal analyses, as presented by the City, show that the benefits of the development outweigh the costs:¹

- **Benefits:** The City estimates developer contributions and payments to the community totaling an estimated \$112 million, plus an increase in real estate tax revenue equal to \$445 million over the next 30 years—resulting a combined total of **\$557 million in financial and public benefits.**
- **Costs:** Estimated costs include \$94 million in infrastructure improvements and a \$50 million payment to the state tied to the Green Line Extension (GLX). Added together, these total **\$144 million in costs.**

Assuming the City’s financial projections are sound—and that the Mayor and the Board of Aldermen have done the due diligence necessary to feel confident in the fiscal estimates—it suggests that the redevelopment of Union Square will result in over \$400 million in net positive public benefits over the next 30 years. We caution that the majority of the benefits, including real estate tax proceeds, permitting fees, and other developer contributions, are predicated on full build-out of the development, whereas the costs are upfront. It also remains unclear whether additional costs from increased school enrollment, public safety, and other infrastructure and municipal costs, including dramatic streetscape improvements called for in the Neighborhood Plan, are included in this amount. However, we also recognize that many of these costs have already been planned. For example, Somerville needs to move forward with \$64 million in overdue water and sewer upgrades whether Union Square is developed or not, and the \$50 million GLX payment is non-negotiable from the state’s perspective. Given these cost realities, **we cannot afford to forgo or delay the redevelopment of Union Square.**

While we believe it’s time to move forward with the redevelopment of Union Square, we feel it’s important to emphasize that **we are relying on the Mayor and the Board of Aldermen to determine that we have not left value “on the table” in negotiating public benefits with US2.** Evidently, we’re told to trust the analysis of a city-hired consultant who has seen confidential pro forma information supplied by US2 to evaluate the project’s overall feasibility and help the city position its request for

¹ See City of Somerville press release: “Union Sq., Somerville, Master Developer Signs Agreement to Provide GLX Contribution and Add'l Community Benefits; Covenant Brings Total Developer Payments and Contributions to Estimated \$112M” (April 5, 2017) available at: <http://www.somervillema.gov/news/union-sq-somerville-master-developer-signs-agreement-provide-glx-contribution-and-addl>

See also, “Covenant: Introduction” (April 4, 2017) available at: <http://www.somervillema.gov/sites/default/files/USQ%20Covenant%20Presentation%20final.pdf>

developer contributions for infrastructure and community needs. How do we know US2's projected margin isn't inappropriate? We ask these questions because **there are critical public benefits that need to be included in the redevelopment plan, and it's not an acceptable strategy for City leaders to say that these benefits can only become a reality if they are successfully included in a negotiated community benefit agreement (CBA) between US2 and a yet-to-be-formed Union Square Neighborhood Council.** As a result, we ask you to amend the zoning proposal, MLDA, and Covenant Agreement to address our outstanding concerns and recommendations, which are described below.

Prioritized Concerns and Recommendations

Our prioritized list of recommended changes to these enforcement mechanisms are below, and you can find our detailed analysis and explanations in Attachment A: Union Square Neighbors Public Benefits Analysis.

1. Commercial Development

- a. Amend the zoning ordinance proposal, the Covenant Agreement, and/or the MLDA to enforce the phasing of commercial and residential land use mix and development.

2. Open Space

- a. Require that the size of the Neighborhood Park required under the Coordinated Development Special Permit be at least 1.5 acres.²
- b. Require public ownership of new civic space on publicly owned land.

3. Building Heights

- a. Amend the zoning ordinance proposal to set a maximum height for building stories above ground level that would result in an overall height limit of 80-85 feet on the D6 parcel.

4. Indoor Civic Space

- a. Amend the Covenant Agreement and/or MLDA to include a provision that requires inclusion of an indoor, publicly accessible, flexibly programmed civic indoor space(s) that totals at least 25,000 square feet, of which at least 10,000 square feet shall be a multi-functional gymnasium/recreation room.

5. Family Sized Housing

- a. Amend the zoning ordinance proposal to increase the percentage of affordable housing units that must be at least three bedrooms from at least 10% to at least 20%; and require that at least 40% of affordable housing units must have two bedrooms.
- b. Amend the Covenant Agreement to require that 10% of market rate housing units must have three or more bedrooms and 30% of market rate units must have two bedrooms.

² For context, Perry Park on Washington Street is 1.27 acres and Nunziato Field (including the dog park and the Community Growing Center) on Summer Street is 1.48 acres. (See Union Square Neighborhood Plan, p. 22.)

6. Off-Site Affordable Housing

- a. Amend the zoning ordinance proposal to state that market rate units within the USOD cannot receive their Certificate of Occupancy until all inclusionary units, whether provided on-site or off-site, receive their Certificate of Occupancy.

7. Homeownership Opportunities

- a. Amend the Covenant Agreement between the City of Somerville and US2 to require that not less than 20% of all new units created on the development blocks be offered for sale instead of rented as apartments.

8. Parking

- a. Amend zoning ordinance proposal by requiring that any increase in the 1,500 cap on the number of USOD parking spaces require a special permit and be granted only if a Transportation Management Agency (TMA) has been constituted and determines that the only recourse for addressing the unmet needs for parking is to create more parking.

Thank you again for the opportunity to provide feedback on the proposed Union Square redevelopment enforcement mechanisms, including the zoning proposal, MLDA, and Covenant Agreement. If we can be helpful in any way, please feel free to reach out to us. We would be happy to expand upon our comments and/or provide suggested language for amendments.

Sincerely,

Rob Buchanan, Chairperson
Union Square Neighbors

Union Square Neighbors Steering Committee:

Rob Buchanan (chair), Suzanne Bremer, Stuart Dash, Sam Engelstad, Andy Greenspon, Stephanie Hirsch, Jim McGinnis, Philip Parsons, JT Scott, Tim Talun, Shu Talun, Bonnie Tominack

Attachment: Union Square Public Benefits Analysis

Attachment: Union Square Neighbors Public Benefits Analysis

Priority 1:	Commercial Development: Enforcement of commercial and residential land use mix (60/40 split)
City/SRA Proposed Requirements	<p>MLDA:</p> <ul style="list-style-type: none"> ● US2 must begin construction of the office/lab phase of the D2 block before it can begin residential construction on any other D block. <i>Exception:</i> If a portion of D2’s affordable housing units will be build on D7 (Goodyear/Citizens parcels), D7 may be developed contemporaneously. (MLDA, p. 4-5) ● On the D2 block, US2 must construct not less than 150,000 square feet of commercial office, research and development space, retail, restaurant, and service establishments. (MLDA, p. 1) ● SRA may re-take D2 parcel in the event US2 does not meet certain construction timeline milestones. (MLDA, Section VIII, A.2, p. 36-40) ● US2 is required “to acquire and develop each of the Disposition Parcels in accordance with the Outside Completion Schedule” attached to MLDA as Exhibit C. (MLDA, Section VI, A, p. 33) <p>Zoning:</p> <ul style="list-style-type: none"> ● The Planning Board must establish construction permitting requirements for the phasing of development as a condition of an approved Coordinated Development Plan Special Permit and subsequent Design & Site Plan Review approvals. (Section 6.7.6.F)
Concern	<p>While the Planning Board is required to review and approve a Coordinated Development Special Permit that complies with a 60/40 commercial/residential land use mix, there are no penalties to incentivize the developer to complete project phases except for D2.</p> <p>Exhibit C (“Outside Completion Schedule”) and Section VI.A (p. 33) of the MLDA does not include non-compliance penalties.</p>
Recommendation	<p>Zoning/Covenant Agreement/MLDA: Amend the zoning ordinance proposal, the Covenant Agreement, and the MLDA to enforce the phasing of commercial and residential land use mix and development. One proposal, submitted by the Union Square Neighborhood Council Working Group, would require that the amount of residential space for which a Certificate of Occupancy has been awarded within the USOD shall not, at any time, exceed 50% (plus 100,000 square feet) of the amount of office/ commercial/ hotel square footage for which a Certificate of Occupancy has been awarded. Another proposal would be to require US2 to place funds in escrow to be repaid upon completion of commercial development project milestones.</p>

Priority 2:	Open Space
City Proposed Requirements	<p>Zoning:</p> <ul style="list-style-type: none"> The most recent draft of the Union Square Overlay requires 15% civic space across the entire district. <p>Planning Director Memo (dated 4/3/17) and Presentation (4/12/17): OSPCD staff recommend amending the zoning ordinance to require the following::</p> <ul style="list-style-type: none"> 25% open space (~156,750 square feet or 3.6 acres) comprised of: <ul style="list-style-type: none"> 17.5% (2.5 acres) of civic space (high quality public open spaces, e.g., Neighborhood Park, Plaza, Pocket Park) <ul style="list-style-type: none"> Would require that at least two or more civic spaces of differing types, sizes, and locations; including at least one (1) neighborhood park and one (1) plaza 7.5% (1.1 acres) of public realm space (e.g., wider sidewalks) Excludes: rooftop space, indoor civic spaces, bodies of water, privately accessible landscaped areas Cap payment in lieu opportunity at 0.25 acres; funds could be used for non D-block sites (e.g., Charlestown Street playing field, Boynton Yards, Inner Belt.)
Concern	<p>While the Planning Director’s memo dated April 3, 2017 suggests that the zoning ordinance require at least one Neighborhood Park and one Plaza, the minimum size requirement for each of these civic space typologies isn’t large enough to guarantee a park of sufficient size and character to be usable as a multi-functional green and open space for recreation. The minimum size for both a Neighborhood Park and a Plaza is 8,000 square feet (0.18 acre) each, which is approximately the size of Stone Place Park.³</p>
Recommendation	<p>Zoning:</p> <ul style="list-style-type: none"> Neighborhood Park - Minimum Size: Require that the size of the Neighborhood Park required under the Coordinated Development Special Permit be at least 1.5 acres. Public Ownership: Require public ownership of new civic space on publicly owned land: D1 and D2 are already publicly owned. In coordination with US2, the City should retain ownership of the portion of each site that is to become civic space. The civic space could still be designed and built by US2 as part of their project, however the civic space would be true public space.

³ See Union Square Neighborhood Plan, p. 22.

Priority 3	Maximum Building Height Limits
City Proposed Requirements	Zoning: Under the proposed zoning, there would no longer be a limit set on building height (in feet). Instead, buildings are proposed to be limited by the number of stories.
Concern	Under current zoning most properties in Union Square, including D6 are limited to 70 feet including mechanical spaces. For example, the proposed USOD would make it possible for a 110 foot five-story building to be built on the D6 block and other locations where only a 70 foot tall building is permitted today. The lack of building height restrictions, particularly on the D-6 block would put the Union Square plaza at risk for excessive shadow and significantly impact the dramatic, and much loved panoramic view of Boston, Cambridge and Somerville from historic Prospect Hill Park.
Recommendation	Zoning: Amend the zoning ordinance proposal to set a reasonable limit on the height of building stories above ground level which would result in an overall height limit of 80-85 feet on the D6 parcel. This would still allow for the story heights required by buildings, but significantly reduce the amount of shadow cast on the Union Square plaza. We strongly advocate for a view study to be completed to understand the impact on Prospect Hill Park of the zoning changes being considered.

Priority 4	Indoor Civic Space
City/SRA Proposed Requirements	The proposed zoning, MLDA, and the Covenant Agreement do not require the creation of indoor civic space on the Civic Center Block (D1) or anywhere within the D blocks.
Concern	<p>Throughout the public input process on the Union Square Neighborhood Plan and the USOD, Union Square Neighbors have expressed that an indoor civic space (such as branch library, community or recreation center, teen center, etc.) must be a priority, preferably on the Civic Center Block (D1), a parcel that was identified as far back as the 2012 Union Square Revitalization Plan (p.89) as being public/private mixed-use. This was also identified as a top priority of the LOCUS Civic Space Working Group, which called a multi-functional civic space focusing on social, educational, cultural, and retail needs in its February 19, 2016 recommendations.</p> <p>A lack of public and civic buildings has been cited as reason that other large developments such as the Seaport or Assembly Square do not feel like neighborhoods, and it is critical that this mistake be avoided in the development of our own neighborhood center.</p>
Recommendation	Covenant Agreement/MLDA: Amend the Covenant Agreement and/or MLDA to include a provision that requires inclusion of indoor, publicly accessible, flexibly programmed civic indoor space(s) that total at least 25,000 square feet, of which at least 10,000 square feet shall be a multi-functional gymnasium/recreation room.

Priority 5	Family Sized Housing Units (3-bedrooms)
<p>City Proposed Requirements</p>	<p>Zoning:</p> <ul style="list-style-type: none"> • Under the proposed zoning, 10% of the affordable housing units mandated by the 20% inclusionary zoning must be 3-bedroom units. (Section 6.7.6.D.1) <ul style="list-style-type: none"> ○ Example: In a 400 housing unit building, 80 units must be designated affordable. Of the 80 affordable units eight units (10%) must be 3-bedrooms. <ul style="list-style-type: none"> ■ A minimum of 8 out of 400 units (2%) would be 3-bedroom affordable units ■ A minimum of 0 out of 400 units (0%) would be 3-bedroom market rate units • For each additional five percent (5%) of required affordable housing units that have three (3) or more bedrooms, an additional bonus story may be added to the permitted height of a Podium Tower building type (on D2 or D3). (Section 6.7.6.D.2)
<p>Concern</p>	<p>The Union Square Neighborhood Plan (p. 98) specifically recommends requiring the creation of multi-bedroom affordable units in larger redevelopment projects. The Neighborhood Plan also recommends minimum floor space requirements for units with 3 or more bedrooms (p. 99). We recommend that requirements for family-sized units be higher.</p>
<p>Recommendation</p>	<p>Zoning:</p> <p>Amend Section Section 6.7.6.D.1 of the USOD zoning ordinance proposal as follows:</p> <p style="text-align: center;"><i>Residential development must provide at least twenty percent (20%) of dwelling units as affordable housing units and at least ten percent (10%) <u>twenty percent (20%) of affordable housing units must have three (3) or more bedrooms and at least forty percent (40%) of affordable housing units must have two (2) bedrooms.</u></i></p> <p>Covenant Agreement:</p> <p>Amend the Covenant Agreement to include the following requirement:</p> <p style="text-align: center;"><i><u>At least ten percent (10%) of market rate housing units must have three (3) or more bedrooms and at least thirty percent (30%) of market rate units must have two (2) bedrooms.</u></i></p>

Priority 6	Off-Site Affordable Housing Enforcement of phasing to ensure construction of off-site affordable housing
City Proposed Requirements	<p>Zoning:</p> <ul style="list-style-type: none"> ● Under the proposed zoning ordinance, a portion of the affordable housing units mandated by the 20% inclusionary zoning requirement on a “Generating Site” could be built offsite on one or more “Receiving Sites.” (Section 6.7.6.E.1) <ul style="list-style-type: none"> ○ A minimum of 25% Generating Site’s affordable dwelling units must be provided onsite ○ Not more than 50% of the dwelling units on a Receiving Site may be affordable housing units ● Construction of a Receiving Site for affordable/inclusionary housing units must <i>commence construction</i> prior to the issuance of a Certificate of Occupancy for a Generating Site. (Section 6.7.6.E.4)
Concern	Linking a Certificate of Occupancy for a Generating Site to “commenc[ing] construction” on a Receiving Site leaves open the possibility of construction delays and/or failure to complete construction the affordable units.
Recommendation	Zoning: As suggested by the Union Square Neighborhood Council Working Group, revise the zoning ordinance proposal to state that market rate units within the USOD cannot receive their Certificate of Occupancy until all inclusionary units, whether provided on-site or off-site, receive their Certificate of Occupancy.

Priority 7	Homeownership Opportunities
City/SRA Proposed Requirements	The proposed MLDA and Covenant Agreement do not require the creation of residential ownership opportunities.
Concern	All of the residential housing units constructed on the D-blocks may be created as apartments. Currently, approximately 80% of the residents in the Union Square neighborhood are residential renters, while only 20% of residents are homeowners. ⁴ Increasing the proportion of residential renters in Union Square, many of whom move in and out of the neighborhood over a relatively short time span, will further add to neighborhood transience and erode community cohesion.
Recommendation	Covenant Agreement: Amend the Covenant Agreement between the City of Somerville and US2 to require that not less than 20% of all new units created on the development blocks be sold instead of rented as apartments.

⁴ Source: Union Square Neighborhood Plan, p. 18

Priority 8	Parking
City Proposed Requirements	Zoning: Under the proposed zoning, the maximum number of off-street parking spaces serving development within the USOD may not exceed 1,500 spaces; however, the developer may request to exceed the 1,500 parking space limit by paying a fee determined by the Planning Board based on recommendations from the City of Somerville’s Director of Transportation & Infrastructure. (Section 6.7.13.A.2.a.i, p. 60)
Concern	There has been no public discussion of increasing the number of parking spaces above 1,500 spaces. Rather than rely upon payment of a fee to exceed the 1,500 parking space cap, a more creative solution that can study and influence parking demand is warranted.
Suggested Remedies	<p>Zoning: As suggested by the Union Square Neighborhood Council Working Group, amend Section 6.7.13.A.2.a.i of the zoning ordinance by requiring that any increase in the cap on the number of parking spaces may only be granted if all of the conditions in the following paragraph have been met:</p> <ul style="list-style-type: none"> i. A district-wide Transportation Management Agency (TMA), with representation from residential and commercial property owners and tenants, has been constituted to plan and implement efforts to mitigate traffic and parking-related problems and concerns. The TMA shall be empowered to set the prices and policies for use of off-street parking, and to plan and implement initiatives that encourage car sharing and ride sharing, use of public transit and paratransit, and other strategies for reducing car trips into and through the district. The TMA shall be empowered to collect and manage parking revenues, and, with the consent of participating residential and commercial property owners and tenants, to collect and spend other fees needed to fund its work. ii. The TMA has determined, and presented sufficient evidence to the Planning Board, that the measures available to it are insufficient to address the parking needs of the district, and the only recourse for addressing the unmet needs for parking is to create more parking than is allowed under the present cap.