THAYER &
ASSOCIATES, INC.
2067 Massachusetts Avenue
Cambridge, MA 02140

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1988

The Honorable Cambridge City Council
Cambridge City Council Office
795 Massachusetts Avenue
Cambridge, Massachusetts 02139

THAYER & ASSOCIATES, INC.

November 15, 1988

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CAMBRIDGE MA.

The Honorable Cambridge City Council
Cambridge City Council Office
795 Massachusetts Avenue
Cambridge, Massachusetts 02139

Dear Council:

As you know, The Cambridge Rent Control Board recently circulated a Heating Fuel Questionnaire to a selected sample of Regulated Apartment Buildings.

Again, I am pleasantly encouraged by The Rent Board`s effort to regularly adjust the rents of regulated apartments in Cambridge, particularly during a time when the task of processing an adjustment is complicated by a move to new quarters.

After receiving The Rent Board`s Heating Fuel Questionnaire, however, a couple of potential oversights or difficulties seemed possible and out to receive further consideration if they haven't already. If these potential oversights or difficulties aren't addressed it could result in an unanticipated and unnecessary increase the number of applications for individual rent adjustments.

The potential oversights I'm referring to are summarized as follows. First, the information sought in the Questionnaire includes the "most recent price per gallon" paid for heating fuel rather than an average or projected average price paid per gallon over the heating season. Using a price per gallon for heating fuel at the beginning of the heating season, when the price is lowest, rather than an average price per gallon will result in allocations or allowances for the cost of heating fuel which are far below the actual cost. Therefore, it would seem reasonable, from the data the Rent Board is already collecting, to establish a factor for the price of heating fuel based on an average price rather than one based on the lowest price.

The other general concerns relate to the selective nature of operating expenses The Rent Board chooses to include in The General Adjustment. It seems clear that when a General Adjustment is processed, particularly in an age of extremely sophisticated electronic data processing, that The Adjustment should include consideration for changes in other operating expenses and in allowances for fair net operating income must also receive attention as The Rent Board processes it's General Adjustment. After all, operating expenses other than heating fuel, such as Water & Sewer, Electricity, Real Estate Taxes, Maintenance and Repairs, etc. have all increased since before the last two or three General Adjustments. Yet, these Operating Expenses and Fair Net Operating Income are routinely omitted from the General Adjustment process.

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My concern over these issues includes a concern that if this General Adjustment isn't comprehensive in nature the Rent Board, property owners and rentors in Cambridge will face the difficulties and inconveniences everyone considers undesirable.

Thank you for reading this letter and for your attention to the stated concern.

Best regards,
THAYER & ASSOCIATES,INC., Agents for:
Southview Coop. Housing Corporation

Douglas G. Thayer

Douglas G. Thayer,CPM

DGT:acs

1. S-732

Comm. from Douglas G. Thayer, CPM, Thayer Associates, Inc. Re: the heating fuel questionnaire circulated by the Rent Control Board to a sampling of regulated apartment bldg.'s & summarizing some potential oversights contained therein.

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1988 NOV 21 AM 11:21
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In City Council,

November 28, 1988

11-28-88

Placed on file.