



January 13, 1988

Robert Healy  
City Manager  
City Hall  
Cambridge, MA 02139

Dear Mr. Healy:

I recently received a copy of Councillor Walsh's order requesting your meeting with HUD to discuss that agency's directive to reduce Section 8 rents to rent control levels. (A photocopy of the order is enclosed.)

Please be advised that, in the opinion of this writer, the action requested in Councillor Walsh's order is not necessary for the following reasons:

A) In the late summer of 1987, the HUD Regional Inspector General issued his finding that Section 8 rents in Cambridge should not exceed rent control levels. Such finding was based by the Regional Inspector General on a legal memorandum by the HUD Office of General Counsel. This was immediately appealed administratively and through the assistance of Washington based counsel, Ms. Florence Roisman, the Cambridge Housing Authority prepared and submitted a request for a waiver from the provisions of the aforementioned legal memorandum. (A copy of the request is enclosed for your information and that of Councillor Walsh.)

On 12/30/87 the Cambridge Housing Authority received a letter dated 12/29/87 from HUD essentially granting the Cambridge Housing Authority's request for waiver. (A copy is enclosed.)

B) Not wishing to rely solely on our ability to convince HUD through administrative channels in such a vital matter, the Cambridge Housing Authority also sought legislative remedy. I am pleased to report that such remedy has apparently been obtained with the recent passage of The Housing Act of 1987.

OFFICE OF THE CITY MANAGER

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In the Housing Act of 1987, the Congress amended that Section previously governing the Section 8 Program to read as follows:

"If units assisted under this section are exempt from local rent control while they are so assisted or otherwise, the maximum monthly rent for such units shall be reasonable in comparison with other units in the market area that are exempt from local rent control."

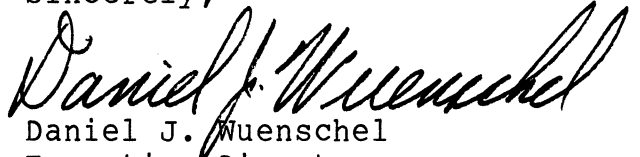
Although this bill has, of this writing, yet to be signed into law by the President; there is no reason to believe that he won't sign.

For this good work we owe gratitude to Gordon Cavanaugh, CLPHA's Legislative Counsel in Washington and to Representatives Joseph Kennedy and Barney Frank as well as Senator Cranston of California.

In closing this happy report I want to thank you for your faith in the Cambridge Housing Authority's ability to appropriately tackle this very serious problem which jeopardized our Section 8 Program. Intervention by anyone during the delicate periods of administrative negotiation and/or legislative drafting could have produced negative results.

If I can provide further information, I will be happy to do so.

Sincerely,

  
Daniel J. Wuenschel  
Executive Director

Enclosure

DJW/pm



## CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139

TEL. 498-9011

EXECUTIVE DEPARTMENT

ROBERT W. HEALY

City Manager

RICHARD C. ROSSI

Deputy City Manager

January 25, 1988

To the Honorable, the City Council:

In response to Awaiting Report No. 15 regarding Section 8 unit rents in Cambridge, I submit the attached correspondence from Daniel Wuenschel, Executive Director of the Cambridge Housing Authority, stating that HUD has granted Cambridge a waiver which allows Section 8 rents to exceed rent control limits.

Very truly yours,

Robert W. Healy  
City Manager

8-32  
Agenda Item No. 5

Re: response to Awaiting Report Item 15 regarding Section 8 unit rents in Cambridge.

In City Council,

January 25, 1988

Placed on file