

# MEMORANDUM

TO: Cambridge City Council  
FROM: David Clem  
RE: Rent Control in Cambridge  
Date: 23 February 1976

On January 26, 1976 I introduced two orders in the Council that dealt with the continuation of rent control in Cambridge. As you know, the General Court has created a great deal of uncertainty about rent control by its failure to extend the existing rent control bill (Chapter 842) beyond April 1, 1976.

I support the extension of Chapter 842 at the State level; however, in the event that Chapter 842 is not extended by the General Court, I believe Cambridge must be prepared with another workable alternative.

The two orders I introduced represent two conceptual alternatives available to the City:

1. Home-rule enactment bill
2. Home-rule enabling bill

Testimony presented by Kenneth Griffin, Executive Director of the Cambridge Rent Control Board, to the Council work session on February 18th, supports the conceptual framework outlined above.

## Home Rule Enactment Bill

A home rule enactment bill is one that is self-operating; in other words, it is a complete bill that becomes effective as soon as it is passed by the General Court. It requires no other action. Since there is majority sentiment for continuing the administration of rent control as it is currently known today, the enactment bill I

have submitted is modeled directly after Chapter 842. The minor changes reflect the legal requirements necessary to make it a home rule petition for Cambridge only, and no other cities or towns.

A variety of amendments have been proposed to strengthen the current operation allowed under Ch. 842. These proposed amendments can be dealt with in one of two ways:

1. They can be incorporated into the home rule enactment bill itself, or
2. They can be forwarded to the General Court as separate home rule amendments.

The only advantage of this latter option is that it could reduce the chances of delay at the General Court over a controversial amendment. The April 1st deadline is rapidly approaching and the two home rule amendments which this Council has already forwarded to the General Court are still languishing. In fact, they have met an unfavorable report in the Local Affairs Committee of the House. Senator Harrington has not, so far, lived up to his commitment to pass any and all home rule petitions for rent control.

#### Home Rule Enabling Bill

The second conceptual alternative is a home rule enabling bill which, in essence, allows Cambridge to develop its own rent control ordinance within the guidelines of the enabling language. I personally favor this approach and submit the following reasons in support of this option.

1. The Enabling Bill places the issue of rent control for Cambridge in the hands of the City Council. This means that the issue is closer to the voters of Cambridge. Given majority sentiment for rent control, such as that in evidence today, the Council could implement rent control without suffering from State intrusion. The current dilemma, where one person in the State Senate has bottled up rent control, would be eliminated. The City Council is far more responsive to local needs than the General Court and would respond, I believe, to the wishes of the majority of Cambridge voters. I also feel quite strongly that the Council should exercise caution before forfeiting any legislative power to the State.

2. The Enabling Bill incorporates the language of Chapter 842 into its provisions. This reduces the chances of excessive litigation because both the language of Chapter 842 and the concept of Chapter 843 (Brookline home-rule enabling bill) have been tested extensively. Moreover, by utilizing the language of Chapter 842 in the Enabling Bill, the Council demonstrates its commitment to continuing rent control basically as it is administered today and restricts the ordinance to that goal. Thus the "muscle" of Ch. 842 is left intact in the enabling bill; that is, the definitions of maximum rent, return on investment, and eviction standards are left in the bill as guidelines for the local ordinance to follow. No provision of the ordinance could violate these standards, definitions or directions.

3. The Enabling Bill allows flexibility for future improvements that are based on policy research. This is perhaps best illustrated by the current situation where a majority of Councillors have been in support of extending controls to subsidized housing, but have been prohibited

by the State law. If approved, the enabling act would allow the Council to make these "fine tuning" adjustments via ordinance revision.

4. The Enabling Bill, by creating an ordinance procedure, insures no change can be made without three readings and appropriate public hearings. This would prohibit quick maneuvering via home rule amendment petitions which require five votes only and no public hearings at the local level. Interested tenant groups are far more effective in Cambridge than at the State level. The enabling bill is a "sunshine" mandate for public review and input.

5. The Enabling Bill facilitates full administrative powers of the Rent Control Board, but necessitates policy direction from an elected body, rather than an appointed body. Right now the Cambridge Rent Board has broad administrative power and no obligation to respond to Council directives or policy. I believe this is inappropriate; under the Plan E Charter the City Council has the power to establish policy.

6. The Enabling Bill allows more time for policy research without jeopardizing rent control, because of a six month "breather clause". In other words, if the ordinance is not completed by the April 1 deadline, rent control would continue to operate "as is" under the provisions of Chapter 842. Tenants would always be protected. I do not foresee the necessity of utilizing this provision; nonetheless, it is "insurance".

Numerous persons have voiced objections to the enabling approach because it mandates a local ordinance. They are fearful that rent control would become a political "hot potato" every Monday night,

necessitating continuous organizing and lobbying on their part. It is true that rent control is only as strong as five votes on the Council, but it strikes me that the voters have been heard in the last election and they want rent control. Rent control should thus be continued and tested as municipal policy through the electoral process. I am committed to my position on rent control and to working with my colleagues toward developing a consensus position. New and sudden proposals that weaken rent control are simply not likely to surface with majority support during this term. I believe the ordinance should stay intact for the balance of this council term.

But what about changes to the administration of rent control in Cambridge? I think we all share concerns about the general deterioration of the housing stock and the lack of modernization and rehabilitation, particularly in the owner-occupied and small investor-owned properties. I think we all know of the particular burdens the small landlord has to face, without recourse to highly paid lawyers or consultants. Clearly, we have to encourage and facilitate conservation of our housing stock because it generates over half of the City's tax revenue.

#### Toward a Total Housing Policy

Rent control was instituted as a stop gap measure to control spiralling rents and arbitrary evictions. It has, in large part, accomplished these goals, But now, five years later, it must be reviewed and incorporated into a total housing policy. Rent control must not be allowed to stand alone. Rent control simply does not solve all the problems of housing and housing need in the City. Even with rent control many tenants are forced to pay more than 25% of their income on housing. On the other hand, with rent control many upper income professionals earning

\$25,000 and more pay far less than what they can afford, thereby creating an indirect subsidy for the well-to-do. I am personally not very comfortable with this situation. How do we reconcile this with the retired city worker on a fixed income who bought "the house next door" for some security in retirement and now cannot keep pace with inflation?

What this points to is the need to articulate a research program which will lead to action. This research program should provide the information necessary for the Council to formulate a rent control strategy that is an integral part of a total housing policy. The City is fortunate to have many of the pieces and people - public housing, rehabilitation assistance programs, rent control - but, the Council must now orchestrate them in the best possible manner. We simply do not have access to adequate and appropriate information at this time. Consequently, I think the City Council through its Rent Control Committee, should draft a research design that can be evaluated by tenants and landlords alike and then funded by the City for 1976-77.

I trust this memorandum helps to clarify my position on rent control. It is consistent with my campaign pledges and represents my continuing interest in working cooperatively with my colleagues on the Council. I welcome your comments and suggestions.

S-83

Communication #6

3/1/76

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