

25 April 1991

Hong Liu
1673 Cambridge Street
Cambridge, Massachusetts 02138

Terrence P. Morris
Executive Director
Rent Control Board
831 Massachusetts Avenue
Cambridge, Massachusetts 02139

RE: RAZ 90-082

Dear Mr. Morris:

On April 9, 1991 I received a notice from rent control informing me of the hearing to be rendered by Rent Control concerning my request for a much belated operating cost adjustment that I have been waiting for a year to receive -- RA290082.

According to the letter no party attending would be able to present any additional evidence at the Board meeting. Also, any written statement submitted to the Board during the hearing was, according to the letter, to be delivered to the Rent Control office and all parties involved in the case as early as possible to the date of the Board's meeting.

On April 25, 1991 during said hearing, Niel Rohr of the CEOC submitted a written letter to the Board which I, up to that time, had not been given a copy -- see attached. The Board accepted said letter and proceeded to read it. A direct contradiction of the rules to which I was obeying and conforming to at the time.

I had no time to prepare a defense concerning the issues the CEOC letter raised. After reading Mr. Rohr's letter, the Board proceeded to agree with said letter and ordered me to do a another General Adjustment 72 for 1990. It will take me several months to prepare because I expect to be giving birth late next month. After I do complete the form, I will have to attend another two hearings to receive permission to charge rent that almost every SRO in the city of Cambridge is charging (i.e., another year will go by).

All the issues the CEOC brought up had been discussed and settled or so I had thought at the time of the first hearing last April. I had pointed out that rent control had made many errors concerning the property at 1673 Cambridge street such as not taking into consideration room size (i.e., total area), not accurately

recording the correct rents Mr. Botinelly (who had a documented hearing impairment) was collecting when originally phoned by Rent Control in 1976, rent control never asking Mr. Botinelly for his operating expenses which he had kept as far back as 1960, Mr. Botinelly did not even correctly fill out the original form -- he had little experience with filling out government forms especially since he was retired, and Mr. Botinelly failure to include his labor as payroll -- he did know his labor could be listed as payroll. Believing these to be dead issues, I had dropped them and not pursued them since.

So my question is why was the CEOC allowed to wait a full year to argue against issues that were supposedly settled a year ago? I was never notified by anyone from the Board of Rent Control about open issues that needed to be discussed and clarified? If I had, I would have been happy to have responded. To wait an entire year to attend a final hearing to approve the findings of a hearing held a year earlier only to be told to start over because the CEOC has at the eleventh hour deliberately raised old looks to me as if the Rent Control Board is working hand in hand with the CEOC in doing everything in its power to delay an owner from receiving rent adjustments to cover operating expenses.

When Mr Niel Rohr stated that he represented the tenants who lived in my SRO because they were afraid to show up, no one from the Board even questioned the veracity of his statement. I wonder who he could be representing since my tenants consist of: 4 students attending Harvard with rather wealthy parents living in Hong Kong or Taiwan, 1 medical lab technician at B.U. who goes home to Rhode Island on the weekends (this can be documented), 1 who is currently setting up an international trading company, two who are looking for a new restaurant to open up, 1 who is in the process of buying a house (not in Cambridge, he does not like rent control) as soon as his wife arrives from China late this year, 2 who work for the state government and 1 who shuttles between here and her sisters home while sending money back to her husband, son in Taiwan. Not the profile of tenants shaking in their boots begging big, strong, ideologue Niel Rohr of the CEOC to defend them from the vicious, pregnant Hong Liu! In fact, most of them make considerably more than anyone working at the CEOC. Obviously, the CEOC is not concerned with indigent tenants. I wonder why state money funding an agency that is an advocacy group for wealthy tenants.

Mr. Morris, your own agency has sufficient records to know what expenses an owner of an SRO is out on a yearly basis. Your records show that I did not even include the costs of having a part time resident manager which I can document and present witnesses to verify. Yet, the Rent Control Board simply accepted Niel Rohr's statements as if he was incapable of biasing or misrepresenting the truth. The same Board, ignored all the evidence I presented at last years initial hearing: my statements, witnesses which I had brought, signed affidavits (which is suppose to be all the evidence required at these hearings). For example, both tenants who showed up at the hearing last year (12 months ago), both testified that

they did the cleaning and took out the trash. Yet, one of them had been a resident since late 1989. Another example is when these same two tenants swore that they had never been a professional exterminator hired. Yet, I had the receipts and name of the exterminator Mr. Botinelly had been using for over four years who came every month and had been seen by many tenants who will testify even now. One last example was when Mr. Rohr refuted the Mr. Botinelly did any work on his property. At the hearing, I had witnesses present who testified just the opposite, the names of tenants who had lived there in 88 and still do who had seen him climbing ladders to repairing windows and porches, and doing electrical and plumbing work. In fact, I had the Inspectional Service orders to repair windows which Mr. Botinelly had done himself with me as further proof.

It seems that all a tenant or a tenant advocate has to do in Cambridge is question the validity of a bill or record an owner provides as acceptable evidence to invalidate the owners testimony, records, etc. It seems that only if I have data that is 100% indisputable, 100% accurate, completely unquestionable, totally clear will I have any hope of having an expense accepted. What bothers me about this is that, what is demanded of myself and other owners of small properties, city, state and federal agencies cannot themselves do. A small owner is not infallible and cannot afford to hire a staff of lawyers and accountants. Yet, if the owner is not 100% on the mark, he/she will be penalized. Always, the burden seems to fall on the small property owners shoulder and not that of the tenant. The assumption being that I (the owner) can absorb the loss -- wrong! I for one am not rich! I cannot spend money I do not have. Yet, the Rent Control Board has no qualms about making me work for free and to subsidize my tenants. If I am not able to pass on all legitimate operating expenses, am I not working below minimum wage?

When Mr. Rohr stated at the hearing held on 4/24/91 that the rent increase was too high, the Board agreed. How can the Board use percentage of increase as a factor in accepting or rejecting an increase in rent? If this is the case, I can not pass on legitimate operating expenses if they exceed that percentage. Does this not constitute a taking without just compensation?

Rent Control seems to be following an ideology aimed at destroying private ownership rather than of keeping rents fair (fair implying fair to both owner and tenant without bias).

For years Botinelly subsidized this SRO out of his own pocket. He was not able to obtain the rents needed to maintain the property properly. Before rent control, he was able to keep his property well maintained -- there are witnesses who will testify to that. Today, because the property has become run down and needs fixing, members of the Rent Control Board has no compulsion over stating that because tiles were loose in the bathroom and one was missing in the corner no rent increase should be forthcoming until everything was fixed! Do I understand correctly that the Rent Control Board

believes that I can pay for repairs even when the basic operating costs aren't covered by the current rents? I ask you, Mr. Morris, is this fair? Do you believe treating me this way will help me repair property which has deteriorated because of insufficient rents which your own studies have verified to be the cause of much of the deterioration in rent control property, especially SROs?

Am I an evil villain who must be punished for having committed the sin of being an owner (a bourgeoisie) instead of a tenant (a proletariate)? No one told me that Cambridge did not believe in capitalism and was socializing private property at the time I bought this house. Only since, have I been told as well as personally experienced just how anti-capitalist Cambridge, Massachusetts really is!

From my rather unpleasant experiences with rules designed to punish and strip ownership from property owners who stray from a path that is almost impossible to walk by a mere mortal -- words said to me by workers in rent control and other Cambridge agencies, it appears that the hidden agenda of decomodifying private rental property in Cambridge is the real agenda of Rent Control. I am beginning to believe that no matter how faithfully I follow Rent Control regulations, I can expect to be beaten down unless I do everything perfectly and leave no technical loop hole for the CEOC to exploit.

I have been told that even Governor Weld, a long time resident of Cambridge, had made errors. A man with legal training. Supposedly, when he went to Washington to serve he rented out his house and failed to register with Rent Control. As I understand it, he truly did not understand. If a man with his education and legal training can make mistakes like that, I can only wonder at what mistakes recent immigrants such as myself may make and what righteous retribution Rent Control will reign down on me.

To allay the concern to the CEOC and the Rent Control Board concerning having to pass on too large of an increase in rent, I have requested a hearing before the state to have my taxes reduced to its true value as decomodified property under Rent Control. Since my property is decomodified, it should not be taxed as regular market property. This should reduce my taxes by some \$2,000. This will lower the rents approximately 6% which will help offset some of the increases I have asked for. Since Rent Control states that the majority of tenants living in Rent Control units are poor then it is only fair that wealthy tenants and owners not under rent control also assume some to the financial costs of providing subsidized rents.

I would like to request a copy of the tape made during the hearing last year. I feel reviewing it will help me better understand how to prepare a new General Adjustment 72 and to determine if I will need legal help to get me through what appears to be an almost impossible hurdle.

If there is any problem giving me the tapes, please let me know

what they are.

Also, I would appreciate it if you would give me the exact formula used in calculating my rents. I do not want a general statement, but the exact formula and calculations. I would like to understand exactly how my rents are calculated so I can better understand the process.

I believe this is all on computer, so a computer listing will be more than sufficient. If all you have available is the source code that calculates rents, that will be more than sufficient -- please, do not send me a compiled version or binary format.

Mr. Morris, if I had been seeking rents that were above other SROs, I could understand, but to cause me such trouble over a rent increase that is not exorbitant or over what other SROs are charging, regardless of the percentage of increase, is both unjust and unfair. I can not believe that the govern-ment of the United States ever intended to allow an emergency procedure to become so biased and destructive to property owners as it has become in Cambridge, Massachu-setts.

Very truly yours,

Hong Liu

cc: The Honorable William Weld Governor of Massachussetts
Anthony J. McKinght, Assistant Counsel
Florrie Darwin, Chair Person

Small Property Owners Association

1991 MAY -7 AM 11:54
CAMBRIDGE MA.

287 Huron Avenue
Cambridge, MA 02138
May, 5 1991

Cambridge City Council
City Hall
Cambridge, MA 02139

Attention: Joseph Connarton, City Clerk

Dear Ladies and Gentlemen:

Enclosed is a copy of a letter dated April 25, 1991. This letter is from Hong Liu who is the owner of a rooming house and it was sent to Terrence Morris, the Executive Director of Rent Control.

If any City Councilor really believes that "Rent Control property owners knew what they were getting into" or that they have benefitted because "They were able to buy property at a reduced price", then I suggest that you talk with Hong Liu. If you are still not convinced that the above trivial statements which we often hear said are very far from the truth, then call me and I will furnish you with additional names of people who happen to be owners and are being hurt very badly by the intransigence of this City Council to provide fairness to rent control property owners.

Very truly yours,



David P. Sullivan
Secretary

5.

CONSENT COMMUNICATIONS

S-657

Comm. received from David P. Sullivan,
Secretary, Small Property Owners Assoc.,
relative to the fairness to rent control
property owners.

In City Council,

May 13, 1991

Placed on file.