11 July 1990

Andrew Morvay
474 Broadway, Apt. A
Cambridge, Ma 02138

To the honorable: the Cambridge City Council
795 Mass. Ave.
Cambrige, Ma, 02139

I respectfully ask that the City Council as a whole consider this matter.

I am writing to you to tell you about my housing situation, because I think that it brings up some very important and troubling issues that affect many people in Cambridge. I live in a basement apartment with a floor area of 141 square feet, located at 474 Broadway, (Apt. A). To call this an apartment isn't really correct: in fact it is a single room the size of a small bedroom with kitchen appliances in a row on one side, and a 26 sq. foot bathroom. This is a rent controlled apartment owned by Harvard University. My rent after the 7% city wide increase of this January is $259.-%mo. On 7 March, 1990 I received a letter from Harvard Real Estate telling me that they were applying to the Rent Control Board for, and expected to get, an increase of $279.-/mo. in my rent, bringing it up to $538.-/mo. This is a 108% increase (added to the earlier 7%, it is 115% in one year). There are two other apartments in the basement of this building: Apt. B, which is the same size as mine and is receiving the same size increase; and Apt. C, which has four rooms and is getting an increase from $715.-/mo. to $1379.-/mo. These are also rent controlled apartments.

Before I moved into my apartment in Sept. of 1987 Harvard Real Estate had completely rehabbed the basement of this building, which includes these three apartments, the hallway between them, and the entrance vestibule. Everything from floor to ceiling was new. While I knew that they would be applying for an increase based on these "capital improvements", I had no idea of what outrageous sums they had in mind.

Shortly after receiving this letter I called Harvard Real Estate. I was told that Harvard Real Estate had spent $20,000.- on my apartment alone ($115.-/sq. foot), that Cambridge was a very expensive place to live in, and that perhaps I needed to make some "lifestyle choices" as to where I lived. So according to Harvard Real Estate I could no longer afford the 141 sq. foot room in a basement -- on rent control-- "lifestyle".

Within a couple of months my neighbor in Apt. B, who had heard as I have that Harvard just about always gets what it wants from the Rent Control Board, moved out to Lowell. Until this time he had lived in Cambridge all his life.

Soon thereafter I received from the Rent Control Board a copy of Harvard Real Estate's Petition for Rent Adjustment. This ennummerated what had been spent on the basement rehab, and how it would be factored into our rent. There is no room here to repeat its details; but I do want to mention that several people to whom I showed it shared my impression that the figures quoted were generally exorbitant. One small example: the sum spent by Harvard Real Estate for the welcome mat in the vestibule was $252.70.

A rent control hearing was scheduled for 23 May. In preparing for this I spent some time looking through Harvard Real Estate's 500 pages of documentation and the file on my building at the Rent Control Board offices. In the latter but not the former I found a document in which the Rent Control Board had specifically noted that Harvard Real Estate needed to obtain a removal permit in order to proceed with the rehabilitation of the basement. Harvard never got one. I also found documents from previous capital improvements hearings before the Rent Control Board with regard to this same building, at which Harvard Real Estate had specifically been warned that the practice of not obtaining removal permits for this type of extensive work would not be allowed in the future -- for they had done this before.

The first hearing at the Rent Control Board offices was held on 23 May, continued on 14 June, and will be continued further on 20 July, at 9:30 a.m. At my request and that of another tenant, our neighbor Mike Turk kindly agreed to give us the benefit of his experience at these hearings.

There have been a number of strange moments at the hearings. From the first Harvard Real Estate has not been entirely straightforward in its dealings with the tenants. When the former tenant of Apt. B telephoned Harvard Real Estate after receiving the first letter of 7 March about this rent increase, and asked if he should bring a lawyer to the hearing, he was told that it only complicated matters, and that the whole thing would go more smoothly if he didn't. Harvard Real Estate arrived at the hearing with five members of its staff and its lawyer, Mr. Daniel Polvere.

At the outset of the first hearing Mr. Polvere made a proposal to one of the tenants from Apt. C and myself: he offered to reduce the proposed rents to $450.-/mo. for my apartment and $1200.-/mo. for Apt. C, if we would agree not to proceed with the case. We did not agree to this. I felt that even at market rate these were absurd rents for these particular apartments; under rent control they were outrageous. I was also troubled by what seemed to be an attempt to avoid the issue of the removal permit, as well as by the obviously strategic timing of this offer: why was it made just before this hearing? During the hearing both the other tenant and I brought up problems that we had been having with water coming into the basement apartments apparently through the foundation. Though we had told Harvard Real Estate about this problem before without any corrective action being taken, they now seemed very upset by it. Mr. Polvere said that perhaps Harvard would have to have the apartments declared uninhabitable. This seemed peculiar coming within an hour of their saying that the three apartments were worth a combined monthly rent of over $2400.

At the next hearing, on 14 June, Harvard returned and said that they had inspected the foundation with an engineer and found that there was no problem; consequently they would proceed with the case just as it was. For the record I can say on the basis of first hand experience that neither of Harvard Real Estate's extreme positions is correct. The leakage is a genuine problem, but it does not render the apartment 'uninhabitable'.

At this second hearing we also brought up the matter of the removal permit. When we introduced as evidence the form on which the Rent Control Board had indicated that a removal permit was required for work of this kind, Mr. Polvere objected, saying that it had "no probative value." The case was then continued to 20 July.

On July the first the tenants in Apt. C moved out. Apt. B, after the first tenant moved out in May, was then rented to a person who works for Harvard Real Estate.

As you can imagine there is a great deal that is troubling about this case, quite beyond even the awful feeling of insecurity that is created when there is a chess game being played with the roof over your head. First of all Harvard Real Estate's 'capital improvements' have a very damaging effect on the affordability of its housing. In my case the portion of my income consumed by rent will rise from about 24% to 48%: the effect of such an increase on anyone actually living in poverty would obviously be devastating. What does it mean when a damp 11 by 15 foot room in a basement rents for $540 per month under rent control, and a two bedroom basement apartment for $1400? What does rent control mean at that point? For whom is this affordable?

What disturbs me most about my case, however, is that while it does seem to be extreme it is by no means isolated. In the months since this all began I've spoken to friends and acquaintances who live in other Harvard Real Estate rent controlled buildings and discovered to my amazement that in every single one of them extensive work has been done, is underway, or is being planned. Often, as I have noticed in my own building, and in the Harvard Real Estate owned building next door at 22-24 Prescott St. the work is done piecemeal, when individual apartments are vacant, in between tenants. One by one or a few at a time the apartments are 'improved.' The resulting rents are high, often very high, and definitely not "affordable."

What seems clear from all of this is that through its wealth, resources, influence in the city, relationship with contractors etc... Harvard Real Estate is in effect able to nullify rent control on its property. What isn't clear is why they should be doing this in the midst of the most serious crisis this city and our society have perhaps ever faced in providing housing for their own people.

Considering the vast and complex role Harvard has in the City of Cambridge, not least as the largest single landlord, and considering the crisis in housing and homelessness, I think it would not be inappropriate for the City Council to look closely into what Harvard Real Estate has done and is in the process of doing with the rents of their rent controlled properties. Much of this information is already in the public domain, in the files of the Rent Control Board.

It seems to me it would not be too much to ask of this particular institution that it voluntarily adopt a more moderate approach to its rent controlled apartments. If Harvard Real Estate is intent on keeping its buildings in a certain high state of repair, it is well within its means to do so without recouping the full amounts from tenants. It could simply apply for increases on a percentage of what it has done, keeping in mind the effect on the rents, and doing this in such a way that the apartments remain affordable to a much larger group of people. Surely we can not believe that Harvard depends for its financial well-being on extracting every last penny from it rent controlled properties.

Failing that, the City Council should consider changing the rent control laws reguarding capital improvements. For, plainly, when certain types of landlords can bring so many of their rents up to or near market rates, or even (as in the case of my apartment and the others in this basement) above them, the laws are not working.

Also, I very much hope that the City Council will take an interest in the way that the Rent Control Board is enforcing the existing rent control laws. In my own case, I hope that notice will be taken of whether Harvard Real Estate is required to abide by the rules regarding removal permits to the same extent as other landlords in the city.

I apologize for the length of this letter; but I feel that the facts which it contains are important ones. In conclusion I would ask you to recall the specifics of my apartment, which surely speak for themselves: 141 square feet in a basement, on which $20,000.- was spent resulting in a 108% rent increase for a rent of $539.- under rent control. And a 2 bedroom basement apartment on rent control for $1379.- Finally I would like to invite any and all members of the City Council (though not all at once) to come and see this place for themselves, for if ever a place had to be seen to be believed this is it.

Sincerely,

Andrew Morvay

Andrew Morvay

7. S-707

Comm. from Andrew Morvay, 474 Broadway, relative to a situation he encountered with the Rent Control Board and the Rent Control laws.

In City Council,

July 30, 1990

Referred to Rent Control Committee

Copy sent to Rent Control.