

June 21, 1988

Cambridge City Council
City Hall
Cambridge, MA 02139

Dear Councillors:

The motion proposed by Councillor William Walsh to assess a surcharge to people living in rent-controlled apartments and create a "trust fund" for affordable housing has several fatal flaws. First and foremost, the motion proposed would require tenants earning under \$20,000 a year to pay the bulk of the trust fund.

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The proposal introduced last week *may look like* a surcharge to tax wealthy individuals living in cheap rent-controlled apartments and use the money for new housing. Such a surcharge, levied against abusers of the system, would be a good idea.

But under Councillor Walsh's plan, low income people sharing a large apartment who are not abusing rent control would pay. Under the proposed income ceiling of \$40,000 for tenants without children, three people making only \$14,000 a year each would pay the surcharge, as would four people making only \$11,000 each, or five people making only \$9,000 a year each. I live in an apartment with six people (half students) with a combined income approaching \$40,000. With a \$25-30/month surcharge on individual rents, some of us would be priced out of the apartment.

Is this motion merely a public relations ploy, crafted so that the city councillors who have voted against linkage will be able to say they voted for affordable housing? If so, the plan will backfire. It is so poorly designed that I don't see how anyone could regard it as a good idea. It would also:

- Charge someone making \$100,000 and living in a \$300/month, one-bedroom apartment only \$360 per year, while someone making \$41,000 living in a \$900/month rent-controlled apartment would pay \$1080 per year.
- Give people living in group houses an incentive to discriminate against working people and only accept wealthy students who have no income as housemates, to stay under the income ceiling.

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- Not increase the \$40,000 income ceiling with inflation, leading to "bracket creep."
- Regard people living in expensive rent-controlled apartments as "abusers of the system" rather than the landlords who have manipulated the rent control laws to win huge rent increases.

If the City Council really wanted to create affordable housing and dissuade abuse of the system, it should draft a resolution that extracts from wealthy tenants a sum that is *proportional to the amount by which their income exceeds \$40,000*. Such a regulation should only be applied to the situation that is most workable and where there is the greatest need for affordable housing, i.e. one-bedroom apartments or multi-bedroom apartments occupied by only one person. And when a string of rent increases produces an \$800 per month a one-bedroom rent controlled apartment, an affordable housing surcharge should not be paid by the tenant, but by the landlord.

Such a scheme might result in a fairer housing policy for Cambridge. But the proposed plan will do little more than intimidate low-income tenants living in group houses and replace them with people who can easily afford the surcharge.

Sincerely,



Rich Cowan
117 Rindge Avenue
497-0870

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Comm. from Rich Cowan in opposition to the proposed order requesting preparation of a Home Rule petition to amend the Mass. General Laws in Chapter 36 Re: combined total income levels for tenants living in rent controlled units & the levying of a surcharge for those whose annual total income is in excess of the specified amounts.

in City Council,

June 27, 1988

6-27-88

Placed on file.