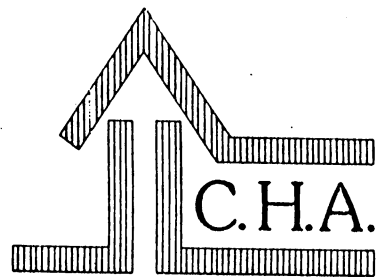


CAMBRIDGE HOUSING AUTHORITY



C A M B R I D G E
M A S S A C H U S E T T S

02139
(617) 864-3020

M E M O R A N D U M

TO: Mr. Daniel Clinton, City Councillor

FROM: Lewis H. Spence, CHA Executive Director *h/s*

DATE: January 4, 1977

RE: Rent Redeterminations

I understand from Rich McKinnon that you have had a number of inquiries from public housing residents concerning the recently implemented rent redeterminations. I am writing this memorandum at Rich's suggestion to describe the rent redetermination process, which this year has been revised from previous practice at the CHA.

Discussions with authorized tenant representatives over the previous year, and the results of an audit performed by the Mass. Union of Public Housing Tenants at our request, indicated a need for some major changes in the redetermination of rent that the law requires the Authority to perform on a regular basis. As you probably know, we must perform a reexamination of income and recalculation of rent once a year in the State and Federal family programs and in the State elderly program, and once every two years in the Federal elderly programs. Since rent is calculated as a percentage of net income, the re-examination of income usually results in a change in rent, most often an increase, since most residents' incomes increase gradually over time, if only due to inflation. Rents can only be increased at the regular re-examination; they may be decreased any time a resident reports and verifies a decrease in income.

The major loophole which we discovered in the rent redetermination process was the considerable variation in the number of authorized deductions which different residents were able to take advantage of. Both the State and Federal housing programs allow a certain number of deductions from gross income, in calculating net income from which the rent is to be determined. These deductions are relatively complex and are not terribly precisely defined in the State and Federal regulations. Furthermore, they vary slightly between the two programs. We have received a number of complaints that more knowledgeable (or more favored) residents are able to reap

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the advantage of a larger number of deductions than less knowledgeable residents. It also appeared that different managers were more or less knowledgeable and more or less generous in informing residents of the deductions for which they were eligible and in allowing such deductions. Since most residents only learned of the deductions for which they were eligible from their managers at the annual conference at which they reported their income to the manager, the role of the manager became the crucial one in determining the rent level for any given resident of public housing.

In order to correct the inequities that arose out of this system, we determined to establish a mechanism of income reporting that would be much closer to the income tax system. In this system, residents would be provided with a form which allowed them to calculate their own rent, and at the same time, inform them of all deductions that were available. In this way, residents could be assured that they were provided with full information about their rights and could understand the rent recalculation process to verify the correctness of the rent which they were required to pay for the year.

Attached are copies of the forms and instructions that were mailed to all residents of public housing in Cambridge. Residents may, if they wish, calculate their own rent and bring their calculations to the manager for his/her review and verification. For those residents who chose not to calculate their own rent but preferred the manager to do so, a copy of the calculation sheet was provided to the resident and one copy retained by the Authority. This allowed each resident to examine and hopefully understand the manner in which his/her rent was determined. Since the income re-examination and rent redetermination process was a novel and more complicated one than in the past, a great deal of clerical and staff support was provided by the Central Office to the Housing Managers.

The new system appears to have had a couple of interesting results. There has been some considerable increase in the number of inquiries and questions concerning the rent calculation process. This seems to me a very healthy result of the fact that the process is now one in which the resident closely participates and which is no longer a mystery to residents. Secondly, I think there is some increase in the sense of trust for the recalculation process. Fewer residents, I think, feel victimized or abused by the re-examination and redetermination process.

Finally and perhaps more interesting, it appears, and I emphasize, that to date we have not fully verified this, that the

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income re-examination process has resulted in more candid reporting of income sources to the Authority. It is our impression that the increased faith of the residents in the fairness of the recalculation process has resulted in their willingness to report more fully their family's income.

One footnote about which you may receive some questions: Last year, new rents went into effect for all family housing developments on November 1, 1975, except for Jackson Gardens, Woodrow Wilson Court and Lincoln Way. Implementation for new rents for these three developments was delayed due to maladministration of the income re-examination by the project staff then assigned to these developments. New rents for these three small family developments did not go into effect until the Spring of 1976. Since the law does not allow us to re-examine incomes on a city-wide basis more than once each year, the new rents for these three developments will again be delayed until the Spring of 1977. All other developments, whether State or Federal, family or elderly, are implementing new rents effective December 1, 1976.

I hope this explanation is useful. Should any residents have questions about the correctness of their new rent calculation, you might wish to refer them to the following agencies for assistance:

1. Cambridge Tenant Senate
2. The Council on Aging
3. The Committee of Elders

We have provided training to residents and independent persons at each of the above organizations so that tenants with questions may turn to an unbiased source for assistance in determining the correctness of their new rent calculation. Additionally, of course, rent calculation is subject to review by myself or other Central Office staff and through the normal grievance procedure of the CHA.

Let me know if I can answer any other questions or be of any other assistance.

LHS:vn

Attachments

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OFFICE OF THE
CITY MANAGER



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
Tel. 876-6800

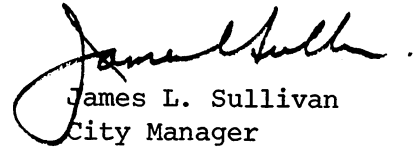
EXECUTIVE DEPARTMENT
JAMES L. SULLIVAN
City Manager

April 4, 1977

To the Honorable, the City Council;

With reference to Awaiting Report Item No. 6 relative to
rent increases to senior citizens, I transmit herewith a
self-explanatory communication from Lewis H. Spence, Executive
Director of the Cambridge Housing Authority.

Very truly yours,


James L. Sullivan
City Manager

JLS/b

Agenda #2

S-203

Awaiting Report Item No. 6 re: rent increases
to senior citizens.

In City Council,

April 4, 1977

Placed on File

P