

LANDLORD'S SUPPORTING STATEMENT

CAMBRIDGE

THIS STATEMENT MUST BE TYPED OR PRINTED IN INK

COMPLETE, SIGN, AND RETURN THIS STATEMENT WITHIN 7 DAYS

Part I GENERAL INFORMATION

1. Address of Property: (Street No., City, and Zip)

2. Mailing Address of Landlord:
Name _____ Tel. No. _____
Address & Zip _____
3. Mailing Address of Managing Agent:
Name _____ Tel. No. _____
Address & Zip _____
4. Building Data:
a. Number of Dwelling Units _____
b. Number of Professional or Business Units _____
5. Assessment Data:
a. Present Assessed Value: Bldg. _____ Land _____
Total _____
6. Attach a current rent schedule for the building showing the rent presently charged and the rent in effect on March 17, 1970, using the attached Form, "Rent Schedule".
7. Explain briefly why you have petitioned for a rent increase:

Part II FAIR RETURN

8. Was the rent in effect on March 17, 1970 sufficient to yield a fair return on the property as of that date?
(If "no", complete items 9-10. If "yes", skip to item 11.)
9. Acquisition and Cost Data:
a. Date Building was acquired: _____
b. Total Cost: \$ _____
c. Financing: \$ _____
d. Equity: \$ _____
e. Estimated value as of March 17, 1970: \$ _____
f. Outstanding debt as of March 17, 1970: \$ _____

Construction Data:

- a. Construction of Building: Brick _____ Frame _____ Other _____
- b. Approximate Date of Construction: _____
- c. Number of Stories: _____ Are there elevators? _____
How many? _____

Part III OPERATING INCOME AND EXPENSES

11. Have the operating expenses of the building increased since March 17, 1970? _____
(If "yes", complete items 12 and 13. If "no", skip to item 14.)
12. Describe in detail any increase in operating expenses that have occurred since September 17, 1970: _____

13. Operating Statement for 1969: Complete all items for the year ending December 31, 1969.

YEAR ENDING DECEMBER 31, 1969

JAN. 1, 1970 - SEPT. 30, 1970

(Explain all significant increases on a separate sheet and attach to this statement.)

a. Income

- 1) From Rentals _____
- 2) Miscellaneous Income from parking, vending machines, etc. _____
- 3) TOTAL INCOME _____

b. Expenses

- 1) Fuel _____
(Specify Type)
- 2) Utilities _____
- 3) Janitorial Expenses _____
- 4) Real Estate Taxes _____
- 5) Insurance _____
- 6) Management Fee _____
- 7) Routine Maintenance _____
- 8) Ordinary Repairs (Itemize) _____
- 9) Miscellaneous (explain) _____
- 10) TOTAL EXPENSES _____

c. Net Income (total income minus total expenses) _____

a. Income

- 1) From Rentals _____
- 2) Miscellaneous Income from parking, vending machines, etc. _____
- 3) TOTAL INCOME _____

b. Expenses

- 1) Fuel _____
(Specify Type)
- 2) Utilities _____
- 3) Janitorial Expenses _____
- 4) Real Estate Taxes _____
- 5) Insurance _____
- 6) Management Fee _____
- 7) Routine Maintenance _____
- 8) Ordinary Repairs (Itemize) _____
- 9) Miscellaneous (explain) _____
- 10) TOTAL EXPENSES _____

c. Net Income (total income minus total expenses) _____

Part IV CAPITAL EXPENSES

14. Have the capital expenses of the building (interest and principal payments) increased since March 17, 1970?
(If "yes", complete items 15-16. If "no", skip to item 17.)

15. Was the increase in capital expenses due to:

- a) A transfer of title? _____
- b) Refinancing of an existing mortgage? _____
- c) Other? (Please specify) _____

16. Complete the following tables.

a) Financing on March 17, 1970:

Mortgage	Face Amount	Date Executed	Term	Interest Rate	Monthly payment, principal and interest	Lender's Appraised Value of Building
1st						
2nd						
3rd						

b) Present Financing (if different from the above):

PART V CAPITAL IMPROVEMENTS

17. Has work on a capital improvement to the building commenced or been completed since March 17, 1970? _____ (If "yes", complete Item 18. If "no", skip to item 19.)

18. Complete the following table:

Capital Improvement (describe)	Date Work Began	Date Work Completed	Useful Life	Cost	Debt Incurred	Interest Rate	*See Below

* Indicate rate of depreciation claimed in your federal tax return for each capital improvement.

PART VI HOUSING SERVICES

19. Has there been an increase in housing services since March 17, 1970? _____ (If "yes", complete item 20.)

20. Describe increased housing services and indicate cost per year:

_____ \$ _____
_____ \$ _____
_____ \$ _____

The foregoing statements are true to the best of my knowledge and belief. I consent to the use of this information by the Rent Control Administrator and his staff for the purpose of resolving any complaints which may have been brought against me or to justify petitions to increase/decrease rent.

Date: _____ Landlord's Signature: _____

December 11, 1970

Honorable Mayor Vellucci
Cambridge City Council
Cambridge City Hall
Cambridge, Massachusetts

Dear City Councilors:

I am writing again to the Council to elaborate on the rent control situation. In the Council last Monday night, the rent control administrator graciously permitted me to have access to the landlord's registration statements and petitions for adjustment. Consistent with this permission, and taking full precautions to protect the confidentiality of the landlords involved I was given the material I had requested.

I had intended to use the material for a statistical compilation of costs and financial data to determine the average increase in various costs and the average financial structure of different types of buildings (large, small, woodframe, brick, etc.). Unfortunately, I have found the data to be, virtually, unusable. Landlords were very negligent in filling out the forms, many of which were not completed. In addition, of those that were fully completed, several landlords reported seeming "inaccuracies." These inaccuracies are based on internal inconsistencies and in no way violate the landlords confidentiality.

The paucity of the data forces me to request that the council urge Mr. Spadafora to:

- 1) Refuse to grant an across the board increase until all forms filed by the landlords are completed.
- 2) Institute a proper statistical study to determine costs, financial structure and levels of rent for the City of Cambridge.

If the city is serious about the fair administration of the act, such a study is required before action can be taken. This study can be based on a random sample. This would limit the number of inquiries that would need to be made. I have a suggestion about a random sample which, in order to properly protect confidentiality, I can only disclose to Mr. Spadafora. This suggestion could also be explained privately to representatives of the landlords and the members of the council, and I think that were the suggestion known to them it would save the city a great amount of trouble and expense, as well as providing other useful information.

- 3) That the rent control administration set standards for fair net operating income.

The following is just a sampling of glaring errors in the landlord's forms. It is, of course, understood that pressures of time and lack of knowledge prevented many well intentioned landlord's from giving adequate data. However, the inadequacies of the data for whatever reason makes their use by the tenants or by the Administrator highly suspect.

1. Landlords confused the number of dwelling units with the number of buildings (item 4a)
2. Some failed to understand key words such as equity, (e.g. one landlord said total cost was \$125,000 while equity of 350,000) (item 9)
3. Addition was wrong in many cases, especially in expenses column (item 13)
4. Landlords were confused about 12-month, 9 month distinction (year ending December 31, 1969) (January 1, 1970 to September 30, 1970) on income and expenses (item 13a and 13b). Thus some merely copied the figures in the year column onto the 9-month column.
5. Very few specified the type of fuel (oil, gas, electricity) and very few specified type of oil used. (#2 or #4) (item 13 b)
6. A number of landlords have included debt service and depreciation as expenses.
7. Some landlords "copied" improvements such as a new boiler in one year. Standard practice is to amortize the cost over a period of years.

Sincerely yours,

Philip S. Shaw
Philip S. Shaw
Attorney at Law

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Communication from Philip S. Shaw, Attorney
at Law, elaborating on the Rent Control
situation

December 14, 1970

12/14/70
Placed on File -
Filed