

To: the City Council
From: Lenore Schloming

1991 MAY -9 PM 4:20

When this City Council considers the laws it passes, I believe that attention must be paid to the COMBINED effects of multiple laws all acting in concert. The philosophy of science says "the whole is greater than the sum of its parts. Statistics calls it the INTERACTION EFFECT.

I offer an example from Massachusetts Landlord-Tenant Law and Rent Control. As a landlord subject to Ordinance 966, I MUST rent my apartments! Under the Massachusetts Building Code, another applicable law, I MUST maintain my building IF I rent it. If I didn't HAVE to rent my apartments, I could choose not to maintain my building. The Building Department would simply declare my property uninhabitable -- and that would be that. But, since I MUST rent my apartments, I MUST maintain my building.

Add Rent Control to these two laws. Rent Control does not include a capital replacement reserve fund in its legal maximum rents. There is not enough money in the rent to SAVE ahead for major repairs. Unless I have personal savings from another source, I MUST BORROW money -- because I must maintain my building -- because I must rent my building! No law says that I MUST borrow for repairs. But, the effect of these 3 other laws in combination is the same as a single law that says I must borrow!

Yet another piece of the equation affecting landlords is Massachusetts' "warrant of habitability" law which allows tenants to withhold rent for even minor code violations in their apartments. Tenants can and do withhold rent. Borrowing for necessary repairs increases an owner's debt. Owners in debt are at the mercy of their tenants. All they need do is go on a rent strike long enough -- and owners lose their buildings. It happens every day!

Finally, a survey of all rent controlled dwelling units will add to the rent controlled property owner's already heavy burden. Owners will be cited for even minor code violations. Tenants will be free to withhold rent. Owners will be forced to borrow money to fix the code violations. Their debt will increase. And so will their risk of losing their property.

Each law by itself may not seem so bad and may not be so bad. But, each law is not the one and only law that owners are subject to. It's like bleach and ammonia! Alone, neither of them is lethal. COMBINED, they make mustard gas! The whole is greater than the sum of its parts.

Together, the laws add up. Their consequences may not have been originally anticipated or intended. But they are especially burdensome for small low and moderate income landlords, many of whom cannot survive because of them.

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CONSENT COMMUNICATIONS

S-656

Comm. received from Lenore Schloming,
102 Rear Inman Street, relative to the rent
control process in the city.

In City Council,

May 13, 1991

Placed on file