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9 Jan. 1995, 54 Fayette St. Cambridge Ma. 02139

To: City Council

Subject: Affordable Housing Options

Ref: 1] Manager's Condo Freeze Option, 2] 23 Nov. 1993 Letter Cambridge Chronicle

The key to stable affordable housing for most people is ownership. Cambridge must transition from 70% rental to 70% ownership. Since the primary affordable ownership opportunities in Cambridge is in shared [condo or coop] housing it would be criminal to deny the expansion of this option, especially to native long term renters. It is clear that speculation presents a risk in a tight housing market and I am sure that is why the manager has offered this freeze option to the council. It must be looked at carefully. We must focus on that part of the population who now live in controlled housing. Their means tested protection will be over for many in one year and for all in two.

The easiest group to deal with of course are the fraction currently in subsidized programs. The city should approach these tenants, landlords, and appropriate government agencies to arrange and offer limited equity ownership either in the places they are now living or in other housing. Down payment funding requirements can be from city bonds tied to the taxes to be generated by the higher valued [highest use] properties. The best investment a city can make is to buy its own housing stock, invest in itself.

The next group are those not currently subsidized but who should be. The city must make every effort to transition those who qualify to this condition and repeat the limited equity owner process specified previously.

The last protected group are those citizens that can not be qualified for subsidy or are disinclined to own, but whom the city has the budget and the desire to assist. This group must be identified as soon as possible so that they can be advised of their options and for the city to determine how it can best allocate resources.

The remaining unprotected must get over the shock of losing cheap below market housing in the city and make the judgment of buying or renting on their own. They must face the world all the rest Cambridge citizenry faces. The only appropriate city action is to provide consumer advice. The bulk of this advice is essentially available in the assessors office. It is the fair market value of condo's and coops. A secondary data base not now currently available in that office but available from Harvard University housing is fair market rental data. The assessors office must complete the collection of data on all rental apartments for entry into condo, coop, or rental models to provide the consumer with help in making the choice.

If these unprotected tenants are not interested in staying in Cambridge there are likely candidates to take their place from elsewhere including the forthcoming graduates of local universities.

The New Council lost the opportunity to shape the transition from "Rent Control" when they sat on their hands [see attached ref. 2]. Let us hope they seize the day to transition us from a city of renters to a city of owners.

Sincerely


Arnold Schutzberg, 868 8190

P.S. When are you getting Email? ?
DUEL

New council: Progressive and promising on rent control?

The first few months of 1994 should tell us whether the new CCA majority win characterized by some as "progressive" and "promising" is accurate or misplaced. The defining issue in Cambridge is rent control. Political compromise by cooption of the small property owners is key. there is little sympathy for large property owners or transients and well off tenants living in rent control apartments.

How or will the majority offer to split the differences? The CCA has previously observed that Rent Control is working just fine. All that is required are minor corrections. They see the following concerns, not as issues of equity but as the social cost that an undeserving small owner minority must pay so that the deserving tenant majority can benefit: 1) Rents one half that of equivalent apartments located in the less

desirable but adjacent Somerville 2) Large units renting for half the cost of smaller apartments with same amenities and location. 3) The tax revenue from four- or more unit buildings down from 50 percent of the total housing real estate revenue in 1970 to less than 10 percent in 1993. 4) The increasing gentrification of rent control tenancy. 5) The increasing deterioration and abandonment of smaller high maintenance woodframe structures. 6) Post-owner death property reversion to rent control jurisdiction; estate devaluation including risk of criminal and civil law suits. 7) Discouraging of home ownership with both criminal and civil penalty and thereby damaging the critical diversity balance potential.

Most candidates and objective observers recognize the need for changes in rent control. Will the corrective change be planned, unobtrusive, and gradual? Will it be implemented by knowledgeable reasonable leaders making a finely crafted political compromise allowing the city to move forward optimistically and with increased resources? Will the change happen suddenly, chaotically and fearfully by judicial or referendum fiat? The answers to these questions will give us a measure of our new council's promise and progressiveness.

ARNOLD SCHUTZBERG
54 Fayette St.

School Volunteers thank Harvard Realty

On behalf of the board, staff and volunteers of Cambridge School Volunteers, I would like to thank Harvard Realty and the community for their generous support of the "Shops in Harvard Yard" benefit evening held on Oct. 20. The proceeds from the festival event, whose costs were entirely unwritten by Harvard Realty, will support the many activities of CSV's 900 volunteers and the 5,000 students they serve. We salute everyone who made the event such a resounding success.

LISA VAN VLECK
Acting executive director,
Cambridge School Volunteers



THE STARTING LINE

CHILD CARE CENTER

CAMB CAMD
23 NOV 1993

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Consent Communication #8

A comm. was received from Arnold Schutzberg regarding affordable housing options.

In City Council January 23, 1995

Placed on file.