

CAMBRIDGE PROPERTY OWNERS ASSOCIATION INC.

2A TROWBRIDGE STREET, CAMBRIDGE, MASSACHUSETTS 02138

Telephone: 354-2626

Officers

President: CARL F. BARRON
Vice President: ROBERT A. JONES
Treasurer: PAUL WATKINS
Secretary: THOMAS H. NILES

March 12, 1971

Directors

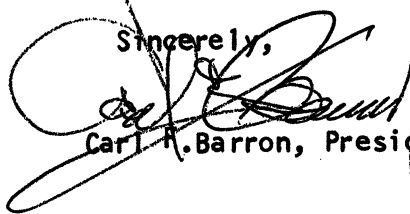
Anna Aiello
Joseph P. Barrell
Carl F. Barron
Charles Blevins
John J. Campbell, Esq.
Howard H. Gilbert
Robert A. Jones
Kenneth Koplow
Sumner J. Marcus
Donald H. Mercier
Thomas H. Niles
Samuel Pillsbury
Paul Slater
Chauncey DePew Steele, Jr.
Paul Watkins

Mr. Paul E. Healy, Clerk
City Hall
Cambridge, Mass.

Dear Mr. Healy:

Enclosed, you will please find ten sets of letters and forms of which I would like to have nine distributed to the City Councilors in time for the meeting on Monday evening. The tenth copy is for you.

Sincerely,



Carl F. Barron, President

b/b
encls.

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TO: THE HONORABLE MEMBERS OF THE CAMBRIDGE CITY COUNCIL

RE: FURTHER FACTS ON RENT CONTROLS

On March 9, 1971, in the Rindge Technical High School Auditorium, at a Public Hearing before Mr. William Corkery, Rent Control Administrator for the City of Cambridge, various facts became most obvious. Since this was not a City Council Meeting, nor attended by most members of your Honorable Body, we feel we should call certain of these facts to your attention. All responsible people in this City, whether for or against rent control, are, supposedly, motivated by sincere beliefs. Their position should have sufficient merit to support their own point of view without the necessity of using vicious and lying propaganda such as the attached flyer, which was distributed throughout the Rindge Auditorium that night.

I read this alleged outline of facts which transpired between Mr. William Corkery and the Cambridge Property Owners Association, over the microphone, to all those in the audience, that night, to make absolutely certain that every one was thoroughly familiar with it. Then, I added one more sentence, "the only problem with all of the reported agreements made between Mr. Corkery, in person, and the Cambridge Property Owners Association is ---- Mr. William Corkery never attended our meeting at the Hotel Continental on March 9, 1971. In other words, apparently, the Cambridge Tenants Organizing Committee, hearing that we had invited Mr. Corkery to address our group, and to answer any questions that might arise with regard to a matter that is confusing to all of us, had assumed that Mr. Corkery had attended. Based upon this assumption, they further assumed and imagined what Mr. Corkery and our Association had agreed to.

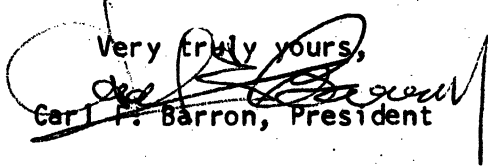
If the Cambridge Tenants Organizing Committee has to resort to outright lies and this type of propaganda, I seriously question its right to continue to present so-called facts and testimony before your august body for the purpose of influencing your members in any way.

We respectfully call your attention to the fact that attempts to defame Mr. Corkery's personal reputation and his attempts to operate in his position of Rent Control Administrator, after only days in office, are not in the best interests of tenants, owners, nor the City. Most of us do not yet know Mr. Corkery's capabilities, but, being realistic, for whatever length of time that we do have rent control, it is best to have a fair and capable person. We do not know whether Mr. Corkery is this person, but, at least, he is entitled to a fair chance to prove it.

All testimony given at the Rindge Auditorium on March 9, 1971 was, supposedly, recorded. We suggest that the members of your body either have that tape played to you in its entirety, or, at least, hear the extremely competent outlines of financial facts and figures as presented by Mr. Robert A. Jones of Niles Co. Inc., 18 Brattle St. Cambridge, Mass. Mr. Jones is a professional in the field, highly regarded, with a tremendous amount of experience.. This is in vivid contrast to the amateurs who are presenting theories, with no basic knowledge of the facts of life pertaining to the operation of real estate of our City. Since we have not imposed ourselves unduly upon your time, we request that you either listen to the tape of his detailed explanation, or, as a possible alternative, that he, inturn, be permitted to present these facts to you, in person.

I am also enclosing herewith a copy of a speech given by me on the same occasion as noted above. I trust that you will take the time to read it and give it serious consideration.

Very truly yours,


Carl F. Barron, President

b/b
enc.

March 9, 1971

SPEECH GIVEN IN RINDGE AUDITORIUM CAMBRIDGE , MASS.

TO: MR. WILLIAM CORKERY, RENT CONTROL ADMINISTRATOR

Mr. Corkery:

My name is Carl F. Barron, Belmont, Mass.. President, Cambridge Property Owners Association and a resident or businessman of 45 years in Cambridge.

For 2 years, I have been involved in the problems of rent controls. Tonight, I am more convinced than ever before that there are unfair, impractical, and definitely, harmful to the owners and tenants and the City. A recent ruling of the Supreme Judicial Court of the Commonwealth of Mass. ruled that the State Legislature does have the power to pass certain legislation. This ruling did not state that the legislation was economically sound or wise. It did state, however, that the owners must be given a fair net return. So far, the property owners of Cambridge have been denied this basic right by the very lack of good judgment on the part of the Cambridge City Councillors who voted for rent controls through their failure to either carefully weigh the consequences of their poor judgment and business common sense, or because they yielded to their desire for political position with complete and utter unconcern for approximately 6500 housing owners in this City. Now, we demand that certain steps be taken to prevent the total economic collapse of the City along with the severe financial back breaking burdens that have been placed on the shoulders of decent citizens, tax-payers--the poor suckers who suddenly find that their City Government has tossed them to the wolves because of highly vocal howls from the wolf pack. As a matter of fact, as I compare those who look for harsh, discriminatory and unfair measures against property owners, today, as against one and 2 years ago, I note few familiar faces --they've changed -- they are new, strange and very youthful. They do not seem to include many of the long-term tenants or residents of Cambridge. I wonder how many of them lived in Cambridge 6-12-24 months ago? How many of them are good tenants today-- paying their rent on time, keeping their premises clean, restricting the occupancy to the number they agreed to with their landlords. How many are trying to get cheap or free rent by joining together to use the force of numbers on a City Government that is bowing through fear. From various sources in the City Government, I hear constant references to 10-15 bad landlords -- no more. The leaders of the Housing Convention have used similar numbers for a long time -- yet why the insistence on seriously injuring approximately 6490 decent owners to get at 10-15 bad ones?

A "fair net operating income" is predicated upon facts and figures, to a large degree. However, it is also influenced by other factors which must be corrected at once. We have noted certain steps and statements on the part of the City which we hold to be extremely unfair. They include -----

- (1) Failure to provide a "Fair net operating income" to owners in Cambridge by depriving the owners of compensating costs to offset known increased costs since the effective roll back date of September 1, 1969. This includes no known provision for retroactive and offsetting rent increases back to the effective date of the rent controls of Dec. 1, 1970 or Jan 1, 1971, as the case may be. To my knowledge, "Fair net operating Income" means for the entire time since rents were rolled back and not just for the time already gone by nor for an indefinite period of time in the future, possibly 6-12 months from now, and certainly when most of the current tenants have either already gone or about to leave.

- (2) Failure to provide for escrow accounts until rent problems are resolved. Tenants are highly transient, particularly here in Cambridge. Whatever else might be said of landlords, they are, basically, permanent. This omission is serious and one-sided.
- (3) Failure of the City to provide a competent supervisor in the Inspection Division of the Health Dept. to the detriment of both tenants and owners in handling complaints. No supervisor has been here, at this critical position for many weeks, yet this is the City Dept. that inspects complaints.
- (4) Unfair treatment by the City in providing one--sided notices to tenants of their rights while sending no such notices to all owners apprising the latter of their rights. Also, the unfair policy of the City in having the Health Inspectors give notices of violations, including 7-day notices to tenants, in hand, at the time of inspection, while mailing a copy to the owner which might not arrive for 3-5 days, making it impossible for the owner to have time to correct the violation, but giving the tenant seeming justification for complaining on the 8th day.

There are many others, but, we'll leave those for the moment and now refer to the matter of a % of market value which would provide a fair net return. I feel that a range between 12-~~12.5~~ 18% would be much more equitable. Today there are bonds and various forms of investments that will give a 10% or more return, with no time spent, practically no risk and, certainly, without the troubles concerned with real estate. The standard and accepted interest rate on revolving charge accounts in Mass. is 1½% per month or 18% per year. There is a great deal less work in handling this type of account than real estate, and, certainly, no greater risk.

There are property owners of varying efficiency in operating their properties. Some can spread fixed costs over many apartments and thus reduce certain fixed costs to a lower level than the smaller ones. A large firm, with its own maintenance staff, for example. Because of quantity purchases of supplies, there may be lower per unit costs. There are owners who own small buildings who not only manage them, but who do the bulk of at least minor repairs and maintenance for which they are entitled to compensation, but who, actually, are neither knowledgeable about cost accounting procedures of this kind, nor able to do the paper work that would permit them to properly charge these costs to their operating costs.

On the other hand, the efficient operators, who keep their per unit costs down, should not be penalized for so doing. Also, they must be given an adequate return to have them continue to operate in this manner and not force them to sell out to the very type of speculative real estate operator who is not what any of us want. Therefore, I again repeat the range of 12-18% to be a good basis for a fair net operating income.

CORKERY'S FOLLIES

Tonights hearing is supposed to come up with the standard for luxury apartments and a fair net operating income for landlords. This means a determination of what a "fair" guaranteed profit is. No concern is shown for the tenants—for the elderly who can't afford both high rent and decent food, for the working people whose real wages have gone down over the past five years. Rather, the rent control bill, through the loophole of unfair net operating income is guaranteeing profits to landlords. And we all thought that rent control was supposed to control the rents—to keep them down!

To make matters even worse, Corkery—the new rent control administrator—has placed himself clearly at the right arm of the landlords. In addition to declaring that he supports the absurd standard put forward by Cronin, he has made it clear on numerous occasions that he supports completely the desires of even the most greedy landlords. For example, last Thursday night, there was a landlords' meeting at the Continental Hotel, attended by Corkery (who was, by the way, a lawyer for the landlord Cacciola). At this meeting Corkery declared that new health code provisions were being sought which would make it easier for landlords to let their buildings rot. Not content with allowing worse living conditions, the administrator promised landlords would be able to get higher rents as a result of this hearing. And if you object to that, he promised to try to change the eviction proceedings to make evictions even easier than they are now! In addition, Corkery promised the landlords that there would be plenty of plain-clothes cops around at the hearing tonight to take care of anyone who so much as called a landlord a bad name!! That's what Corkery said!! also they were trying to devise a strategy to separate the tenants from the landlords, so that all tenants as a group could be taken care of if things got hectic!

Its quite clear that the landlords and their city government are trying to intimidate the tenants.. What is happening in Cambridge is also happening in other communities where rent control has been passed.. In Somerville, the rent control board just awarded a 7% accross-the-board increase in rents to landlords. In Brookline, the rent board is operating "temporarily" on Cronin's old unfair net operating standard. In Boston an injunction was granted against six tenant organizers prohibiting them from even contacting legal aid for tenants; and the rent control board issued an eviction certificate against a Dorchester woman legally withholding rent from her slumlord. The problem is not just in Cambridge. Landlords, and the banks that stand behind them, are trying to sabotage rent control everywhere it has been passed—no matter how weak the bill happens to be.

Only by organizing to fight back can we defeat the landlords and the city officials who work for them. We must bring people together building by building, landlord by landlord, neighborhood by neighborhood, and city by city. This work has already been begun. It is up to all of us to continue doing it. Otherwise Cambridge will become a city of slum housing, where none of us can afford to live. We must demand decent housing for everyone at rents we can affor. This means: NO EVICTIONS, NO INCREASES, AND BUILD HOUSING BY TAXING THOSE WHO ARE EXPLOITING US.

Join CTCOC—help us organize to fight the landlords, and the tools in city hall who regularly do their bidding,

CAMBRIDGE TENANTS ORGANIZING COMMITTEE

354-2064



MOTTO

"The tenants are, as a whole, irrational.... You can't in any way make a rational argument to them and get them to understand."

-SPADAFORA, Dec 70

"RENT CONTROL" ADMINISTRATION

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IF YOU DON'T LIKE THE NEWS, GO OUT AND MAKE YOUR OWN

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TO: ALL MEMBERS

RE: FAIR NET OPERATING RETURN AND OTHER MATTERS

On March 9, 1971, Mr. William Corkery, Rent Control Administrator for the City of Cambridge, held a Public Hearing in the Rindge Technical Auditorium on the matter of a fair net operating return to property owners. The hall was packed, mostly with young people, many of whom came from other communities, such as Somerville, Boston, and Brookline. They were highly vocal in matters that were, actually, none of their concern, but to whom this is a movement that is more than one City-wide, it covers most of Greater Boston, as well as other cities throughout the country.

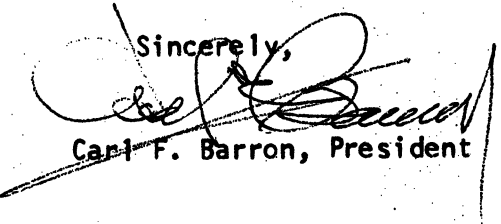
Petitions were circulated throughout the audience requesting the name, address, age, and length of time as to residence in Cambridge. When questioned as to what this information was for, the answer was "to form a voting bloc, to get enough votes, so that we can take over the City with our own crowd". You might as well be aware of such plans and that they are not a wild-dream. They are the ideas of people who have every intention of destroying property rights, your ownership of your own property, your way of life, and in its place, to insert a wild-eyed group of theories that everything belongs to everybody, and that those who are in the age bracket of between 18-25 years of age have all the answers to all the problems of the world, and that any one older rarely knows the basic facts of life. Your hard work over the years, experience acquired through years of involvement, business, work, government, finance, etc., all mean nothing to so many of these people who have just come into the City from all over the United States, and other countries, who are here for a very brief period of time, and who, by force of numbers and loud voices, cow government officials, including the Cambridge City Council, into believing that they speak for all the people, when they speak only for themselves with little or no work. They destroy our housing, milk our welfare funds, raise havoc with all of our City, partially because of the indifference, fear, or selfish motivation on the part of both our citizens and our City Officials, to a large extent. An investigation into the number of welfare recipients who are able-bodied, young, and have a short stay in our City, should make most interesting public information and a scandal, particularly here in Cambridge.

The enclosed letters and forms speak for themselves. We thought that they are important enough to be distributed to all of our members.

After you have read all of this ----- DO SOMETHING FOR YOURSELF AND ALL OF US. GET MORE MEMBERS! Have others read the enclosed letters and this. Make them aware of what is going on or all of us will be sorry ----- and extremely so.

No announcement has yet been made by the Rent Control Administrator as to what the new formula is for a fair net operating return. We expect an announcement to be made very shortly. We will notify you as soon as we do hear. In the interim, we feel that you are entitled to a fair return and suggest that you make a request for a hearing, if you have not already done so in order to permit you to obtain a fair return from your property.

Sincerely,



Carl F. Barron, President

b/b
enc.

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Communication from Carl F. Barron, President,
Cambridge Property Owners Association Inc.
with further facts on rent control

March 15, 1971

Placed on File