



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139

TEL 349-4300

FAX 349-4307

EXECUTIVE DEPARTMENT

ROBERT W. HEALY

City Manager

RICHARD C. ROSSI

Deputy City Manager

TO: Councillor Kathy Born, Chair
of the Rent Control Committee
Councillor Myers
Councillor Walsh

FROM: Robert W. Healy, City Manager

DATE: April 29, 1994

Attached please find a memorandum from Terry Morris, Director of Rent Control, based on discussions with a variety of individuals in the tenant and property owner communities, outlining a preliminary proposal for a regulation which would require tenants to escrow rent payments with the City. This regulation would apply in cases of non-payment evictions when tenants are contending that rent withholding is justified because of substandard conditions within their units.

The escrow proposal addresses the problem of tenants who withhold significant rental payments, do not put aside or escrow these payments and then, at the time of a Rent Control Board or Court decision are unable to pay the property owner the required back rent. When this occurs, both tenants and the property owners suffer. Property owners lose significant income which they need in order to adequately maintain and operate property. Tenants, who have not escrowed rental payments, are subject to immediate eviction.

Although the attached proposal identifies the basic framework to consider an escrow regulation, there are a variety of important issues which would need further discussion and clarification prior to any final decision to adopt an escrow policy and prior to implementation of the policy. Those include:

1. Legality - There is no explicit prohibition in State statutes forbidding the requirement of escrow

payments by an entity such as the Rent Control Board. However, a more detailed analysis is necessary to determine the legality of the escrow proposal.

2. Practicality/Cost to City - Approximately 260 nonpayment evictions were filed with Rent Control in 1993. Close to 50% of the cases resulted in a default, i.e., the tenant having no defense and not appearing at the Rent Control hearing. Of the remaining cases, a significant number were settled through mediation and a smaller number of cases were contested and decided at the Board level. The overall practicality and administrative costs of an escrow program relate to the number of non-mediated, non-payment eviction cases where conditions are used as a defense. This data for the last three years is currently being compiled by Rent Control. However, it appears, upon a preliminary review of the number of cases involved, that the administrative burden would not be extremely high.

Another factor related to administrative costs is the time period for which escrow payments would be required. For instance, if tenants were required to pay a one time escrow payment covering the withholding period up to the time certificate of eviction is filed with Rent Control, the administrative costs would be minimal. If, however, month-by-month payments are required during the time Rent Control is processing the eviction, the administrative costs could become higher.

3. Implementation - Once historical data has been assembled and reviewed, the legal issue clarified and the program design refined, a regulation related to an escrow requirement could be adopted by the Rent Control Board. This regulation would then be the subject of public policy sessions and Board discussions. A financial system related to collecting, holding and tracking escrow payments would need to be established as well.

In summary, the following steps need to be accomplished to first determine whether such a policy should be adopted and, if so, to implement the policy:

1. Analysis of rent control data related to non-payment evictions
2. Develop detailed description of the escrow process, based on data review, including the time period covered, the portion of rent to be escrowed, notice

to tenants and property owners and abatement standards

3. Legal opinion related to any barriers to implementation through Rent Control regulation
4. Detailed administrative plan for collecting, holding and paying out escrowed funds

RWH:SS:nb



CITY OF CAMBRIDGE

831 MASSACHUSETTS AVENUE
CAMBRIDGE, MASSACHUSETTS 02139
TEL (617) 349-6161

RENT CONTROL BOARD

TERRENCE P. MORRIS,
EXECUTIVE DIRECTOR

MEMORANDUM

To: Susan Schlesinger

From: Terry Morris

Re: Rent Escrow

Date: April 28, 1994

As I envision it, the rent escrow scheme would operate as follows:

1. The owner files for a certificate of eviction based on nonpayment of rent and sends notice of an evidentiary hearing date;
2. At the hearing, the hearing officer makes several preliminary findings and/or "bench rulings"; the findings pertain to the amount of the gross arrearage, the existence of conditions and the maximum abatement available for all such conditions; the bench rulings would be in the form of an order compelling the tenant to pay one-half¹ of the gross arrearage within seven days of the hearing. Should the tenant fail to pay within the proscribed time, a certificate of eviction will issue.
3. The escrow payment should be by check or money order made payable to the "City of Cambridge as Escrow Agent". A record of the transaction including the name and address of the payor, amount and date of payment, RCB property address and case number. The payment would be forwarded to the Treasurer's office for deposit in an interest-bearing account with a local bank.
4. Depending upon further review of the post-filing time frames at the Board, it may be advisable to require

¹ the escrow payment may be adjusted by whatever percentage the hearing officer finds that the abatements are likely to offset the arrearage

monthly escrow payments in the same manner on the first business day of each month during the pendency of the Board's final disposition.

5. Upon disposition of the case by the RCB, the RCB would request the Treasurer to issue a check(s) payable to the owner/tenant as the decision in the case dictates. The interest on the deposit could either follow the principal or be retained by the city as a processing fee.

This memo presents a synopsis of the escrow process. Questions have been raised as to whether the Board has the authority to establish this program by regulation. It is my view that the power to do so is implicit in the passage of the special act which enabled the city to create a rent control and eviction regulatory scheme. Nonetheless, you may want to ask the City Solicitor for a legal opinion.

There are obviously additional questions that would best be addressed by a smaller working group for presentation to the Rent Control Subcommittee.

Produced by Just AS Art
Peter Shapiro

B

SURVEY RESULTS

RESEARCH METHODOLOGY

Surveys were sent out to all owners (whose addresses I could obtain) who filed eviction cases, special cases and tenant complaints in 1990. Most all addresses were obtained. Although owners who filed special cases and tenant complaints also received surveys, I am presenting data on eviction cases only at this time.

Survey information from 13 cases was returned to me with data on 25 cases. Information on the remaining 15 cases was received by phone. To reach landlords by phone, I first obtained as many telephone numbers as I could. The landlords I did reach by phone happen to have been the ones whom I was able to reach within the time allotted.

I focussed my research on small property owners although one large property owner who had a significant number of eviction cases is included for comparative purposes. All the survey data is aggregated on a large wall chart which you are welcome to review.

1. General Data:

Number of Eviction Cases in 1990 - - - - - 220

Number of landlords who filed cases - - - - - 105

Excluding the following nine (9) 'large' landlords; Labrecque, Niles Management, Curran, Norton, Lamberg, Harvard, Resource Capital Group, Scott and RCCC;

Number of Eviction Cases in 1990 - - - - - 137

Number of 'small' (*) landlords who filed cases - - - 96

2. Specific Data on which report is based:

Number of small landlords whose information is presented 23

Number of small landlord cases whose information is presented
- - - - - 29

Number of large landlords whose information is presented - 2

Number of large landlord cases whose information is prsntd 11

(*) There may be other 'large' landlords in this category of which I am not aware. The nine which are subtracted out are those who each filed more than four or five (4 or 5) cases and whose status I am aware of.

PRESENTATION OF DATA:

My research uncovered that there are six (6) types of processes landlords and tenants underwent to resolve their eviction disputes, into which I have separated each of the surveys. Each is listed below with corresponding data results.

A. CASES FOR WHICH NONPAYMENT WAS NOT AN ISSUE AND THE LANDLORD DID NOT LOSE ANY RENT:

1. EVN90052
2. EVN90084
3. EVN90186
4. EVN90016
5. EVN90149

B. TENANTS WHO PAID UP:

These are the tenants who responded to the eviction process by repaying the arrears, including monies owed during Board eviction process. Although the agreement for and completion of the repayment happened anywhere from immediately after the tenant first received notice to just before the Board ruled on the cases, agreements usually happened near to the day of hearing.

<u>Cases</u> <u>Time</u>	<u>Monthly Rent</u>	<u>Arrearage before RCB</u>	<u>Processing</u>
1. EVN90014	\$210	\$1050	4 days
2. EVN90036	\$311	\$733	17 days
3. EVN90136	\$200	\$2400	4 days
4. EVN90137 months	?	?	2 1/3rd
5. EVN90010	\$400	\$800	2 months
6. EVN90121	?	2 1/2 months worth	10 days
7. EVN90013	?	2 1/2 months worth	5 days
8. EVN90095	?	?	1/2 month
9. EVN90164	?	?	2/3rds month
10. EVN90166	\$575	\$1950.	4 days

AVERAGE: 21 DAYS

C. PARTIES WHO ENTERED INTO AGREEMENTS AND THE TENANT EITHER DID NOT PAY OR REPAID ONLY PART OF THE RENT AGREED TO BE REPAID:

Once the parties mediated an agreement which became enforceable by the Rent Control Board and the tenant didn't comply, the landlord needed to communicate directly with the Board for the Board to follow final due process procedures before the certificate of eviction issues. How much rent landlords lose from tenant non-compliance results from their own follow up efforts with tenants who began non-complying and Rent Control procedures.

Cases	Processing Time	Rent	Rent Losses		
			Pre-RCB	RCB	Post-RCB
1. EVN90115	3 1/2 months	\$400 8500		\$1138	0
2. EVN90159	1 month	\$403 1100		\$403	0
3. EVN90162	4 1/4 months	\$476 1170		\$2023	0
4. EVN90056	2 months	\$168 1200		\$332	0
5. EVN90038	1 month	\$213 \$630		\$213	0
AVERAGES: 2.35 months		\$332 \$2520		\$821	0

D. PARTIES WHO ENTERED INTO AGREEMENTS IN WHICH THE LANDLORD AGREED TO NOT PURSUE CLAIMS FOR PAST AND/OR FUTURE RENT DUE IN EXCHANGE FOR THE PARTIES NOT UNDERGOING A HEARING

Often the landlords believed that undergoing Rent Control eviction hearings procedures may involve the following risks: high expenses from unpaid rent for months of processing time, legal fees or potential abatements; the risk of the eviction case being denied; and the negative effects of a deteriorated landlord/tenant relationship. Consequently, landlords chose here to forgo past or future rent claims in exchange for the tenant agreeing to vacate.

Case	Processing Time	Rent	Rent Losses		
			Pre-RCB	RCB	Post-RCB
1. EVN90007	1 3/4 months	\$375	0	\$2400	0
2. EVN90024	1 1/2 months	\$212 \$9600		\$1525	0
3. EVN90206	1/4 month	\$278	0	\$1390	0
4. EVN90043	2 months	\$325	0	\$1400	0
AVERAGES: 1 3/8THS month		\$298	\$2400	\$1679	0

E. TENANTS WHO DEFAULTED, DIDN'T PAY ANY FURTHER, AND WERE EVICTED

Case	Processing Time	Monthly Rent	Rent Losses		
			Pre-RCB	RCB	Post-RCB
1. EVN90075	1 month	\$500	\$2750	\$500	\$1000
2. EVN90132	1 1/4 months	\$225	\$675	\$281	\$1300
3. EVN90135	1 1/2 months	\$282	\$1400	\$423	\$846
4. EVN90181	2/3rd month	\$1000	\$4500	\$667	0
5. EVN90015	2/3rd month	\$550	\$1650	\$370	0
6. EVN90096	1 1/2 months	\$557	\$550	\$835	0
AVERAGES:			1.1 months	\$519	\$1755 \$513 \$429

F. PARTIES WHO PROCEEDED THROUGH THE FULL HEARINGS PROCESS

These cases include tenants who; initially defaulted but returned to the hearings process, or who tried mediation before landlord began hearings procedures without success.

Case	Processing Time	Rent	Rent Losses		
			Pre-RCB	RCB	Post-RCB
1. EVN89 & EVN90110	13 1/2 months	\$625	\$0 \$0	\$8500 \$1138	\$625 \$4550
2. EVN90147 & 3. EVN91	11 months +	\$875	\$900 \$3400	\$941 \$6300 +	\$0 -
4. EVN90042	9 1/3rd month	\$185	\$696	\$1930	\$1200
5. EVN90122	3 1/4 months	\$450	\$900	\$1460	\$650
6. EVN90193	3 2/3rd months	\$260	\$460	\$960	\$440
7. EVN90017	1 3/4 month	\$300	\$1800	\$525	\$200
8. EVN90053	2 1/3 month	\$492	\$984	\$1148	0
9. EVN90064	1 1/2 month	\$193	\$1200	\$290	\$1000
10. EVN90002 & EVN91	10 months + 5 months	\$200 \$458	0 \$2290	\$236 + \$3600 +	0 -
AVERAGES:			6.1 months	\$424 \$1403	\$2455 \$957

SUMMARY OF DATA:

1. Cases where no rent was lost:

A. Nonpayment not an issue:

5 cases

B. Tenants paid up:

10 cases

2. Cases where rent was lost during Board processing period:

A. Noncomplied-with Mediations:

5 cases

Average processing time

= 2.35 m.

Average monthly rent

= \$332

Average rent lost before RCB processing = \$2520

Average rent lost during RCB processing = \$821

Average rent lost after RCB processing = \$0

B. Negotiation resulted in lost rent:

4 cases

Average processing time = 1.375 months

Average monthly rent = \$298

Average rent lost before RCB processing = \$2400

Average rent lost during RCB processing = \$1679

Average rent lost post RCB processing = \$0

C. Tenants who defaulted:

6 cases

Average processing time = 1.1 months

Average monthly rent = \$519

Average rent lost before RCB processing = \$1755

Average rent lost during RCB processing = \$513

Average rent lost post RCB processing = \$429

D. Parties who adjudicated their cases:

10 cases

Average processing time = 6.1 months

Average monthly rent = \$424

Average rent lost before RCB processing = \$1403

Average rent lost during RCB processing = \$2455

Average rent lost post RCB processing = \$957.

Average Rent Lost before Rent Board processing = \$2020

Average Rent lost during Rent Board processing = \$1373

Average Rent lost post Rent Board processing = \$346

Excluding Four Cases 1. EVN90115 Pre-RCB losses

\$8500

2. EVN90024

\$9600

3. EVN90181

\$4500

4. EVN90047

& EVN91

\$4300

Average Rent lost pre-RCB processing = \$973.

Excluding three cases 1. EVN89

& EVN90110

RCB losses

\$9638

2. EVN90147

& EVN91

\$7241 +

3. EVN90002

& EVN91

\$3836

Average Rent lost during RCB processing = \$962.

City of Cambridge

The Rent Control Committee held a public hearing on May 3, 1994, beginning at 5:45 p.m. in the Sullivan Chamber for the purpose of considering City Manager Robert W. Healy's report on Councillor Toomey's proposal that the Rent Control Board establish a rent escrow program. Present at the hearing were Councillor Kathleen L. Born, Chair of the Committee, Councillor Jonathan S. Myers, Councillor Michael A. Sullivan, Councillor Timothy J. Toomey, Jr., Councillor William H. Walsh and City Clerk Margaret Drury.

Councillor Born convened the hearing and explained the purpose. She introduced Susan Schlesinger, Assistant to City Manager Healy, and requested that Ms. Schlesinger discuss the report submitted by City Manager Robert W. Healy (Attachment A) in response to an order of the City Council requesting that the City Manager respond to Councillor Toomey's proposals for rent control reform. Mr. Healy's memo discusses the issue of rent escrows in nonpayment eviction cases.

Ms. Schlesinger reviewed the memorandum and outlined its major points. She noted that the material contains a memorandum from Terry Morris, Executive Director of the Rent Control Board, who was not able to be at the hearing. She said Mr. Morris' memo sets forth a potential scheme for operation of an escrow plan, and then summarized the plan.

Councillor Born asked whether the plan envisioned one payment at the time the case was filed. Ms. Schlesinger answered in the affirmative. Councillor Born asked what would happen after this time.

Florrie Darwin, Chair of the Rent Control Board, said that these cases are typically fast-tracked, so that it probably would not be worth the administrative cost of collecting the rent in monthly increments.

Councillor Born asked what would happen if the tenant did not pay the escrow. Ms. Darwin said that there would be a hearing before the hearing examiner, but the case would go no further. The certificate of eviction would be issued and the landlord would go to court.

Ms. Darwin said that at the hearing examiner level the determinations of diminution in rent value due to code violations which are within the Rent Control Board staff's expertise, would be made, so even in the case where a certificate of eviction was issued for failure to pay the escrow amount, the court would have the benefit of the Rent Control Board expertise in determining the value of the rental unit with code violations.

Councillor Born asked how the escrow proposal is tied to a rent control system. Ms.

Darwin explained that the Rent Control Board is a stop on the way to the courts. Only in a City in which there is rent control, would there be such municipal jurisdiction.

Councillor Born asked Ms. Darwin to give a brief history of discussions regarding escrow accounts that have occurred at the Rent Control Board.

Councillor Myers noted that he had to leave early and requested the opportunity to state his views on the proposal. Councillor Myers said that he appreciated the fact that this committee is having this hearing and he appreciates Councillor Toomey's efforts in proposing changes to improve rent control. He noted that the bill to eliminate rent control takes away from these efforts.

Councillor Myers said that it seems like a fairly sensible and positive step to establish some escrow system. It seems doable and it should be done expeditiously. He noted that the City has legitimate concerns in the administrative area relating to holding sums of money, but he is confident that they can be solved.

Councillor Born returned to her questions to Ms. Darwin regarding past discussions at the Rent Control Board. Ms. Darwin said that within the last 2-3 years Just-A-Start has done some research on the time factors. It showed a large delay before landlords bring the eviction, and it showed some large losses that cannot be recouped, which created enormous problems for small landlords. Her sense in discussions with the Executive Director is that it is a workable program. Her concern is to have that portion of the process that goes through the Rent Control Board be as costless as possible for landlords.

Councillor Born asked whether an escrow program would deter tenants from withholding rent.

Ms. Schlesinger said that the amount of escrowed rent required would be related to the conditions found by the hearing examiner at the hearing.

Florrie Darwin said one factor that would be important in deciding the usefulness of this program would be to see in what percentage of cases where the tenant is ordered to pay rent at the end of the rent control process, the rent is actually paid.

Councillor Walsh asked whether there would be additional payments required if the case took six months. Susan Schlesinger said that the final proposal would depend on what statistics show about case processing time.

Ms. Darwin added that if the case processing time as the Rent Control Board took much longer or was obviously going to take much longer, there could be provisions for an additional payment to the escrow account. It would depend on the program design.

Councillor Walsh asked how long the average non-payment case lasted. Susan

Schlesinger said that they needed to look closely at that data before making final recommendations as to the time period.

Councillor Born posed a hypothetical case in which a landlord has three run down buildings and a tenant with limited resources. The kitchen sink has a very badly clogged drain in need of plumbing, the tenant calls the landlord and finds that the landlord is out of the country for the summer. On advice of legal services she withholds rent. The landlord returns three months later. The tenant does not have the money to pay rent. There are other code violations, such as a broken rail on the common area stairs. Assume that the rent was \$330 a month.

Ms. Darwin said that the landlord and tenant would go to the Rent Control Board. The tenant would raise the issue of conditions. Only common area violations and those of which landlord had notice could be considered.

The hearing examiner would calculate the rent owed, would take testimony about the conditions, and would evaluate the conditions. For example, the hearing examiner could find the value of broken sink was 8% of the rent. All these calculations would be totalled and the hearing examiner would make a finding as to the rent owed. If that was 80%, the hearing examiner would then issue an order that the tenant pay the rent owed, in this case \$800, into the escrow account. If the tenant pays into the account, the case goes on to the Rent Control Board for a Board hearing. If the tenant does not pay within 7 days, the certificate of eviction is issued.

Councillor Born asked at what point in this scenario, the conditions are corrected. Ms. Darwin said that this is a good question to which the answer is unclear.

Ms. Darwin noted that the Board would likely be conservative in its calculation of the escrow amount to avoid situations in which a tenant was required to pay into escrow amounts that the Board would ultimately determine were not owed. Councillor Born then opened the meeting for public comment.

Scott Levitan, owner and resident 9-11 Bigelow Street, gave an example of an eviction process that he went through. In July 1989, after four months of nonpayment he applied for eviction. The hearing examiner persuaded them to mediate because the first available Board hearing was in four months. They negotiated that tenant would live in the apartment until September and pay some rent. None was paid. The total rent loss was over \$3,000 plus \$1,200 damage by tenants. The total loss from the vacancy was \$4,820. The allowed management fee was \$4,700. This is a serious issue and he appreciates the concern that is being shown to it. Another way to deal with the issue is for the Board to include a vacancy allowance as a standard part of the rent structure.

Councillor Born asked what difference an escrow system similar to that proposed might have made in his case. Mr. Levitan said he still would have waited for the four months. They

would have received \$2,800 and would have lost two months rent. Perhaps they would not mediate if they knew there was money in the escrow account.

Albert M. Cooper, 37 Fer Road, Newton, trustee of the building at 365 Harvard Street. In April 1990, his tenant had been in the unit since 1979. She had always paid her rent. Her daughter was living with her. She moved to New York and her daughter stayed there. The daughter paid for a few months. The rent was \$850. In August, 1990, she owed \$2,600, at which time he applied for an eviction. He agreed to mediation. She promised to pay but only did so for 3-4 months. In early 1991, he applied for another eviction. There were several continuances at the tenant's request. The case was finally heard on June 18 by Susan Weinstein. From June 1991, the Rent Control Board hearing was December 1991. On January 3, 1992, the Rent Control Board ruled that the tenant owed over \$10,000. He went to court and finally got judgement in March 1992 for over \$13,000. There were also damages from frozen pipes for over \$4,000.

Councillor Born asked how might this have been different in Newton, with no rent control. Mr. Cooper said he would not have lost the year in the Rent Control Board process. Councillor Born asked how the situation would have been changed if there were an escrow situation, Mr. Cooper said that he would not have lost the rent.

Councillor Toomey noted that this system would also provide some protection for the tenant, to keep them from getting in this situation where they owe unpayable sums.

Alex Steinberg, 3 Clinton Street, spoke against the proposal. He said a better solution would be for the Rent Control Board to limit its role in evictions to being an intervenor in the court case making recommendations as to the amount of the abatement. He also suggested that there be an allowance in the rent for vacancy loss. He suggested a presumption of a standard amount, but that landlords be allowed to show greater actual expenses through vacancy losses and have that actual expense built into the rent.

Bill Noble, Franklin Street, member of Cambridge Tenants Union, said that he should have been able to obtain the memorandum from Robert Healy sooner than this afternoon. He would like to have such material mailed to the Cambridge Tenants Union when it has been prepared. He noted that he was not part of the earlier work done that resulted in Terry Morris' memorandum. He does not believe the others in the working group agreed with Terry Morris' position. The Rent Control Board general counsel believes this is illegal. Mr. Noble said that the tenant has the right under state law to withhold rent when there are code violations. Under Section 9(a) of the Rent Control Act, the Board does not have the right to abrogate state law. He would like to see equal attention to the code enforcement laws. Regulations have not even been written for the City's newly enacted ordinance pertaining to code enforcement. He added that according to a survey commissioned by the Superior Judicial Court, on average evictions and summery process in court take less than thirty days. Mr. Steinberg's suggestions would require amending.

Ms. Darwin said that there was no research presented to the Rent Control Board in which the general counsel found that the escrow scheme was illegal.

Lenore Schloming, 102R Inman Street said that she lost six months of rent because of four days that tenant had no water. An escrow system would have helped her, although the best solution would be no eviction process at the rent Control Board. Second best would be a vacancy allowance. She sees the biggest problem as being that a hearing and finding is required before there is an escrow account.

Peter Shapiro, Just-A-Start, landlord counselor, presented the results of a survey he did on eviction cases (Attachment B). Mr. Shapiro noted that failure to fix a code violation can be a complete defense. The Rent Control Board can refuse to issue the certificate. He also looked at statistics about when Inspectional Services Department is called in. In almost all the cases it is after the landlord has filed for an eviction at the Rent Control Board.

Mr. Shapiro said that it is important to consider how the escrow proposal would influence negotiations. He also said that in February and March of 1992, he, Neil Rohr, Terry Morris and Florrie Darwin had several discussions on this issue and had a different proposal.

Susan Schlesinger noted that this proposal is an attempt to elicit discussion, not a final proposal.

Mr. Shapiro said that certainty about what will happen at Rent Control Board will influence negotiations. He also said that cases take a minimum of 45 days.

Robert LaTremouille, 348 Franklin Street, said that this plan would require changes in state law. He also noted that the Board often reverses or amends what the hearing examiner does.

Frank Nahigian, Fayette Street, said that he currently has three tenants behind in the rent. He is not going to go through the process to try to evict them because he knows they will try to pay. This proposal is a good idea, because there are often tenants who just use the process for delay.

Michael Turk, 24 Prescott Street, Cambridge Tenants Union, said there are serious questions. He said these questions are:

1. The general framework. Rent withholding is linked to getting code violations corrected.
2. The question of legality is very serious. Chapter 111 Section 127I, the repair and deduct remedy, is seriously impeded by this proposal. The legal issues must be considered.

3. The issue of "rough justice" must be considered. The hearing will reach a preliminary decision which will be acted upon, could be a due process problem.
4. Kathleen Pucket, 21 Lee Street, said that the bottom line is that people should not be losing money supporting housing. She believes the escrow amount should be 100% of the rent owed. If the finding is that the money is not owed, the tenant would get it back.

David Sullivan, Huron Avenue, commented on Terry Morris' memorandum. In paragraph 2 the tenant should be required to pay the whole gross average, not one half. The footnote should be included in paragraph 2 after the second to last sentence. In paragraph 4 delete "may be" and insert "is".

Councillor Born thanked those present for their attendance. She noted that in the absence of a quorum of the Committee, she would not suggest a motion. She urged those interested in the issue to consider writing proposals and reactions to this proposal.

The hearing was adjourned at 7:30 p.m.

For the Committee



Councillor Kathleen L. Born, Chair

COMMITTEE REPORTS

S-204

Rent Control Committee report for a public hearing held on May 3, 1994 for the purpose of Councillor Toomey's proposal that the Rent Control Board establish a rent escrow program.

In City Council,

May 9, 1994

*Report accepted -
Referred to the
City Manager for
opinion on legality of
escrow account
on motion of
Councillor Born
from City Solicitor*