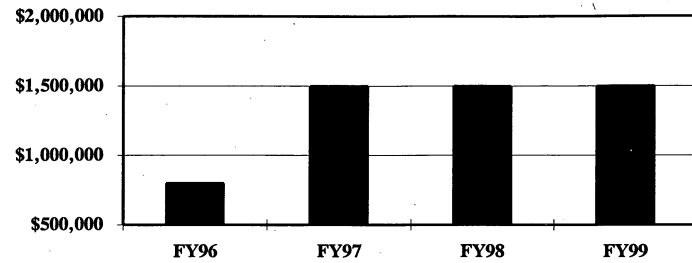
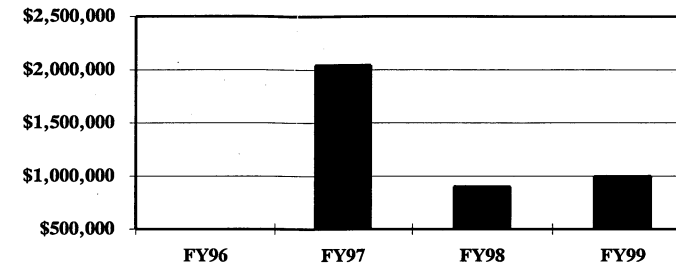


Rent Control Savings				
FY96	FY97	FY98	FY99	Total
\$ 800,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 5,300,000

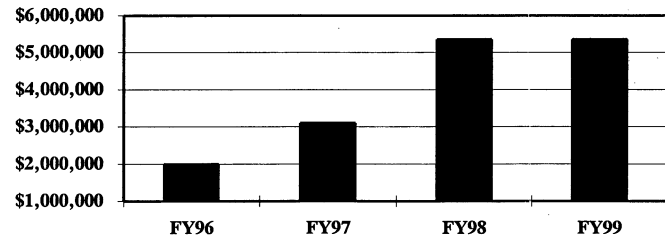


Growth in Tax Revenue As A Result of Elimination of Rent Control				
FY96	FY97	FY98	FY99	Total
\$ -	\$ 2,043,162	\$ 900,898	\$ 1,000,000 ¹	\$ 3,944,060



¹ Estimate

City Funding of Affordable Housing				
FY96	FY97	FY98	FY99	Total
\$ 2,000,000	\$ 3,110,000	\$ 5,360,000	\$ 5,360,000	\$ 15,830,000 ¹



¹ Includes reduced in-lieu-of-tax revenue in FY97, FY98 and FY99

TABLE 1
FY96-98 Comparison Affordable Housing Expenditures Vs.
Budget Savings/Tax Growth due to the Phase-Out of Rent Control

FY96-98	Budget for Affordable Housing	\$ 15,830,000
FY96-98	Combined Budget Saving/Tax Growth	\$ 9,244,060
	Net Expenditures over Revenues	\$ 6,585,940



CITY OF CAMBRIDGE
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15.

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

April 13, 1998

To The Honorable, The City Council:

In response to Awaiting Report Item No. 33, regarding a report on the actual increase in tax revenue as a result of the termination of Rent Control, Finance Director James Maloney reports the following:

Attached please find an analysis of the City's gain in additional property taxes as a result of the decontrol of rental property. The analysis also includes the City's budget savings from the elimination of rent control as well as the City's appropriation to the Affordable Housing Trust since the elimination of rent control. As can be seen from Table 1, the City's total allocation of affordable housing (including the proposed FY99 appropriation) exceeds the financial gain (new taxes plus budget savings) to the City by \$6,585,940.00

Very truly yours,

Robert W. Healy
City Manager

RWH/mec

Consent Agenda #15

5-253

Regarding a report on the
actual increase in tax revenue
as a result of the termination
of Rent Control.

In City Council April 13, 1998

Referred to

Housing + Comm. Develop. Committee