

City of Cambridge

The Rent Control and Housing Community Development Committees held a joint public hearing on Thursday, November 10, 1994, beginning at 5:00 p.m. in the Sullivan Chamber for the purpose of considering the outcome of Question Nine in the state-wide elections.

Present at the hearing were Councillor Kathleen L. Born and Councillor Francis H. Duehay, Chairs of the Committees, Councillor Jonathan S. Myers,, Vice Mayor Sheila T. Russell, Councillor Michael A. Sullivan, Councillor Timothy J. Toomey, Jr. Councillor Katherine Triantafillou, Councillor William H. Walsh and City Clerk D. Margaret Drury.

Councillor Born convened the hearing and explained the purpose. She then described the format of the meetings, and made introductory comments. Councillor Born stated that the City now faces a crisis, and it is incumbent on its residents and its City Council to decide what kind of housing policy will take the City into the next century.

Councillor Duehay then assumed the Chair. Councillor Duehay introduced Robert W. Healy, City Manager; Susan Schlesinger, Acting Assistant City Manager for Community Development; Terry Morris, Executive Director of Rent Control; Ellen Semonoff, Assistant to the City Manager; Donald Drisdell, Deputy City Solicitor. Councillor Duehay then invited Robert W. Healy to make a presentation.

Mr. Healy distributed a memorandum to the City Council and summarized its contents. He noted that he has presented several options.

1. Option 1: The system as is. Mr. Healy noted that this is not likely to win state legislative approval;
2. Option 2: Substantial modifications to the existing system. Mr. Healy outlined the major reforms proposed in this option;
3. Option 3: Affordability decontrol;
4. Option 4: Vacancy decontrol - Boston model; and,
5. Option 5: Other vacancy decontrol.

Mr. Healy urged the City Council to keep in mind that if it intends to present a home rule petition to the State legislative, it must do so within the next ten days because of the tight legislative schedule.

Councillor Walsh stated that these proposals are not satisfactory. The only substantial

modification is "out the door with it."

Councillor Triantafillou suggested that City Councillor use this time for clarification and questions regarding the City Manager's proposals.

Councillor Walsh asked, with regard to a previous study done by the Community Development Department, how much it would cost to bring rent control buildings up to code, and whether any proposals have programs to spend this money.

Councillor Sullivan asked whether Mr. Healy's staff has met with individuals as suggested by Councillor Sullivan in his meeting. Mr. Healy said that he met today with members of Massachusetts Homeowners Coalition and has scheduled a meeting with tenants and would continue to be available to such persons.

In response to a question for Councillor Sullivan, Mr. Healy said that the options were drafted without direct input from either landlords or tenants.

Councillor Walsh asked about low rents. Terry Morris said that there were 2400 units with rents of \$300.00 less. He described a plan for emergency rent adjustment to these properties.

Councillor Walsh asked about previous studies of low rent.

Councillor Triantafillou requested that the City Council stay on the subject of the present system and the options before the City Council.

Councillor Walsh asked how many ordinances condo units there are in the city. Mr. Healy responded that there are 1900 units, and under the reform proposal any legal action would be stopped.

Councillor Walsh asked Mr. Morris if there would be any action taken against owner occupants of condos. Mr. Morris said that there would not be between now and January, and as of January, the law is gone unless the City Council does something.

Councillor Walsh suggested decontrol of any occupied 4,5, or 6 units building. He stated that he could be persuaded to protect low income and elderly persons but not moderate and median income people, who can take care of themselves.

Councillor Walsh asked for statistics about who lives in rent controlled apartments. Mr. Healy stated that the Abt Report and 1990 census show that 55% of occupants of rent controlled unit have incomes of 80% of median or less.

Councillor Walsh stated that he believes that information from the Community Development Department neighborhood studies contradicts these figures.

Councillor Walsh asked several questions relating to the operation of the affordability proposal set forth in Option 3, affordability decontrol.

Councillor Walsh then turned his questioning to the issue of the effect of rent control on assessed values. Mr. Healy stated that any increased revenues from this area would not occur until two years from now.

Councillor Walsh announced that he has worked with some of those present to develop a plan that he can support.

Councillor Sullivan requested that the Chair warn the public in attendance to maintain silence while others are speaking.

Councillor Sullivan stated that on behalf of himself, Vice Mayor Russell, Councillor Walsh and Councillor Toomey he was submitting a proposal (Attachment 2). Thereupon Councillor Sullivan, Vice Mayor Russell, Councillor Walsh and Councillor Toomey read the proposal.

Mayor Reeves described the present situation. He stated that Question 9 has some big problems; people cannot just be dumped wholesale on the street. The City Council must listen to all the proposals. He will be talking to the Governor, State Legislators, to all concerned with the matter. Although he does not like the City Manager's proposals in all regards, he is willing to listen and compromise.

Councillor Toomey said that the Legislature is not going on vacation and is prepared to do whatever has to be done to assist Cambridge. He added that a proposal must be at the Legislature by Thanksgiving and explained the legislative process.

Councillor Triantafillou asked Mr. Healy about his meeting with the Legislature with regard to the possibility of a 90 day delay in implementing the Question 9 to give the City Council more time to deal with this issue. Mr. Healy said that he had been told by the member so the Cambridge legislative delegation with whom he had met that a 90 day delay was not a possibility.

Councillor Triantafillou said she would like to hear more about the possibility of delay through legislation. Mr. Healy stated that after much consideration and legal analysis he was not recommending a lawsuit. He added that he would provide details in an executive session.

Councillor Triantafillou then asked a number of questions about the details of the options set forth in the City Manager's memorandum, including the affordability incentives, encouragement of investment in the stock, rehabilitation proposals.

Councillor Myers stated that this Council has a large problem with which to struggle. The referendum passed, and there need to be changes. He stated that he is pleased that a number of proposals have been submitted. Councillor Myers added that it is imperative that the City Council come up with something. He agrees that Option 1 must be ruled out. These are good ideas in the proposals submitted tonight. He added that to approach the State Legislature in a divided fashion could lead to the loss of all protections.

Vice Mayor Russell said that this is a difficult night which has been brought about by the unwillingness of the City Council to accept change and compromise. Vice Mayor Russell asked about the City Manager's proposal for a fee from the ordinances condos. Mr. Healy said that the amount he was considering was similar but that the money would go to the Affordable Housing Trust Fund to build affordable housing not to a subsidy program.

Councillor Sullivan stated that the blame for tonight lies within the City Council Chamber. The subsidy proposal he has presented is a unique opportunity to provide for those truly in need. The costs for providing for those truly in need should be done by all, not just a few property owners.

Councillor Triantafillou asked whether the Affordable Housing Trust could provide subsidies. Mr. Healy stated that he would have to look at the bylaws of the Trust.

Councillor Myers urged moving away from statements of blame to what needs to be done.

Councillor Walsh stated that he is interested in protecting those who need help and that there are four votes that will not vote to re-install anything that resembles what was there before. He believes Speaker Flaherty understands that this is a whole new ball game and will listen to his constituents. If Speaker Flaherty doesn't support this, they will fight him back.

Councillor Sullivan stated that he wants assurances that steps will be taken to change the Rent Control Board to ensure fair treatment of all concerned. He asked Mr. Healy what he would do to make the Rent Control Board more user friendly. Mr. Morris described the proposals to simplify rent adjustments and institute time limits.

Mayor Reeves stated that the City Manager's proposal suggests a continuance of rent control. The other proposal depends on a large subsidy. It posits a one-time payment of a maximum of \$3.5 million. That would be gone in one year. To pay the difference between below the market and rent control rents for 6 months would cost \$15 million. Mayor Reeves added that he would like to see more encouragement of homeownership.

Councillor Walsh suggested seeking funds from universities, and he also suggested looking for subsidy assistance from the State Legislature. He also disputed Mayor Reeves' \$15 cost estimate and urged the end of unnecessary regulations.

Councillor Sullivan said that at the moment there are not five votes for any proposals at this time.

Councillor Walsh suggested that the Mayor assemble a committee to work all weekend, and that Harvard and MIT be involved.

Councillor Born noted that the proposal submitted by the four City Councillors is a set of temporary protections; it is not a true housing policy.

Councillor Sullivan noted that the proposal also calls for a subsidy program.

Councillor Born said that vacancy decontrol eventually ends up with no protection units. She read an excerpt from a seven-year old Town & Country magazine about what an attractive place Cambridge is to live.

Thereupon Councillor Born opened the meeting to public testimony. She suggested that citizens try to limit their remarks to two minutes each.

Alfred Vellucci, 44 Porter Street - stated that he has been getting phone calls all day from frightened people, especially low income people. He urged all the citizens to work hard on this issue because January 1 will soon be here. "When the water boils, throw in the spaghetti."

Lisa Bensfeild, 4 Garden Ct. #2 stated that she moved here several years ago and lived in a rent controlled apartment. It was great for her; she is blind. If she is evicted, she will have a whole new place to learn and will face frightening difficulties.

Councillor Walsh stated that she would be protected under his proposal.

Mayor Reeves disagreed that the proposal would protect this person and noted the income limitation therein.

Jean Gillen, 359 Cambridge Street, stated that she is now a tenant. She used to be a landlord but because of rent control she did not get a fair price for her property. Now she is a tenant and cannot afford her rent doubling. She is glad to see landlords getting some relief. She supports Councillor Walsh's proposal.

Denise Jillson, 5 Chester Street, Chair, Mass Homeowner's Coalition, stated that for over a year the City Council has done nothing even though this day was coming. She is here representing hundreds of homeowners. Her coalition will continue to fight to ensure the end of rent control, but the needs of those truly in need of assistance should be addressed. She urges the City Council to take a leadership role to bring the city back together.

Mayor Reeves invited representatives from SPOA, Mass Homeowner's Coalition, a large landowner, four City Councillors, tenants from several tenant organizations to meet at the Mayor's Office starting tomorrow at 1:00 p.m.

Frank DeLuca, 158 Elm Street, stated that rent control has taken away his constitutional rights.

Bill Noble, 180 Franklin Street, stated that there are more options than have been presented this evening by the City. Cambridge Tenants Union will be glad to sit and talk. Question 9 did not win by a big majority.

Ellie Yarden, 143 Pleasant Street, stated he was a recent homeowner and his first concern is his neighborhood.

Barbara Pilgrim, 39 Jay Street, stated that the vote has been passed and that she agrees with Ms. Jillson, Chair of Mass Homeowners Coalition.

Eva Thibodeau, Richdale Ave, stated that she did not agree with Mr. Noble. The tactics of those opposed to Question 9 were despicable.

Bennett Jones, 349 Brookline Street stated that he agreed with Ms. Jillson and Ms. Pilgrim.

Jerry Callan, 34 Lancaster Street, congratulated Mr. Healy on the work done on preparing the options and urges the City Council to find the areas of agreement. He then stated that he would like to see something like Boston's vacancy decontrol and he is opposed to means testing. He closed by saying he urges the City Councillors to stop their grandstanding.

Andrew Crane, 395 Broadway, stated that he urges the Councillors to focus on areas of agreement, that rent control is a tax with which it is unfair to burden a small segment of

the population. He also stated that Harvard & MIT should be asked to contribute and that all citizens should pay a tax to take care of those in need.

Andy Harris, 88 Linnaean Street, stated that in the past there has been gridlock and now the City Council has 10 days and 6 weeks to solve this. He then wished Councillor Walsh good luck.

Dave Slaney, 231 Norfolk Street, stated that he and his family have lived in a rent controlled apartment for 20 years and that he takes home \$420 a week and pays \$550 plus utilities per month. He stated that he cannot afford to pay much more than that and that he sees three sides to this issue. There are 900 landlords who will benefit greatly and there are 30-40,000 tenants in rent control housing. In addition, there are other benefits from the City's diversity.

John Pitkin, 18 Fayette Street, stated that he is speaking in his professional capacity as a housing expert. Rent Control has been an important part of creating a relatively stable city. Cambridge is first and always a university city. Cambridge is different from most. University cities are characterized by transience and turnover. Transient population are good targets for crime. He then stated that the City Manager's proposals are a good basis to proceed and that vacancy decontrol should be avoided; the goal is stabilization. There should be a cap on vacancy allowance. University assistance should be recruited to allow rent control to work with the market.

Councillor Walsh noted that in the 1970's, 54% of the population was native-born; now there are only 8,000 left, less than 10%. Only 28% of families own their own homes because rent control has artificially inflated the cost of 2 & 3 family homes.

Robert LaTremouille, 348 Franklin Street, stated that tonight the tenant speakers have been attacked. Cambridge is a very dense city with more jobs than people. With these figures and a free market, the poor cannot stay in Cambridge. Cambridge should use its power under the State Condo Control Law, and not take the condo issue to the legislature. Owner occupants should be allowed to stay there, but there should be eviction protections.

Joanne Preston, Agassiz Tenants Assoc., stated that she hopes the Mayor will invite her organization to meet and that she is very sorry that the big universities, the big landlords are not present. She felt that her neighborhood would be very badly impacted because of Harvard & Lesley and that residents will be displaced by Harvard Law Students. She asked that the City Council think carefully about the low and moderate income tenants. She then stated that many international cities have had rent control for many years and lifting rent control would not be an automatic solution to deteriorating housing.

Councillor Born stated that wood frame buildings are in trouble and need assistance. Small landlords are in a different situation and need decent enough rents to maintain their property.

Llyod Smith, 6 Craigie Circle, stated that he feels very discouraged and threatened. This country has developed the way that it has because of its past and its history of slaves and massacred native americans.

Geneva Malenfant, 75 Henry Street, stated that as a pragmatic person, she tries to look at the options before her. To keep Cambridge the way we all sort of like it, vacancy decontrol doesn't work. The problem with Option 2 is that it is highly bureaucratic. Exempting 6 unit buildings or under means exempting lot of housing where low income families live.. This leaves her with Option 3 as the best choice.

George Phillips, Newtonville, stated that he is a property owner who lived in Cambridge for 35 years. A good landlord does not through out good tenants. The Cambridge Rent Control Board treated him unfairly.

Harrison Moore, 67 Walnut Road, Wenham, stated that the war is now over. It is time to let go of the deceased system. He suggest the subsidy program.

William Jones, Norfolk Street, stated that Mr. Morris is doing a good job. Without rent control, hundreds of people will be out on the street. Landlords are not sharing.

Peter Shapiro, Just-A-Start, noted the disagreement about basic facts and statistics. He asked Mayor Reeves to think about the goals and objectives of the upcoming meetings and suggested the use of a facilitator in the process of reaching a solution.

Mayor Reeves announced that he would establish a committee as follows: Mayor Reeves, Councillors Born, Sullivan, Walsh and City Manager Robert Healy. He will also invite a representative of the following: Cambridge SOCC, CTU, CEOC - Eviction Free Zone, Agassiz Tenants Association, Tenants at Large, Denise Jillson for MHA, David Sullivan for SPOA, Edward O'Connell for Cambridge Alliance, Alex Steinbergh for Large Property Owners, Harvard & MIT.

Fred Parson, Winchester, spoke in support of proceeding with courtesy and diversity.

Rev. Vernon Carter, 295 Harvard Street, stated that the citizens of Cambridge must love each other to solve their problems.

Marie Manis, 13 Sacramento Street, stated that the real estate industry is pitting working tenants and working landlords against each other. She urged the City Council to

come up with an agreement that works for all parties.

John Collier, Attorney, Cambridge, stated that he has represented tenants and small landlords. He is not anti-rent control, he is anti Cambridge Rent Control. He then related several incidents of small landlords who were hurt by rent control.

Deborah Dormiken, Mass. Ave, stated that although she is liberal, she believes that rent control is abusive to landlords and condo owners. The system has been very divisive. She knows many people who live in rent controlled apartments and who could afford market rents. She concluded by stating that Councillors Sullivan and Walsh's proposal is a good starting point.

Tish Hanlon, Holly Ave, stated that she is a life long resident of Cambridge and rent control has been devastating to her family. She discussed the pain of watching her father struggle with rent control. She owns property and has tenants. She is a fair landlord and she loves the diversity of Cambridge but rent control goes too far.

Monique Eiderhner, 1 Gray Street, stated that money played a very large part in winning this referendum. She works in human services and if her rent goes up to market, she will have to leave.

Jesse Hsu, Broadway, urged the City Council to work together for a resolution. If they don't there will be a lawsuit and the City will have to reimburse landlords. He further stated that he came to this country penniless and worked very hard to obtain his property. The Rent Control Board is unfair.

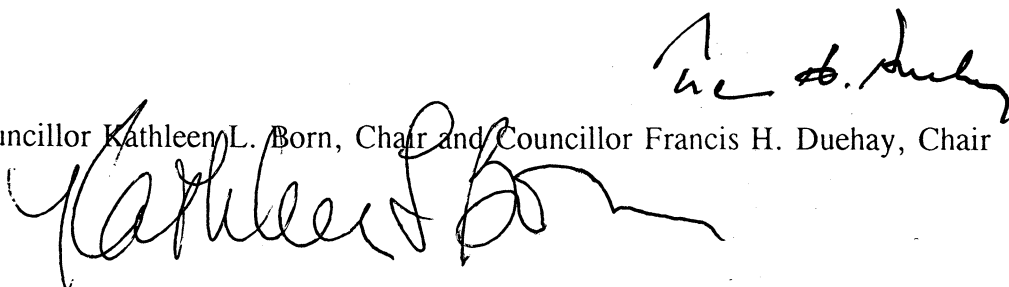
Linda Winburn, 96 Richdale Ave, stated that the landlord's devastation is nothing like that that will be experienced by low income tenants.

Brett Milinowski, 274 Broadway, stated that he is troubled by the repetition of complaints about doctors and other rich people in rent control apartments, when it is the landlords who choose their tenants. He concluded by saying that tenants will fight all the way.

Councillor Toomey moved to adjourn, and the meeting was adjourned at 10:49 p.m.

For the Committees,

Councillor Kathleen L. Born, Chair and Councillor Francis H. Duehay, Chair

The block contains two handwritten signatures. The signature on the left is for Kathleen L. Born, and the signature on the right is for Francis H. Duehay. Both signatures are in black ink and are written in a cursive, flowing style.

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COMMITTEE REPORTS

S-524

Committee Report for the joint
hearing of the Rent Control and the
Housing and Community Development
Committees held on Thursday, November 10,
1994 to consider the outcome of Question
Nine in the state-wide elections.

In City Council,

November 17, 1994

Report accepted
Placed on file