

## CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139

TEL. 498-9011

EXECUTIVE DEPARTMENT

ROBERT W. HEALY

City Manager

RICHARD C. ROSSI

Deputy City Manager

TO: The Honorable, The City Council

FROM: Robert W. Healy, City Manager

SUBJECT: Rehab Program for Small Property Owners

DATE: April 5, 1989

I am pleased to inform you of the development of a new program initiative which deals, in part, with the lack of capital investment in rent control stock. The Rehab Program for small property owners is aimed at buildings where aggressive intervention can stop the cycle of deterioration before the building reaches "distressed" conditions. The need for a proactive, phased rehabilitation program has been pointed out by tenants and owners alike as well the Council's Committee on Rent Control.

The Program as proposed will make available to owners of twelve or fewer units both loan funds and extensive technical assistance. The loan amounts, a maximum of \$8,000. per unit will enable owners to deal with the most significant rehab needs of their properties. The technical assistance, provided through Neighborhood Apartment Housing Services, will include a comprehensive survey of rehab needs, establishment of a rehab plan, provision of construction management as well as assistance with filing loan applications and Rent Control petition. This technical assistance is vital to smaller property owners who have limited positive experience with Rent Control or banks.

The Rent Control Board will be considering regulations for an expedited rent adjustment process which will allow new rents based on proposed rehab to be set, but not implemented prior to the completion of rehab. The Program provides benefits to both owners and tenants living in rent controlled properties. Benefits to owners include access to capital, extensive technical assistance and expedited rent adjustment processing. Tenants

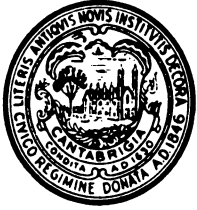
will benefit from this program in a number of ways as well, including improved living conditions and a lower rent increase than would result in a regular adjustment for capital expenditures.

The Community Development Department, Rent Control and Neighborhood Apartment Housing Services staff have been working with four local lenders to develop the program. The lenders have agreed to set aside loan funds specifically for program participants.

The next step in the process will be a series of meetings with small property owners and tenants. A public policy discussion about the proposed regulations will be scheduled by the Rent Control Board.

I look forward to continuing to report to you on the progress of this very promising program.

RWH:SBS:nb



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April 10, 1989

To the Honorable, the City Council:

In response to Awaiting Report No. 17 regarding assistance for small property owners, I submit the attached report from the Community Development Department.

Very truly yours,

Robert W. Healy  
City Manager

Agenda Item No. 2 *S-253*

Re: response to Awaiting Report Item 17 on  
rehab assistance for small property owners.

In City Council,

April 10, 1989

4-10-89

*Placed on file*