



CITY OF CAMBRIDGE

639 MASSACHUSETTS AVENUE
CAMBRIDGE, MASSACHUSETTS 02139
TEL 498-9077

RENT CONTROL BOARD

PETER D. STANTON, EXECUTIVE DIRECTOR

February 23, 1981

The Cambridge Rent Control Board is committed to promoting energy conservation in the City's rent control buildings. We welcome your comments and suggestions on how to accomplish this goal.

The Rent Control Act authorizes rent increases for unavoidable expense increases. Fuel increases can be avoided or limited by conservation, particularly by insulating or replacing windows, and increasing heater efficiency.

While no final decision has been made about the type of program to adopt, the Board currently favors the scheme below:

Landlord-Heated Structures

The Rent Board proposes to classify structures according to fuel consumption per square foot. Fuel costs passed through to tenants will be cut-off at a certain level, X. The value of X will be determined after reviewing city-wide energy consumption on a per building basis. The cut-off will probably affect ten percent of landlord heated structures the first year and a significantly larger percentage the following year.

Owners who consume more than X gallons per square foot will be reimbursed for only the cost of X gallons and not the cost of total gallons consumed per square foot. Those who burn less than X gallons will be reimbursed for actual costs of total gallons consumed.

Under this scheme, the owner can continue his consumption as is, but he will be paying for excessive fuel use. The Board proposes to make annual reductions in the number of gallons per square foot included in the rent. Therefore more owners will be encouraged to conserve, and to conserve more, over time.



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The Board has adopted a regulation allowing for prompt pass through of capital expended for energy conservation improvements.

Tenant-Heated Buildings

The Board would like to adopt a program for tenant heated buildings that utilizes performance standards as we suggest for landlord-heated structures. However, data on fuel consumption per square foot in tenant heated buildings is difficult to evaluate. Studies have shown that tenants save on their fuel bills by maintaining temperature below the temperature required in landlord-heated structures. This means that tenants use less fuel per square foot not because their units are more weathertight but because they are colder.

If it is not possible to devise performance measures for tenant heated units, the Board will consider requiring that specific conservation measures be undertaken by landlords, such as insulating the roof or installing storm windows. In buildings of less than four units, the Board may try to coordinate its program with the Residential Conservation Service audit program.

The Cambridge Rent Control Board
Acheson Callahan, Chairman

members:

Fred Cohen
Judith Fellows
Victoria Judson
Phillip Pierce

RE: Supplement to explain budget reductions

III. The positions eliminated will primarily effect the public assistance offered by the Department because six of the positions eliminated were assigned to the public assistance program of the budget.

Programs which will be greatly curtailed due to the elimination of the indicated positions are, coordination--elimination of Assistant Director position--, and supporting services--elimination of 2 part time clerk typist positions and the legal counsel position.

In addition, all other programs will suffer due to the loss of one full time hearing examiner position.

The overall effect of the budget reductions are to severely curtail the services provided by the Department at a time when demand for effective services is increasing.



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MEMO

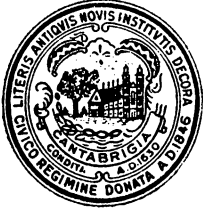
TO: City Manager
FROM: Peter D. Stanton
Rent Control Board
RE: Supplement to explain budget reductions

- I. The total budget reduction required to meet the City Manager's mandate for a 25% reduction is \$131,450.00.

Salaries compose 76% of the Rent Control Department's budget. The expense portion of the budget consists of primarily fixed costs which cannot be reduced. Therefore, budget reductions have to be accomplished by elimination of salaried positions.

- II. The following budget adjustments are required to meet the reduction of \$131,450.00:

	<u>Position</u>	<u>Savings</u>
1.	Assistant Director	\$19,438.00
2.	Hearing Examiner	16,586.00
3.	P. T. Hearing Examiner	8,589.00
4.	P. T. Hearing Examiner	8,589.00
5.	P. T. Hearing Examiner	8,589.00
6.	P. T. Hearing Examiner	8,589.00
7.	Legal Counsel	9,368.00
8.	Data Entry Clerk	11,390.00
9.	P. T. Clerk Typist	7,696.00
10.	P. T. Clerk Typist	7,380.00
11.	Ombudsperson	18,500.00
	<u>Position to ½ time</u>	
12.	Special Assistant	<u>6,652.00</u>
		\$131,366.00



City of Cambridge

In the Year One Thousand, Nine Hundred Eighty-One

AN ORDINANCE

Be it ordained by the City Council of the City of Cambridge as follows:

That Chapter twenty-three entitled "Regulations Pertaining to Controlled Rental Units" is hereby amended by adding after Section 2 the following section:

SECTION 3

Controlled Rental Unit Fee

- (a) Establishment - The Rent Control Department shall assess an annual fee for each rental unit subject to the provisions of Chapter 36 of the Acts of 1976. (Rent Control Act)
- (b) Receipts - All moneys paid into the Treasury on account of controlled rental unit fees shall be placed to the credit of the Rent Control Department, and shall not be paid out except under the provisions of this section and sections 2-65 and 2-66 of this Code.
- (c) Payment: Rent Increase to Cover Fee - The annual fee shall be payable by the owner or landlord on the fifteenth day of October of each year.

On payment of the annual fee, the landlord shall be entitled to increase the maximum rent for the controlled rental unit to account for the fee, pursuant to Cambridge Rent Control Board Regulation Series No. 85.

- (d) Penalty for Non-Payment of Fee - Any owner or landlord who fails to pay an annual fee within sixty (60) days, after the same is due, shall be punished by a fine not exceeding fifty (\$50.00) dollars, per unit.

Each succeeding day an annual fee shall remain unpaid, sixty (60) days after the same is due, shall be punished by a fine not exceeding five (\$5.00) per unit, per day.

The Rent Control Board shall refuse to process any general

(d) Penalty for Non-Payment of Fee (Cont'd)

adjustment, petition for rent adjustment, application for a certificate of eviction or application for a removal permit, filed by an owner or landlord, for any controlled rental unit, for which an annual fee remains unpaid sixty (60) days after the same is due.

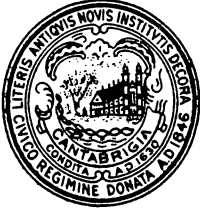
(e) Bills - The Board shall cause the annual bills for controlled rental unit fees to be issued on or before September 15 of each year.

All bills for controlled rental unit fees shall be payable at the office of the City Treasurer. The City Treasurer shall, on the first day of each month, deliver to the office of the Rent Control Department, copies of all bills paid in full during the preceding month.

(f) Fee - The following fee shall be charged annually for each controlled rental unit - \$24.00 per unit (\$2.00 per month).

The foregoing fee, upon the recommendation of the Board, shall be subject to amendment and revision by the City Council, at any time.

(g) Severability - The provisions of this section are severable. If a Court declares invalid any such provisions, or its application to any person or circumstance, the invalidity shall not affect the validity of any other provisions or applications.



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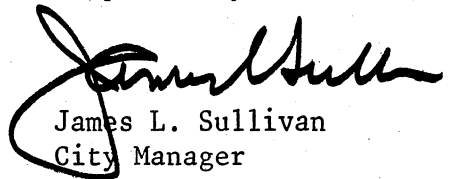
EXECUTIVE DEPARTMENT
JAMES L. SULLIVAN
City Manager

February 9, 1981

To the Honorable, the City Council:

I enclose herewith a recommended Ordinance which will provide a fee that will generate revenue that will help to offset the impact of 2½. The proposed fee is recommended for the support of the Rent Control Department in the City and will generate sufficient revenue to save in excess of \$380,000 on the current tax levies.

Respectfully submitted,



James L. Sullivan
City Manager

JLS/mbf
Enc.

Agenda # 3

0-7A

Ordinance re: controlled rental units re:
fee schedule.

In City Council,

February 9, 1981

- 2/9/1981 -

Referred to the
COMMITTEE ON RENT

CONTROL -
copy sent to Committee on
Rent Control 2/10/81 (dl)