

July 30, 1992

Rent Control Committee Report on Problem Buildings: 205-211 Harvard St.
266-270 Windsor St., and 19-25 Market St.

Overview: The buildings located at 205-211 Harvard St. and 266-270 Windsor St. and 19-25 Market St. came to the City Council's attention in February of 1992, when a group of tenants and tenants organizers from a group known as the Eviction Free Zone appeared before the City Council to protest the combination of poor living conditions, and rapidly escalating rent increases in their buildings. A motion was made by the City Council to refer this matter to the City Manager and to request a report in two weeks time. In the ensuing two weeks a fire occurred at one of the buildings in question (19-25 Market St.) which caused the relocation of 61 tenants, mainly low income from the building.

This apparently was a factor in the three months which transpired before the City Council received the report from the City Manager and the Rent Control Department, with regard to the conditions in the building. This report which was received in May of 1992, was a fairly straightforward account of the rent increases of one of the buildings in question (266-270 Windsor St.) The report did not go into great detail regarding the conditions in the building. The report was one which showed the numbers of the rent increases, but did not in any way say what the rent increases were for, meaning what type of work or repairs were done on the building.

At this time the report was referred to the Rent Control Committee. A hearing was scheduled for July 14 to coordinate schedules of all involved. Prior to the hearing the Rent Control Committee was invited to tour the premises at 266-270 Windsor St on July 13, 1992 to inspect the conditions of the building.

Findings of the Committee

In the tour of July 13 which was conducted by members of the committee, Myers, Toomey, and Walsh (for the second half), and two members of the press and photographers, along with tenants organizers, the Committee saw that the conditions of the buildings varied from apartment to apartment, but in many cases there were very troubling living conditions which appeared to be violations of the building code. On the tour the Committee witnessed things such as holes in walls, peeling paint, uncovered radiators, complaints from tenants of bugs and rodent infestation, bathrooms in unsanitary condition, doors with faulty lock devices, faucets which did not work properly, a basement with hanging wires, holes in the ceiling, and large collections of trash. In addition, common areas such as hallways were not well kept, and there was evidence of paint peeling and holes in hallways. There is also a major concern that lead paint exists in the building, as there are a number of small children housed.

These conditions have existed and continue to exist at a time when rent increases have risen dramatically during the last three years. At 266-270 Windsor Street, the average rent increase was \$185/ month, per unit over a three years period, at 19-25 Market Street, rent increases averaged close to \$250/month, per unit and at 205-211 Harvard Street, rent increases were \$320/month, per unit, over a three year period.

Findings of the hearing on July 14. Present for the hearing on July 14 were: Richard Rossi, Deputy City Manager, Joseph Cellucci, Commissioner of Inspectional Services, tenants from the buildings and tenant representatives, and Terry Morris, Executive Director of the Rent Control, and Buddy Packer senior hearing examiner from Rent Control, and Alex Steinberg, owner of one of the buildings, and managing partner in the other two buildings. The detailed testimony of the hearing can be found in Deputy City Clerk's minutes of the meeting. As the meeting was televised, a video tape can also be obtained. A brief summary of the participants testimony follows.

Mr. Cellucci presented testimony, about the number of code violations for each of the buildings. From 1987 to 1992, 19-25 Market St. had 43 violations, 266-270 Windsor St. had 32 violations, and 205-211 Harvard St. had 22 violations. When asked Mr. Cellucci responded that this was not an inordinately high number of violations for each building. But what Mr. Cellucci did find to be problematic was the issue of recurring violations, or those violations which seemed to occur on regular basis. In Mr. Cellucci's reading of the record these repairs which were not adequately done, or as he described it were done in a "bandaid" form. When asked about this by more than one member of the Committee, Mr. Cellucci stated in his view that inspections were not adequately performed by members of the Inspectional Department. When asked further, Mr. Cellucci, cited as reasons for the poor performance, improper training (a housing inspector needs no training before being able to go out to inspect housing units), no or poor supervision, and inadequate staffing.

Mr. Cellucci also stated that for each of the buildings the amount of communication between Inspectional services and rent control staff was minimal. For 266-270 Windsor St. there was one communication between the two staffs in five years, for 205-211 Harvard St there were no communications, and for 19-25 Market St there were two communications.

Tenants from the buildings

Four tenants spoke as official representatives from the buildings in question. Tenants cited the difficulty that the steady rent increases were having on their ability to remain in the buildings. In addition tenants spoke of difficult living conditions, and difficulty in getting the landlord to respond to complaints that were raised about the building. Lag time was specified on repairs, such as plumbing, heating, and kitchen and bathroom repairs. Finally tenants spoke of signing Affidavits of Compliance, indicating that work was properly done, with a sense of being pressured by workers in the building. The Committee received two written statements from tenants stating that they were misled in signing the affidavit of condition, and that it was signed under duress.

Rent Control Staff, Mr. Morris and Buddy Packer

Mr. Morris described the process by which the rent increases were granted. In his view, Mr. Morris stated that rent increases should not be given, if there are outstanding code violations in the building. When asked about the level of contact with Inspections Services or actual inspections of the buildings, Mr. Morris stated that sporadically a form had been utilized which had requested of Inspectional Services a statement of outstanding violations, but that the form had been discontinued. In addition Mr. Morris stated that the rent control staff does inspect conditions cited in the Affidavit of Condition but is not involved in first hand inspections of housing units.

Mr. Packer gave a more detailed look at the rent increases in the particular buildings. Mr. Packer's testimony highlighted a very disturbing fact about two of the buildings. In reviewing the rent stream, it was noted that built into the rent stream were maintenance and repair items of \$123/month per unit at Windsor St. and \$158 month per unit at Market St. These figures seemed to directly contradict the statements of the tenants and the physical evidence of the buildings themselves. When asked about this Mr. Packer stated that the figures for maintenance and repair were inordinately high compared to other buildings in the City. In fact, based on his experience, Mr. Packer stated that the figures were "outrageous." Mr. Packer also stated that Mr. Steinberg was due to submit a report to the rent control board by June 30, 1992 providing evidence on the maintenance and repair figures, and that report had not been received.

Landowner and Property Owner: Mr. Steinberg.

Mr. Steinberg is the owner of 205-11 Harvard Street, and the Property Manager of the other two properties. Mr. Steinberg offered testimony on what he saw as general problems with the rent control system. He said that he did respond to problems with the building in a legal time period, and that no one from his office was involved in any kind of harrassement or intimidation of tenants.

Mr. Steinberg did acknowledge problems with the buildings, and also offered that he was willing to sell the buildings at 205-211 Harvard Street and his condo units to any interested party. He also stated that several of the problems were caused by tenants, particularly trash and unsanitary conditions.

RECOMMENDATIONS OF THE COMMITTEE

The Committee finds the situation described as extremely distressful on two levels. One is the problems that these situations point out with regard to problems within the operation of the housing system, Inspectional services and rent control in the City. The second is the particular problems posed by these buildings themselves. The Committee's recommendations are made first with regard to systemic problems which are evident and need to be resolved, and secondly the specific problems posed by the buildings in question.

Systemic Problems

1. Inspectional Services

The problems in Inspectional Services have reached the point where they can no longer be ignored. The Committee recommends and requests the active effort of the part of the City Manager in solving these problems. Mr. Cellucci's testimony points to problems of supervision, training, and performance. In this all-important department in the city, the Committee recommends that the City Manager become actively involved in bringing about reform to this department. This reform need include:

- * an assessment of the performance of the department with regard to its capacity to perform its required work.
- * the implementation of a serious and long overdue training approach to ensure that inspections are conducted in a high quality manner.
- * and an examination by the law department for the feasibility and drafting of a home rule petition which will allow the City to establish standards and qualifications for Inspectors who are working in the field.

The City Manager is requested to report to the City Council within 6-8 weeks on this matter. The Committee believes that a satisfactory performance of this department to be of the highest priority and that failure to do so reflects on the City as a whole. Repeat violations, such as these buildings in question, and inadequate enforcement on the housing code are not acceptable to the City or its citizens.

2. Rent Control

There is a clear and direct need for the Rent Control Department to develop a working knowledge of the condition of buildings before granting major rent increases. The current system which relies completely on the tenant to notify the rent control staff or board of a problem with their building, does not offer enough built-in protection to ensure that buildings are being kept in a safe and habitable condition. The need to establish this working knowledge of the conditions of a building goes beyond the development of a new form. It is clear that there must be built-in communication between rent control and inspectional services if there are to be assurances that buildings will be kept in safe and habitable condition. In addition, efforts must be made to increase the level of communication with the tenants in rent increase situations, particularly where an individual rent increase or a pattern of rent increases is of an exceedingly high nature.

The examples of the buildings in question, point to how far astray the situation can get when these two departments operate in isolation with one another. On one hand, rent increases have escalated at very high rates, resulting in far above rent control averages, of \$700/month. On the other hand, the conditions of the buildings themselves have remained in very poor living condition. In that, this situation points to a problem in communication between the two departments, and points to a need for a very substantially improved level of service in this area, the Committee recommends and calls upon the City Manager to address this issue of communication between these two departments, and that a systematic approach be developed which is aimed to increase the level of communication and the exchange of information and records between these two departments, so that this type of situation is not repeated.

3. Pre-approval: the topic of pre-approval of rent increases involving discussions between landlords and tenants has been presented by advocates for the tenants in this case. This is a topic which the Committee has recommended in its order on low rents, and is clearly a policy which is significant value to the City, in looking at ways that buildings can be repaired in efficient, non-controversial, and non-threatening ways.

Recommendations Specific to the Buildings in Question:

1. Inspection of the buildings. It is clear that violations of various kinds may well exist in the buildings. There is a need to inspect the buildings comprehensively, and to efficiently get the buildings on the path to repair. The Committee believes that due to records submitted and the statements of the Commissioner of Inspectional Services that in addition to inspections conducted by the City Inspectors, that an additional independent second party, should be contracted to conduct an inspection. Due to the conditions of the building, the Committee requests that the City Manager take action on this within 2 weeks time.

2. Rents in Buildings. In that the rents have reach substantially beyond the rent control average, and that inordinate high amounts, appear to be being charged for maintenance and repair, the Committee recommends through the City Manager that the Rent Board continue its close scrutinization of the rents for these buildings to examine very closely whether the amounts listed for maintenance and repair are actually accurate in terms of work that is currently going on in the building. The rent control board is apparently on track to due this in requesting a report from the landlord by June 30, 1992. It seems that statements have been made that figures of \$158/month per unit, and \$123/month per units are derived from work that was done more than three years ago. Based on statements of tenants and a tour of the building, it appears that little if any actual maintenance is being done. Statements have also come to the Committee's attention that an allegation of a figure of \$17,000 was used for repair of a concrete slab patio. This figure was mentioned by more than one tenant. The Committee requests that this figure be looked into as part of this review.

If major improvements are required, the impact on the rents, must be assessed in terms of whether the rent increases previously granted have been borne out by work actually done.

Conclusion:

The Committee recommends swift action by the City Manager to address the the immediate problems posed by the buildings, and the more long-term problems which have developed. It is clear from the Committee's point of view that as difficult as it can be to enforce the housing code, larger problems develop when the law is not consistently enforced. The City's Inspectional efforts must be at a consistently high level, and problems or perceived problems in this area have dragged on long enough, doing a service to neither landlord or tenant. There must be synthesis and coordination between the City's Inspectional efforts and rent board hearings. Given the amount of money that the City spends in this area, it might make sense to have positions which can do joint work between each of the departments concerned. The Committee requests a comprehensive Plan of Action from the City Manager on these matters, by the end of September.



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Jonathan S. Myers
City Councillor

July 30, 1992

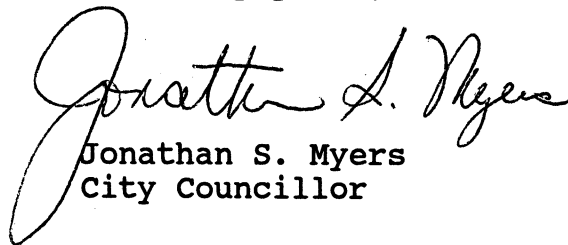
Dear Colleagues on the City Council,

Please find enclosed a copy of a supplemental report on the matter referred to the Rent Control Committee by the City Council.

The report highlights problems that come to the Committee's attention with regard to issues relating to inspections and rent increases.

Your attention to this matter is very much appreciated.

Sincerely yours,


Jonathan S. Myers
City Councillor

gwj

COMM. & REPORT FROM CITY OFFICERS

3.

S-617

Comm. from Councillor Jonathan S. Myers
Chair of the Rent Control Committee,
transmitting a supplemental report regarding
issues related to inspections and rent
increases.

In city Council,

Aug. 3, 1992

*Report accepted
Recommendations
Adapted*