



CAMBRIDGE HOUSING AUTHORITY

675 MASSACHUSETTS AVENUE., CAMBRIDGE, MA 02139

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OFFICE OF THE CITY MANAGER

Robert Healy
City Manager
Cambridge City Hall
795 Massachusetts Avenue
Cambridge, MA 02139

September 22, 2003

Dear Mr. Healy:

I am writing in response to City Council Order No. 12, dated September 8, 2003, that requested a report on rental increases and other fees that will affect all state-aided public housing residents. As part of the budget package enacted this year by the Legislature, the Massachusetts Department of Housing and Community Development (DHCD) amended a set of regulations that became effective on August 29, 2003. These new regulations changed the percentage of income charged as rent for all households living in family public housing, eliminated a \$400 deduction for residents of elderly/disabled public housing and imposed late fees for rent payments over 30 days late as well as a surcharge for overhoused residents. Below you will find a summary of each of these changes to the state regulations:

1. Rents in family public housing will increase from 25% to 30% of monthly income if the tenant pays for one or more utilities, excluding heat, or from 30% to 32% of monthly income if the tenant does not pay utility costs.
2. The current annual income deduction of \$400 for elderly and disabled households living in elderly housing will be eliminated. This deduction will also be eliminated for elderly and disabled households in family housing if the household is overhoused. This results in a \$8-\$10/month increase in rent.
3. Households living in an apartment larger than their family size requires and who fail to move to an appropriate sized apartment when requested to do so by the CHA will be charged 150% of their current rent.
4. A late fee of \$25 will be charged to any tenant household who fails to pay rent within 30 days of its due date.

DHCD required public housing authorities to notify all state-assisted residents no later than August 29, 2003 that these new regulations would be in effect as of October 1, 2003. We were also required to complete rent recertifications for all residents based on the new rent regulations and to send out the new rent notice on that same date. A provision in the CHA lease allows for thirty days written notice for rent changes. DHCD specifically required that all rents change as of October 1, 2003. We had no option to delay this change in rent to the next recertification date.

This same provision in the lease that allows for a thirty day notice for a change in rent provides for a sixty day notice period for a lease change. Thus the new regulations on late fee charges and the overhoused surcharge that require lease amendments will not go into effect until November 1, 2003, or sixty days after the notice was given.

Meetings were held at all state developments in August to explain in advance what DHCD was proposing and how these changes in regulations would affect the residents. We knew that the change in the percentage of income charged for rent and the elimination of the \$400 deduction would be difficult for the residents, especially for the family public housing residents whose rent increased by 20% a month. Publicly DHCD has sought to minimize the effects of the rent increases by emphasizing that the residents are only seeing a 5% increase (25%-30%). However, the increase is not based on 5% of their rent but on 5% of their monthly income.

Unfortunately, we had no choice but to implement these rent changes for October 1, 2003. Although I realize that the residents are bearing the brunt of the new regulations, calculating these rent changes and getting all appropriate notices out to the residents by August 29 was a significant administrative burden for our management staff since we didn't received confirmation of the effective date of these changes until August 15. If there had been any way that we could have delayed implementation, we would have. We can only hope that as the Massachusetts economy improves, DHCD and the legislature may rethink the financial burden they have placed on our low-income residents, although in truth a rollback seems quite unlikely.

Please feel free to call me with any additional questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel J. Wunschel". The signature is fluid and cursive, with the first name "Daniel" being more prominent and the last name "Wunschel" written in a more compact, cursive style.

Daniel J. Wunschel
Executive Director



10.

CITY OF CAMBRIDGE • EXECUTIVE DEPARTMENT

Robert W. Healy, City Manager Richard C. Rossi, Deputy City Manager

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September 29, 2003

To the Honorable, the City Council:

Please find attached a reponse to Awaiting Report Item Number 03-94, regarding a report on the Cambridge Housing Authority's rental increases and other fees, received from Executive Director of the Cambridge Housing Authority Daniel J. Wuenschel.

Very truly yours,

Robert W. Healy
City Manager

RWH/mec
Attachment

5301

Consent Agenda #10

Transmitting communication from
Robert W. Healy, City Manager,
relative to **Awaiting Report Item**
Number 03-94, regarding a report on
the Cambridge Housing Authority's
rental increases and other fees.

In City Council September 29, 2003

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