



Mayor's Task Force on Tenant Displacement

RECOMMENDATIONS FOR ACTION

Report presented by the Office of Councillor Sumbul Siddiqui

DECEMBER 2019



CITY OF CAMBRIDGE, MASSACHUSETTS



*This report is dedicated to the memory and legacy
of Cheryl-Ann Pizza-Zeoli.*

*A long-time Cambridge resident, founding member of the Alliance of Cambridge Tenants
and esteemed member of the Cambridge Affordable Housing Trust, Cheryl-Ann was a
fierce fighter of displacement, a steadfast advocate for affordable housing, and tireless
activist on behalf of this City's most vulnerable tenants.*

*Cheryl-Ann's presence as a member of this Task Force was a great honor and privilege
and her contributions to its charge were invaluable. The Cambridge community will
continue to be impacted by her life, advocacy and service for decades to come.*

Contents

Mission	6
Task Force Members	6
A Letter from Councillor Sumbul Siddiqui	8
Taking Initial Steps.....	10
Establishing Scope and Identifying Action Areas	10
Housing & Displacement in Cambridge	11
A Mounting Affordability Crisis.....	11
Renting in the Current Housing Market	13

Recommendations

Tenant Education	20
Evaluating Existing Services, Programs and Models	20
Recommendations: Streamline Supports, Improve Outreach and Access	21
Legislative and Policy Agenda.....	28
Current Context: Potential and Actionable Policies.....	28
Implications of Condominium Conversion in Cambridge	31
Recommendations: A City-wide Condominium Conversion Ordinance for 2020.....	32
Increasing Funding	38
Increasing Funding to Existing Service Providers.....	38
Evaluating Existing and Potential Funding Sources	39
Recommendations: Creating Flexible, Sustainable Funding Mechanisms.....	40
Data Collection and Analysis.....	44
Analysis of Currently Available Eviction Data	44
Recommendations: Investing in a Deeper Understanding of Displacement.....	45
In Closing	48

Appendices

- A. Policy Orders
- B. Meeting Minutes
- C. Associated Documents & Presentations

Mission

The primary mission of this Task Force is to provide the City of Cambridge with guidance on how to prevent displacement in the Cambridge community through policy implementation, legislative action, and appropriately targeted resource allocation.

Task Force Members

Sumbul Siddiqui, City Councillor, Chair

Sonia Andujar, Alianza de Inquilinos de Cambridge/Alliance of Cambridge Tenants

Patrick Barrett, PW Realty LLC

Teresa Cardosi, Resident, Woodrow Wilson Court, Cambridgeport Neighborhood

Jessica Drew, Cambridge and Somerville Legal Services

Betsy Eichel, Resident, East Cambridge Neighborhood

Iram Farooq, Cambridge Community Development Department

Larry Field, Massachusetts Smart Growth Alliance

Sean Hope, Hope Legal Law Offices

Beth Huang, Resident, Wellington-Harrington Neighborhood

Kuong Ly, Northeast Legal Aid

Alexandra Markiewicz, Massachusetts Department of Transportation

Maura Pensak, Metro Housing|Boston

Cheryl-Ann Pizza-Zeoli (1957 – 2019), Cambridge Affordable Housing Trust

City Staff

Sarah Stillman, Legislative Aide to Councillor Siddiqui, Executive Assistant to the Task Force

A Letter from Councillor Sumbul Siddiqui

Chair of the Mayor's Task Force on Tenant Displacement

In the late 1980s, my parents, brother and I immigrated from Karachi, Pakistan to Cambridge, Massachusetts and immediately entered Cambridge's housing lottery. We were fortunate, and before long moved in to an apartment in the Rindge Towers in North Cambridge, known now as the Fresh Pond Apartments. A few years later, we relocated to Roosevelt Towers in East Cambridge. From that point on until I left for college, I called that apartment home.

Currently, I am the only City Councillor with the lived experience of growing up in affordable housing—it has shaped who I am. This part of my identity deeply informs my values and inspires my drive to work in the service of the Cambridge community to this day.

When I decided to run for public office in 2017, I knew my first and foremost concern would be the promotion and preservation of affordable housing, as well as protecting and supporting the City's majority population of renters. Once elected to the City Council and appointed as Housing Committee co-chair, I set out to effect change on the level of the individual just as much as the institutional. I've since had the honor of meeting face-to-face with hundreds of Cambridge residents, many of whom are housing insecure and economically vulnerable. I empathize with every family and individual who comes to my office in desperation and recognize that I or my family could easily have been in their shoes. The fact that I can continue to live in the city I grew up in is a privilege I will never take for granted. I do this work in service of all those who can no longer afford to return, just as I do for those seeking to raise families here, hoping they too may have access to the wealth of opportunities Cambridge promises to provide.

Early on in my first term as a Councillor, I reached out to Mayor Marc McGovern about forming a special task force to focus on solutions to the displacement crisis in Cambridge. In January 2019, the *Mayor's Blue-Ribbon Task Force on Tenant Displacement* was officially established. Its charge would be to investigate the root causes of displacement in Cambridge, evaluate existing programs, services and strategies designed for housing stabilization and eviction prevention, develop alternative approaches to addressing gaps and needs, and advise the City by recommending bold interventions and impactful policy changes. Mayor McGovern and I enlisted a diverse Task Force membership, representing a spectrum of resident perspectives and experiences. We hoped the Task Force would serve as a forum for proactive deliberation, and an opportunity for strengthening community and building trust amongst City residents and stakeholders, leading to creative and manifold recommendations.

At its initial meeting in January, the Task Force discussed in depth the current state of displacement in Cambridge, its present consequences and future implications. It generated known strategies and possible solutions, and from these, areas requiring further research. These were distilled and organized into detailed action areas. Each member then ranked the action areas by order of priority, adding any additional items or clarification if necessary, and noting where their strengths, skills and experience would be best applied. From this, the list was narrowed to the following seven action areas: Tenant Education, Increasing Funding, Tenant Organizing Capacity, Landlord Outreach & Organizing, Legislative & Policy Agenda, Data Collection & Analysis, and Eviction Prevention.

In order to collectively address these action areas, the Task Force was divided into four working groups. Initially, each group guided its process by accessing what further information was needed (in terms of background research, data, policies, etc.), what resources would be required, and what timeframe was envisioned. From January through September 2019, we held six official meetings as a Task Force; these were supplemented by many informal convenings and additional working hours spent developing the recommendations included in this report. Throughout this time, we submitted nine policy orders for adoption by the City Council, supported anti-displacement legislation at the state level, and advocated

for the appropriation of specific, targeted City funds to support several preventative services for tenants at risk for eviction.

The pages that follow contain the full scope of recommendations determined by this Task Force. We hope this report will provide critical guidance to the City Council, City Manager's Office, Department of Human Services, Community Development Department, and the City's Housing Liaison on preventing and mitigating the effects of housing instability in the City of Cambridge.

In service and solidarity,

A handwritten signature in black ink, appearing to read 'Sumbul Siddiqui'.

Sumbul Siddiqui

City Councillor and Task Force Chair

Taking Initial Steps

Establishing Scope and Identifying Action Areas

The *Mayor's Blue-Ribbon Task Force on Tenant Displacement* was established in January 2019 by Cambridge Mayor Marc McGovern and City Councillor Sumbul Siddiqui. Its objective was to address Cambridge's current reality of tenant displacement and combat its further effects by recommending policy actions and resource allocations, and identifying strategies to strengthen protections and supportive measures for tenants. The Task Force was comprised of a diverse membership of appointees: neighborhood residents, renters, property owners and affordable housing developers, representatives from the Affordable Housing Trust and tenant advocacy groups, local service providers, and City staff.

At the Task Force's first meeting, we discussed the extent of the threat posed by displacement, and its connection to the overarching housing crisis in the region. We then identified several potential action areas we deemed relevant to explore in order to address and accomplish our objective:

1. Tenant Education
2. Increasing Funding
3. Building Tenant Organizing Capacity
4. Outreach and Organizing: Landlords, Property Owners and Developers
5. Improving Quantitative and Qualitative Data Collection and Analysis
6. Eviction Prevention and Housing Support
7. Policy and Legislative Agenda

To cover these areas as inclusively and comprehensively as possible given the limitations of our timeframe and the expertise and capacity of our membership, we organized these into four primary "Action Areas," each to be addressed by a dedicated "Action Area Working Group" consisting of two to four Task Force members. The four areas determined were *Tenant Education* (to include eviction prevention, organizing, and outreach and education for both tenants and property owners), *Legislative and Policy Agenda*, *Increasing Funding* (which was recognized as impacting success across all areas), and *Data Collection and Analysis*.

The four recommendation sections of this report mirror each Working Group's approach by introducing the topic area's relevance and relationship to displacement, attempting to identify existing gaps, as well as potential strategies, barriers, and resources needed, and offering specific recommendations for action on the part of the City.

Finally, when it comes to preventing displacement, *access to affordable housing options is paramount*. However, we'd like to emphasize here that while this report does reference the need for increasing the supports available to residents to assist them in navigating the complex housing system, as well as the need for continued production of housing, it is *not* a comprehensive study on access or production.

Housing & Displacement in Cambridge

A Mounting Affordability Crisis

In November 1994, the Massachusetts electorate narrowly passed a statewide referendum eliminating rent control across the Commonwealth.¹ The referendum went into effect almost immediately, much to the dismay of the sixty percent of Cambridge residents who had voted against it. By January 1995, rent control was being removed across Cambridge. The impact on the City's housing market was substantial in the years to follow, with at least 14,000 of Cambridge's affordable housing units lost as a result. As rents rapidly increased, many low-, moderate-, and middle-income households had no choice but to move out. Families who had lived their entire lives here suddenly found themselves needing to relocate outside the city limits, and whole neighborhoods and communities were dispersed.

In 2019, finding naturally occurring, affordable rentals in Cambridge has become increasingly difficult and demand has far outpaced the City's stock of dedicated affordable housing.² The City's resident population, at 113,000+ in 2019, is on track to increase to 120,000 by the year 2030,³ and an estimated 693 new low-, moderate-, and middle-income housing units will be required to meet the demand that new workers in new commercial and institutional development will generate over the next 10 years.⁴ The income distribution of Cambridge residents has also changed rapidly, with declines in those making moderate and lower-middle incomes and growth in the upper middle- and high-income population, with greater than 50% of Cambridge's households falling in to the high-income category for at least a decade.⁵ Other factors contributing to the mounting housing affordability and displacement crisis include: the disproportionate increase in the number of jobs in Cambridge and Boston (particularly well-paying jobs, particularly those paying at minimum a living-wage) as compared to the number of new housing units produced (particularly that of high-end, luxury condos, and the ratio of 1-bedroom and studio units built to 2 and 3 bedroom units);⁶ the prevalence of direct investors bidding up housing prices coupled with the lack of strong tenant protections; and the influx of for-profit development bids associated with an ever-burgeoning biotech and innovation industry.

Households are regularly being displaced from the city, yet the many forms this displacement can take make it challenging to track trends and measure impact. Aside from physical displacement via court-ordered evictions, residents may feel forced to move out, regardless of having the legal option to stay (this is often referred to as direct displacement.) This may be due to a change in the terms of a lease, an unexpected increase in rent, or receipt of a notice of a building sale or

¹ The statewide referendum passed by a narrow margin of 51% to 49%. (Source: Autor, David H., Palmer, Christopher J., Pathak, Parag A. National Bureau of Economic Research. Working Paper 18125: "Housing Market Spillovers: Evidence from the End of Rent Control in Cambridge Massachusetts." 2012. <https://www.nber.org/papers/w18125.pdf>)

² "Cambridge Incentive Zoning Ordinance Nexus Study Final Report." City of Cambridge. 2015.

³ "Envision Cambridge: A Plan for the Future of the City." City of Cambridge. June 2019.

⁴ These numbers are "based on projected new development of 4,595,000 square feet of over the next ten years and the likely mix of tenant businesses, 14, 152 new jobs are estimated to be generated in Cambridge by this development." (Source: "Cambridge Incentive Zoning Ordinance Nexus Study Final Report." City of Cambridge. 2015.)

⁵ Census data from 2010 – 2014 shows the percentage of middle-income households making up just 17% of Cambridge's total households (down from 19% in 2006 - 2010, and 27% in the year 2000). Meanwhile, the percentage of households with high-income has been steadily growing, from 44% in the year 2000, to 51% in 2006 – 2010, and 54% from 2010 – 2014. (Source: 2010 US Decennial Census and Consolidated Planning/CHAS Data, 2010–2014.)

⁶ In 2017, the Cambridge City Council voted to amend the City's zoning ordinance, improving the provisions governing its inclusionary housing program. One of the newly instigated changes required an increase in the number of inclusionary "family-sized" (2- and 3-bedroom) units produced relative to studios units.

renovation. The composite effect of such repeated occurrences has been the gradual shift to a City comprised of wealthier, less economically diverse families and individuals.

According to the many surveys, interviews and focus groups conducted as part of the City's three-year-long *Envision Cambridge* planning process, residents share a fear that the growing presence of wealthy elite will soon dominate Cambridge's culture, demographics and geography. Residents also expressed feelings of loss of community—of neighborliness, social cohesion, as well as a sense of intergenerational community—and worry that socio-economic disparities will continue to increase.⁷ Historically marginalized populations like people of color, immigrants, and lower-income people, as well as middle-income people, increasingly face displacement, housing and financial insecurity, and “a growing sense that they may be excluded from Cambridge's future.”⁸

Cambridge will continue to experience the effects of displacement with greater acuteness unless dramatic measures are taken in order to assuage this trend. While some of these factors can be mitigated through policy, others require significant community buy-in and a cultural shift away from policies rooted in nostalgia and preservation. While the community at large may acknowledge the impact of the displacement crisis, it is essential that we find common and myriad pathways to solutions.

⁷ “Envision Cambridge: A Plan for the Future of the City.” City of Cambridge. June 2019. 87.

⁸ *Ibid.* 85.

Renting in the Current Housing Market

What is Affordable Housing?

What it means for housing to be “affordable” depends on whom you ask. The CDD’s Housing Division states that housing is considered “affordable” when a household spends no more than 30 percent of its gross income on housing costs,⁹ and the City’s Inclusionary Housing programs are designed to be affordable to those with low-, moderate-, and middle-incomes.¹⁰ The City of Cambridge’s 2016 Housing Profile publication cites “affordable housing” as housing with legal restrictions limiting its occupancy or ownership to tenants earning at or below a specific income.¹¹

These technical definitions are just part of the greater picture of housing affordability. On the personal level, affordability is a relative and shifting concept—not only does it depend on one’s income and market-dictated prices and costs, but what one can “comfortably” afford is subjective. If you took a sampling of Cambridge residents and asked them whether they consider their housing to be affordable, you would hear a variety of answers. For many, affording to live in this City and remain in one’s home requires making sacrifices in other areas of one’s life.

While the established ideal of 30 percent of gross household income can be affordable for some, there are significant impacts on quality of life and long-term finances for households paying upward of 50 percent or more of their total income. The high cost of housing can mean cutting corners: spending less on necessities such as health care, childcare and groceries, or choosing to live in an overcrowded situation. The greatest risk is posed to households with extreme financial vulnerability¹² for whom one significant life event (such as a change in employment status, a family emergency, or hospitalization) could mean the difference between housing and homelessness.

Tenants Renting on the Private Market

Private-market renters in Cambridge are not an easily-generalizable demographic. They are families and individuals, and while approximately 30 percent are full- or part-time students at the undergraduate or graduate level, many are working professionals and retirees, and cover a range of household sizes, backgrounds, life situations, occupations, and income levels.

Securing an apartment on the private market usually means being in a financial position to pay upfront for the total cost of first and last month’s rent, plus a security deposit (usually equal to one month’s rent), often in addition to a broker’s fee, at the time of lease-signing. Many lease applications also require a credit check. In Cambridge’s

⁹ This is in accordance with the U.S. Department of Housing and Urban Development (HUD) definition of “affordable housing.”

¹⁰ “Low-income” is categorized as earning less than 50% of the area median income (AMI); “moderate-income” is categorized as earning 50%–80% of AMI; “Middle-income” as 80%–100% AMI; and “high-income” as earning greater than 100% of AMI. American Community Survey data collected from 2012–2016 showed total AMI for non-student households in Cambridge to be just under \$90,000.

¹¹ “Affordable housing” is defined as such in *The City of Cambridge’s 2016 Housing Profile* publication.

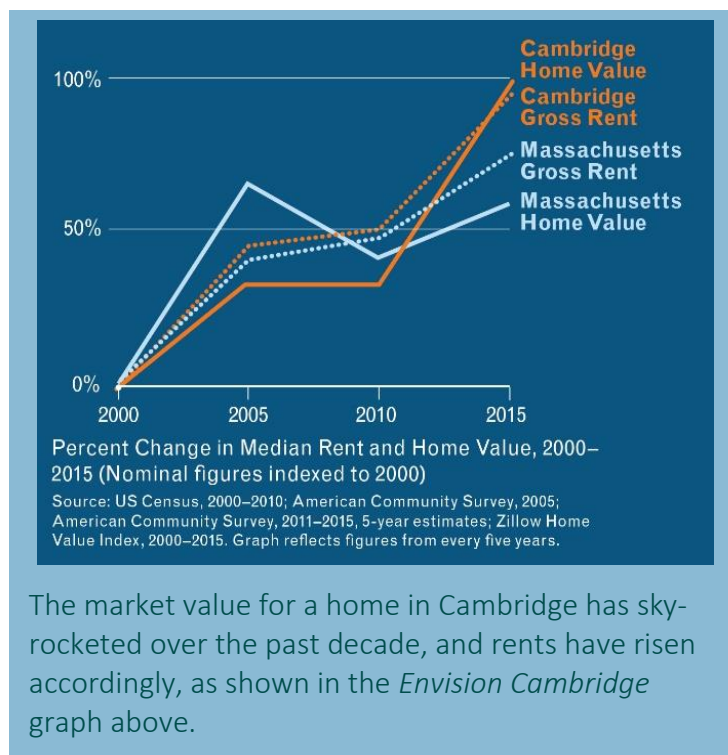
¹² HUD considers a household to be “extremely low-income” if its total income meets the very low-income threshold [50% of area median income] and does not exceed the higher of the federal poverty line or 30% of area median income. (Source: Eligibility Determination and Denial of Assistance: Voucher Choice Program Guidebook. Last updated November 2019, available at https://www.hud.gov/sites/dfiles/PIH/documents/HCV_Guidebook_Eligibility_Determination_and_Denial_of_Assistance.pdf).

current real estate market,¹³ for three working professionals hoping to lease a 3-bedroom apartment together, this could mean putting down upwards of \$3000 per person in order to sign a lease. Those hoping to lease a studio or one-bedroom apartment could easily be looking at twice that amount. Given this reality, one can see how even an individual earning the Area Median Income could find living with roommates in a larger, shared unit to be a more financially viable choice than renting a one-bedroom or studio. Housing prices like these become far less affordable when considering additional expenses like student loan payments, childcare, and health and medical costs, common across all renter demographics.

Anyone renting on the private market faces inherent uncertainty—while situational specifics vary, property owners generally reserve the right to increase rent and adjust lease terms, sell a unit or convert a home or building to condominiums, and/or pursue short-term rental opportunities. Renters in tenancy-at-will agreements risk experiencing such shifts with less time to prepare and make moving arrangements.

A practice commonly observed in Cambridge is that of owners of multi-family properties tending to rent to groups of individuals living as roommates, rather than individual family households. This has created a situation whereby even middle-income households are competing with individual renters, often young professionals and students, for similar housing stock. As a family unit may have less total income available when compared to a group of roommates (whose individual income streams allow for dividing and sharing the rent burden), and this may contribute to families spending a greater portion of total income on housing.

Residents with low-, moderate-, and even middle-incomes renting in Cambridge are finding it increasingly challenging to find housing options that both fit their needs and are within their financial means.



¹³ As noted in the City of Cambridge's FY19 Annual Report, the typical rental price for a 1-bedroom apartment in 2019 was \$2343; for a 2-bedroom it was \$2713, and \$2876 for a 3-bedroom.

Rental Subsidies and other Affordable Housing Options

There are different types of subsidies available to renters, governed by varying parameters, eligibility standards, and rent calculation processes. Obtaining and maintaining any one subsidy involves navigating a complex web of systems and procedures: each is accompanied by a different set of income limits, payment standards, application process, rules, and regulations. Comprehending these nuances is the primary challenge for tenants who currently possess a subsidy, as well as for those in need who are seeking to qualify. In addition, the main barrier to accessing any of these resources are the years-long waiting lists.

The three most common types of subsidies utilized by Cambridge renters are *mobile (tenant-based) vouchers*, *project-based vouchers*, and *public housing subsidies*:

Mobile (Tenant-Based) Vouchers

A Mobile or Tenant-Based Voucher may be either federally or state subsidized. As state payment standards have historically been lower than federal payment standards, tenants in the Massachusetts' Rental Voucher Program (MRVP) may be at a disadvantage in terms of competitive rents as compared to those tenants with a federal subsidy (commonly known as a "Section 8 Voucher").¹⁴ Tenant shares are also calculated differently for tenants with MRVP mobile vouchers than for those tenants with Section 8 vouchers; for example, there is no "utility allowance" included in a MVRP subsidy. As such, a tenant with a state-subsidized, MRVP mobile voucher is more likely to be paying 40 percent of their income towards rent than a tenant with a federally-subsidized, Section 8 mobile voucher.

Project-Based Vouchers

As with a mobile voucher, a Project-Based Voucher (PBV) may be either state or federally funded. However, a PBV is attached to a specific building or unit, either through a private or nonprofit developer. In most cases, if a tenant wishes to move out of the particular building associated with the tenant's PBV, this subsidy cannot be maintained (i.e. the tenant will lose their voucher subsidy). Exceptions are granted in rare cases, e.g. for reasonable accommodation. Cambridge Housing Authority (CHA) does allow households to request a mobile/tenant-based voucher in order to move and they may receive some priority on the voucher waitlist; however, these households must have resided in a CHA project-based unit for at least one year before they are permitted to request this change. Housing agencies differ, and others may require living in a project-based unit for two years before requesting a voucher change.

Public Housing Subsidies

Like a Project-Based Voucher, a public housing subsidy is attached to the unit; however, these are owned by local housing authorities, such as the CHA. Public Housing can be both state and federally funded.¹⁵

¹⁴ Tenants with mobile-vouchers are challenged to find units in Cambridge in part because property owners can typically make higher rental incomes offering the unit at market-rate. The total rent from voucher holders plus the amount of their subsidy, does not match market-rate rents.

¹⁵ The United States Office of Housing and Urban Development's (HUD) Federal Public Housing Programs have faced continued and significant funding cuts in recent years. In order to ensure the preservation of its affordable housing stock and financially stabilize its properties, CHA is currently undergoing a process of converting nine of its public housing properties to HUD's Rental Assistance Demonstration (RAD) program, which "combines public housing operating and capital subsidy into payments under a RAD Section 8 Project-Based Housing Assistance Payment (HAP) contract." The current tenants' rights and protections are preserved under RAD conversion, and CHA guarantees that no residents will be displaced; however, some

Other affordable housing opportunities are offered through various community agencies by both private and nonprofit development companies. The Cambridge Community Development Department's housing division also administers several programs such as its Inclusionary Housing Rental Program,¹⁶ Middle-Income Rental Program, and Affordable Home Ownership Programs. Most affordable housing programs are targeted to households earning less than 80% of Area Median Income adjusted for household size.¹⁷

In addition, both nonprofit and privately-owned housing developers¹⁸ create affordable, mixed-income housing options in Cambridge through varying methods and using a variety of funding sources. These options have different application processes for tenants as well.

These programs face challenges as the housing market in Cambridge and the surrounding region becomes more and more competitive, and housing production in general is a highly politicized topic. Increasingly nonprofit developers and local and state programs are struggling to compete for a dwindling supply of housing.

"The growing economic divide in Cambridge leaves many subsidized tenants feeling disempowered and 'enslaved' by their status, as if they lack any choice in or control over their housing situation..."

-Sonia Andujar, Task Force Member and Tenant Advocate

households will be temporarily relocated from sites undergoing major construction. Some properties will be converted to tax-credit properties. CHA has provided more detailed information on this process and how it will impact current tenants and CHA waitlists here:

http://www.cambridge-housing.org/housing/rental_assistance_demonstration/rad_information.asp.

¹⁶ Cambridge's Inclusionary Housing Program began in 1998 with the establishment of the Cambridge Inclusionary Zoning Ordinance. In April 2017, the City Council unanimously passed [a critical amendment to the ordinance](#), mandating that all market-rate developments of ten or more units reserve 20% of the floor area for affordable units. Tenants in designated affordable units contribute no more than 30% of total household income to the monthly costs of renting the unit. In September 2018, the City published the results of an external study it had commissioned in order to evaluate its Inclusionary Housing Program. That report offered recommendations for further strengthening the program to accommodate the ever-increasing need for affordable housing in Cambridge. For more information on the City's Inclusionary Housing Program, please visit: <https://www.cambridgema.gov/CDD/housing/inclusionaryhousing>.

¹⁷ "What is Affordable Housing?" City of Cambridge, Community Development Department:

<https://www.cambridgema.gov/CDD/housing/resourcesandadditionalinformation/whatisaffordablehousing>.

¹⁸ Just-A-Start Corporation (JAS) and Homeowner's Rehab (HRI) are examples.

Recommendations

Tenant Education

Preventing Eviction Through Education, Advocacy and Organizing

Evaluating Existing Services, Programs and Models

Effective tenant education programs equip tenants with information about their legal rights and responsibilities as renters, as well as available resources and supports, thereby positioning tenants to better advocate for themselves, stabilize their housing and prevent eviction and homelessness. A priority of this Task Force was to develop an informed understanding of the specific types of Tenant Education and Eviction Prevention services and resources currently being offered in Cambridge and gain insight as to the various challenges service providers were facing.

Several organizations and bodies in Cambridge and the surrounding region provide educational services to tenants to assist them in stabilizing their housing and preventing eviction. Examples of these service providers include the Cambridge Economic Opportunity Coalition (CEOC), Cambridge and Somerville Legal Services (CASLS), De Novo Center for Justice and Healing (De Novo), the Cambridge Multi-Service Center (MSC); advocacy organizations such as the Alliance of Cambridge Tenants (ACT), and housing providers such as Just-A-Start (JAS), Cambridge Housing Authority (CHA) and Cambridge's Community Development Department (CDD).

The Task Force also took note of the offerings available through the cities of Boston and Somerville, as both have established offices specifically dedicated to housing support services and assistance for residents. Somerville's Office of Housing Stability, just one year old, aims to "prevent the involuntary displacement of Somerville residents who are in the process of eviction or at other risk of losing their housing due to market forces; to rehouse the homeless and those needing to relocate; and to enact policies to combat displacement and enhance tenants' rights."¹⁹ Boston's Office of Housing Stability²⁰ offers a variety of displacement prevention services. Its aims to educate tenants about their rights through general materials (such as its detailed "Eviction Guide" published in English, Spanish, Haitian-Creole, and Chinese) and the Mayor's hot line. When the office receives notice that a building in the city is being sold, for example, it mails out information to tenants on their rights in multiple languages, and implicitly encourages tenants to seek counsel or organize, providing contact info for the City's Housing Stability Office, as well as Greater Boston Legal Services (GBLS), the Boston Bar Association, Harvard Legal Aid, and City Life/ Vida Urbana.²¹ In Cambridge, the CDD has made attempts at public information campaigns in the past (e.g. when it learned of a building being converted or sold, CDD staff would post fliers in the building, requesting tenants reach out to the CDD's Housing Division for information and support). However, according to CDD staff, this did not seem to have an impact on the number of residents reaching out to the City for assistance. While the City is aware when large apartment buildings are sold to developers, sales of smaller properties (e.g. two- and three-family homes being converted to condominiums) more often fly under the City's radar.

¹⁹ Office of Housing Stability, <https://www.somervillema.gov/departments/office-strategic-planning-and-community-development-ospcd/office-housing-stability/#tab/3>.

²⁰ Office of Housing Stability, <https://www.boston.gov/departments/neighborhood-development/office-housing-stability>.

²¹ The City of Boston also supports a tenant-landlord mediation program where the City dispute cases to one of two city-contracted mediation firms, at which point the mediator will solicit the parties involved to participate. If both parties agree to engage in a formal mediation process, the City of Boston will cover the cost of these services for eligible tenants. In Cambridge, Just-A-Start professionals mediate and help resolve disputes between tenants, landlords, homeowners, and others by creating a neutral forum in which meaningful dialogue can occur. For qualifying cases, JAS professionals also provide mediation to resolve consumer disputes referred through district courts or the Massachusetts Attorney General's Office.

Although there is an abundance of dedicated providers in Cambridge, limited staff and resource capacity to meet demand were common themes brought to the Task Force's attention. While providers work hard to communicate and avoid duplication of services, consistent coordination can be difficult for several reasons, such as limited staff time, barriers due to client confidentiality, and data sharing abilities, and the need for continued staff training. For those looking to access certain services such as mediation support, legal information, or financial assistance, there is no centralized hub hosting information on providers and services in the City. In addition, it is sometimes difficult for tenants to determine the best provider to suit their needs, depending on the severity of potential consequences or time-sensitivity of an emergent housing crisis. In many instances there are households still who are unaware of their options in the first place, or that supports exist to help them in navigating these. We have an obligation to understand where outreach is falling short and identify interventions.

Recommendations: Streamline Supports, Improve Outreach and Access

The City must take a comprehensive approach to coordinating and enhancing the myriad of tenant education and advocacy services. The Task Force's Education Working Group identified three overall strategies, each accompanied by a set of specific action steps. We recommend the City begin by formally assessing the current landscape of providers, offerings, audiences, and resources, as well as the challenges, gaps, and needs. As it moves to adapt and implement the Task Force's proposed strategies, the City's approach should be informed by this developing understanding of where and how the current system is falling short, and whom it is failing to serve.

Initially, the City should:

1. Create an Inventory

Develop a process for gathering a thorough, informed inventory of the existing educational programs, resources, services and supports intended to assist Cambridge residents in stabilizing housing and preventing eviction. Ideally this system would be ongoing and established as an appropriate repository for data as it is collected. The inventory could start with those providers identified by this Task Force, from City departments to the many additional organizations and providers serving its residents. As the City continues gathering information, it can then add to this existing framework, categorizing the services provided and populations served. In this way, we can begin to more clearly identify where we are collectively falling short of meeting resident need, and examine such questions as:

- a. Do redundancies and overlap exist (e.g. in what is provided and who is being served/ reached)?
- b. Are providers facing similar challenges?
- c. What might providers need in order to fill these gaps (e.g. greater staff capacity, additional training, improved communication and referral processes, more funding and/ or more flexible funding, etc.)?

2. Identify Target Audiences

Take steps to further identify where the greatest outreach need exists in order to create more effective educational content and successful outreach process.

- a. How can we better understand who is consistently utilizing services, and who is not? Which residents are the City and other service providers failing to reach?
- b. What does 'targeted outreach' look like for this audience? What materials, tools and delivery approach would be most successful?

Below are the Task Force's recommended strategies [A - C] for enhancing tenant education and agency to prevent eviction and stabilize housing. We strongly urge the City to pursue these strategies in some form, adapting them as needed with the action items as guideposts.

Strategy A | Create a "One-Stop-Shop" for Housing Stabilization

1. Establish a single point-of-contact for housing stability related issues. This designated staff member would be available to answer specific questions, assist with navigating resources, and triage by making the necessary referrals.²²
2. Create a user-friendly²³ webpage which would contain information relevant to tenants' rights and responsibilities in a consolidated, digestible format, and associated resources available to support them.
 - This page should be regularly updated by City Staff and provide the contact information (direct phone number and email) for the established housing stability point-of-contact.
 - The site should house information on the following topics at a minimum, and additional resources where available/applicable:
 - Rights and responsibilities required of tenants renting private housing
 - Rights and responsibilities of property owners and management (e.g. regarding apartment quality and standards for maintenance and safety)
 - Laws and regulations related to renting an apartment, signing or creating a lease (such as lease terms, types of leases, different tenancy arrangements)
 - Fair Housing Law, and supports and resources for tenants experiencing harassment or discrimination
 - Financial supports available to tenants, including short-term rental assistance programs for tenants-at-risk
 - Inspections and enforcement specific to tenants with subsidies (e.g. housing quality standards; sanitary code)
 - Supports and services available for tenants engaged in court-ordered eviction proceedings (such as assistance with traveling to court hearings and on-site court support, communicating difficult experiences, dealing with stigma, and gaining self-advocacy skills and tools for organizing)
 - Access to legal counsel for tenancies-at-risk²⁴
 - Mediation services available for both property owners and tenants
 - Availability of and access to interpreter services
 - Grievance panels to evaluate lease terminations due to issues disputed by tenants of various types²⁵

²² Update of note: As of August 2019, the City of Cambridge has officially filled the newly-established position of Housing Liaison. Starting in September 2019, the Housing Liaison will be working under the City Manager's Office and housed in the Multi-Service Center.

²³ We recommend the site have translation features. Performing controlled user-testing to identify the preferences of the City's target audience would be ideal, if possible.

²⁴ Housing Authorities, management companies, and property owners often have access to their own legal representation in court proceedings, whereas tenants more often do not. Most of the time this leads to the tenant consenting to the agreement, due to intimidation factors and/or lack of experience. Providing tenants-at-risk with the opportunity to obtain advisement from a legal advocate and/or on-site representation at court hearings, will make it less likely a tenant will prematurely agree to a judgement.

²⁵ The Cambridge Housing Authority (CHA) has implemented these for tenants with subsidies. CHA's Grievance Procedure is accessible here: <http://www.cambridge-housing.org/civicax/filebank/blobdload.aspx?BlobID=23169>.

3. Create a single repository for housing data which should be fully accessible to the public.

Strategy B | Conduct a Public Educational Campaign

1. Designate a target audience and design a campaign to address issues specific to this audience (different types of tenants encounter different types of issues) and determine details such as outreach strategy, materials, and format accordingly. At baseline, any campaign should cover information on the rights and responsibilities of both tenants and property owners.²⁶
2. Create and disseminate educational materials to new tenants:
 - The content of these materials could stem from the website noted in Strategy B above, and would mirror the website's branding and design, and include the appropriate contact information for any housing-related issues or concerns, such as the City's housing stabilization point-of-contact noted above (e.g. materials might include a magnet displaying basic info and contact number, which could be mailed out to new tenants).
 - All materials should provide information in multiple languages.
 - Ideally, property owners would provide these materials to all tenants at the time of lease signing.
3. The campaign might include hosting a forum and/or series of educational workshops and presentations for tenants to learn about specific issues affecting them and how to navigate these situations, or otherwise advocate effectively.²⁷ This would also serve as an opportunity for tenants to network and potentially build organizing capacity. Another option would be holding a forum or series directed at a broader audience of both tenants and property owners to discuss and learn about issues.
4. Consider developing an additional campaign designed to encourage property owners to rent to tenants with vouchers (e.g. Section 8 mobile vouchers), which might provide educational materials and trainings on topics such as navigating tenant relationships, stigmatization, and other supports available to property owners. This might also take the shape of a formal program for property owners who agree to rent to households with vouchers at below market rates,²⁸ offering them certain financial incentives such as tax breaks, bonuses on lease signing, supplemental funds to cover security deposits, costs associated with damages or monthly rent (in cases where a tenant might vacate a unit unexpectedly), waived permit fees or other assistance with repairs or capital improvements, or loans to cover building renovations. The hope would be that such a program would serve to increase the rate of success for these households at finding affordable options in Cambridge.

²⁶ E.g. "The Attorney General's Guide to Landlord and Tenant Rights": <https://www.mass.gov/guides/the-attorney-generals-guide-to-landlord-and-tenant-rights>.

²⁷ Please see the Appendix section of this report for an example action plan for implementing an educational workshop series, drafted by the Task Force's Tenant Education Working Group.

²⁸ This recommendation is in line with the Envision Cambridge Housing Plan's "Strategies & Actions"; specifically, under Strategy #3 "Expand Resources for Affordable Housing Production and Preservation," which states: "Study ways to provide incentives for landlords who provide affordable housing (i.e. tax incentives and assistance with capital improvements)." An example of this is Boston's Landlord Guarantee Pilot Program: <https://www.boston.gov/housing/landlord-guarantee-pilot-program>. Similarly, a "Good Landlord Program" is one of the recommended strategies of the Metro Mayors Coalition Regional Housing Task Force (<https://housingtaskforce.mapc.org/strategies>).

5. Updates to the federal **Public Charge Rule**:²⁹ Explore methods for broad dissemination of information on the changes to public charge—to those who might be affected by the rule as well as to service providers—which would include details explaining which benefits count and which do not, and who may or may not be affected.

Strategy C | Increase Tenant Organizing Capacity

The Task Force agrees that the City should work to provide tenants with more organizing support and opportunities to organize.

The *Alliance of Cambridge Tenants (ACT)* is a citywide, all-volunteer tenant organization that directs its work on behalf of low-income tenants and those with federal or state subsidies—that is, tenants who are either residing in public housing through the CHA, in a unit attached to a project-based voucher, or renting a unit with their mobile-voucher applied (e.g. an inclusionary housing unit or a private-market unit). As such, the Task Force identified ACT as a critical partner to further develop and implement our recommendations in the area of education and organizing.³⁰ Specifically, to assist in hosting a series of educational workshops and forums, and generating effective and relevant materials, marketing, and outreach strategy for the educational campaign.

In fact, it was brought to our attention that ACT has been in the process of coordinating a series of “Tenant Leaders” meetings to be held in Cambridge (14 total meetings; 4 during Fall-Winter 2019, and 10 following from January - December 2020). The meetings would be workshop-style, in which tenants will learn their housing rights and responsibilities, as well as federal, state and local regulations, and improve their self-advocacy skills in order to become more active participants in bringing about solutions to their housing issues. The aim of the series is to bring together tenants who are voucher-holders with those tenants living in public housing and inclusionary housing to support each other in the quest for fair housing in Cambridge. Through the process of implementing this series, ACT hopes to provide a clearer idea of a practicable, grassroots educational model for its tenant audience.

This past spring, the Task Force requested (via policy order through the Council) that the City allocate some initial funding to ACT as a stipend to provide startup support for this series of Tenant Leaders meetings, which might similarly inform the Task Force’s recommended educational initiatives.³¹

Further, we recommend the City pursue the following actions:

1. Establish a more permanent, funded partnership with ACT to continue providing these services and building its organizing capacity in perpetuity.

²⁹ Per the U.S. federal government, updates to the definition of “Public Charge” had been set to take effect starting Oct 15, 2019 (immigrants applying for a green card or visa could be deemed to be a “public charge” – someone “likely” to become dependent on the government – and turned away if they earn below 250% of FPL and use any of a wide range of public programs for working families, or are deemed to be likely to use them in the future due to their income, age, health status, credit score and other factors.) UPDATE AS OF Oct. 15, 2019 according to MIRA Coalition (<http://miracoalition.org/pif>): “Five federal courts have **blocked implementation** of the public charge rule, which was set to go into effect on Oct. 15, 2019. Until further notice, the U.S. Department of Homeland Security will thus continue to apply the previous, much-narrower definition of “public charge.” Anyone applying for a green card within the U.S. can still do so without being affected by the new rule. However, the State Department is already applying a similar standard to applications filed abroad and is updating its guidance to match the DHS criteria. We will continue to update this page as lawsuits move through the courts and policies evolve.”

³⁰ In terms of working through the City’s existing partner organizations to bolster organizing supports, there are both advantages and disadvantages; the City should first gain a better understanding of these partners’ reach and the limits of their organizational capacity (which may be accomplished through the initial step of “taking an inventory,” noted above).

³¹ This funding was approved by the City Manager’s Office and by subsequent City Council vote in October 2019.

2. Employ a “train-the-trainer” model; i.e. sponsoring a well-established activist organization such as *City Life/Vida Urbana*—which is highly skilled at organizing tenants to prevent evictions and protesting gentrification in Boston and advocating for tenants’ rights legislation—to bring in representatives to offer this to-be-determined training opportunity. We suggest the City consult with ACT on the potential benefits of this, and how it might be structured.
3. Support the City Council’s adoption of a *Tenants’ Right to Organize Ordinance*, or similar *Tenant Protections Ordinance*:
 - HUD’s federal policy governing “Tenant Participation in Multi-Family Housing Projects”³² grants tenants the basic right to organize. Some municipalities across the country have taken these protections further; in Seattle, WA, for example, it is against the law for a property owner or management company to discriminate against tenants who engage in organizing practices in their buildings, or otherwise attempt to prohibit tenants from such engagement.³³ Ordinances have also been adopted in New York, NY and Oakland, CA, and are similarly noted in the Metro Mayors Coalition Regional Housing Task Force’s suggested strategies for tenant protections.³⁴

Although the Commonwealth of Massachusetts does have a policy protecting and governing tenant participation (in addition to the federal policy noted above),³⁵ tenants in Cambridge continue to experience retaliation. Accordingly, we urge the City to enact an ordinance codifying the rights of Cambridge tenants, serving both to support the state and federal policies and strengthen them locally. A partner-organization such as ACT could assist in laying the groundwork for the ordinance, drafting language, and facilitating this process.

In Conclusion

As a City, we must work to understand the gaps in the current landscape of available educational and advocacy services and supports and uncover where and why outreach may be falling short and services under-utilized. We must also take steps to address the limitations faced by those providers serving our City’s most at-risk residents. Accomplishing this requires building effective, actualizable solutions. This Task Force realizes that some of these strategies require adding infrastructure—hiring staff, allocating resources, potentially establishing one or more partnerships with outside organizations and groups. We urge the City to fully evaluate the resources at its disposal and entertain additional financing options worth pursuing in order to support these critical enhancements.³⁶

³² “Tenant Right to Organize,” Department of Housing and Urban Development (HUD): available at <http://www.cesinaction.org/Portals/0/HUDDenantRightToOrganize.pdf>.

³³ According to the Tenants Union of Washington State, “organizing activities” are defined in Seattle’s municipal code as including “passing out and posting flyers and information to your neighbors and in common areas, creating connection with your neighbors and inviting them to get involved, and holding meetings that are unattended by management or agents of the landlord in the building. If the landlord takes any undue negative action against a tenant who has participated in one of these organizing activities, it is automatically assumed to be retaliation and is illegal.” (Tenants Union of Washington State: <https://tenantsunion.org/rights/right-to-organize>; citing Seattle, WA Municipal Code 22.206.180 – “Prohibited acts by owners”)

³⁴ Metro Mayor’s Coalition Regional Housing Task Force Strategies: <https://housingtaskforce.mapc.org/strategies>; “Oakland, CA - Adopted in 2014, the Tenant Protection Ordinance (TPO) prohibits 16 forms of harassment, including failure to make needed repairs, threats to report a tenant’s immigration status, removal of property, and physical abuse. The Oakland City Attorney’s Division of Affirmative Litigation, Innovation, and Enforcement has pursued several tenant harassment cases under the city’s TPO, including a \$1 million settlement on behalf of 14 elderly tenants; New York, NY - In 2017, New York City adopted a comprehensive list of tenant protections. The City also established an Office of the Tenant Advocate that monitors various protection plans for tenants and responds to complaints from tenants about construction-related harassment.”

³⁵ Massachusetts policy 760CMR 6.09 available at: <https://www.mass.gov/files/documents/2018/04/09/760cmr6.pdf>; Federal HUD policy 24 CFR 964.11 available at <https://www.govinfo.gov/content/pkg/CFR-2019-title24-vol4/xml/CFR-2019-title24-vol4-part964.xml>.

³⁶ For the Task Force’s recommendations regarding financing, please see the “Increasing Funding” section of this report.

Legislative and Policy Agenda

Approaches for Immediate Action and Long-Term Change

Current Context: Potential and Actionable Policies

The City's commitment to keeping Cambridge livable and affordable for all should be reflected across all its policies and programs, from ensuring those residents most at-risk have access to supportive social services and benefits, to prioritizing the financing and construction of affordable mixed-use housing in addition to preserving existing affordable housing stock throughout the City. A broad range of anti-displacement policy and legislative strategies have been employed locally by cities and towns across the country.³⁷ The Massachusetts State Legislature has several bills in process, from policies serving to uphold tenants' rights and instigate protective measures to prevent evictions, to those seeking to disincentivize luxury real estate developers and foreign investors from engaging in speculation.

When a legislative strategy exceeds the legal boundaries of local municipal authority, the filing of a home rule petition to appeal to the state legislature is required. In 2016, the Cambridge City Council asked the City Solicitor to provide an opinion on the limits of the Council's legislative power regarding enacting policies serving to protect tenants. The City Solicitor issued a memorandum citing the "Massachusetts Rent Control Prohibition Act" (Chapter 40P of the Massachusetts General Laws).³⁸ This act limits the authority of local municipalities throughout the Commonwealth to enact policy serving to control or put limits on rent or evictions, and the Solicitor concluded that the Massachusetts' Legislature would likely not look favorably on a home rule petition that would conflict with the broad measures put in place through Chapter 40P. In addition, the Supreme Judicial Court opined that absent an explicit delegation of power by the state, municipalities cannot engage in regulation of the landlord-tenant relationship.³⁹

Unfortunately, many home rule petition processes do not end successfully. If multiple municipalities share a desire to change provisions in a state law, albeit in different ways according to their respective needs, they will often use enabling legislation as an alternative tool to achieve similar ends with a higher success rate.

As a Task Force, we realized that making a host of policy recommendations to the City would be aspirational, given our knowledge of the long-term commitment and significant organizing required for a home rule petition process. We chose to focus on issues within our purview and give support to state level initiatives where possible; we describe a few of these strategies (Right to Counsel; Eviction Record Sealing; Real Estate Transfer Fee) briefly below and note their current placement in the legislative process. Our Legislative & Policy Agenda Working Group simultaneously concentrated its efforts on where it thought the City could have the greatest impact in the shortest time frame. It decided to give serious

³⁷ Please visit the Anti-Displacement Policy Toolkit available at <https://www.antidisplacementtoolkit.org/Anti-Displacement-Policy>. The Toolkit was created in order to provide all those doing planning and housing work in the City of New York, NY with a more comprehensive understanding of what policies could be employed in order to combat residential displacement and provides case studies of various policies used across the country.

³⁸ Mass. Gen. Laws Chapter 40P. For further information, please reference City Manager Agenda 2016 #9 ("An opinion from the Office of the City Solicitor regarding tenant protections," January 11, 2016 City Council Meeting Agenda, City of Cambridge); this memo is also available in the Appendices of this report.

³⁹ Barron, David J. Frug, Gerald E., Su, Rick T (2004). *Dispelling the Myth of Home Rule: Local Power in Greater Boston*. Cambridge, MA: Rappaport Institute for Greater Boston: 50 (explaining that in the court case *Marshall House v. Rent Review and Grievance Board of Brookline*, 357 Mass. 709, 718, 260 N.E.2d 200, 207 (1976), Brookline's attempt to enact a rent control ordinance was struck down, because the enactment of "private or civil law governing civil relationships" was prohibited by Section 7 of the Home Rule Amendment).

consideration to drafting an updated local version of the State's Condominium Act,⁴⁰ devising clear guidelines for strengthening its provisions to benefit Cambridge tenants. We review this process later in the section.

Right to Counsel

The Massachusetts Right to Counsel (RTC) Coalition is a growing membership of municipal leaders, housing advocates, and community groups joined in support of legislation to provide low-income tenants in Massachusetts a legal right to representation when faced with an eviction. According to the RTC Coalition, 92% of tenants who faced eviction in 2018 were not represented by legal counsel. Specifically, there were a total of 29,684 eviction cases in Housing Court statewide in FY2018, and 70% of landlords were represented and only 7.6% of tenants were represented.⁴¹ Three RTC bills were refiled for the 2019-2020 Session and assigned to the state legislature's Joint Committee on the Judiciary,⁴² chaired by Senator Eldridge and Representative Cronin. The RTC Coalition drew together provisions from the three existing bills to create a "hybrid" bill entitled "*An Act to Ensure Right to Counsel in Eviction Proceedings*,"⁴³ and on July 16, 2019, the Joint Committee on the Judiciary heard testimony on these RTC bills. Several legislators and municipal leaders (including this Task Force's Chair, Councillor Sumbul Siddiqui) joined tenants, grassroots organizations, and housing advocates to call for the Committee to pass a statewide RTC bill and support the Massachusetts RTC Coalition's *Guiding Principles and Proposals*.⁴⁴ Councillor Siddiqui submitted a policy order to the Cambridge City Council publicly endorsing the statewide RTC campaign and directing the City to join the RTC Coalition, making Cambridge the first municipal body to sign on as a member.⁴⁵

Eviction Record Sealing

Possessing any record of an eviction filing can present a serious barrier to a potential tenant's success in securing housing. Regardless of fault, outcome, or underlying basis for a court filing, the mere fact that a potential tenant was a party in an eviction or housing case may give a property owner reason to reject the tenant's application. In 2013, the Massachusetts Trial Court began placing eviction record information online, making a tenant's court record history easily accessible to the public. Although not the Trial Court's intention, this effectively provided a free and unregulated tenant screening service for management companies and landlords. Significant research has shown that vulnerable and marginalized populations—such as people of color, women, children (as they are often named on guardians' complaints) and those with low-income—are at increased risk for eviction, and therefore more likely to have an eviction record associated with their name. As such, the unrestricted, public availability of eviction court records has a disproportionate and negative impact on the housing, credit, and employment prospects of those who already experience significant challenges to obtaining stable housing and economic security.

⁴⁰ This may be enacted by two thirds vote of the City Council.

⁴¹ The [Massachusetts Housing Court Department, Fiscal Year 2018 Statistics](#) may be referenced in the Appendices of this report.

⁴² For further information, please visit: <https://malegislature.gov/Committees/Detail/J19/191/Bills>.

⁴³ "An Act to Ensure Right to Counsel in Eviction Proceedings" S.913 available at <https://malegislature.gov/Bills/191/S913> and H.3456 available at <https://malegislature.gov/Bills/191/H3456>. "An Act Establishing A Right to Counsel in Certain Eviction Cases" H.1537 available at <https://malegislature.gov/Bills/191/H1537>.

⁴⁴ The Massachusetts Right to Counsel Coalition's *Guiding Principles and Proposals* document may be found in this report's Appendices.

⁴⁵ Currently, the City of Cambridge provides legal aid services to income-eligible residents through a funded partnership with the Cambridge Multi-Service Center (MSC) and Massachusetts Legal Assistance Corporation (MLAC). Attorneys from legal service providers such as Cambridge and Somerville Legal Services, a division of Greater Boston Legal Services, hold regular office hours at the MSC. De Novo: Center for Justice and Healing also provides local housing court legal aid support on-site through a Lawyer of the Day Program; this was funded by a one-time Community Development Block Grant (CDBG), and as such, the Task Force requested the City allocate supplemental funding to support the program's continuation. (More detail on this is provided in the "Increasing Funding" section of this report, under "Recommendations.")

This has caused serious concern among tenants and advocacy organizations, this Task Force included. In early 2019, Boston City Councilor Lydia Edwards, Senators Joseph A. Boncore, Michael D. Brady and Sal N. DiDomenico, and other members of the Massachusetts General Court put forth *An Act promoting housing opportunity and mobility through eviction sealing* (SD 526 and HD 3815 HOMES).⁴⁶ If passed, the HOMES Act would allow for a court record to be sealed if no judgment was entered against the tenant, the tenant was not evicted, or was not at fault. In February 2019, Councilor Siddiqui submitted a resolution to the City Council endorsing the HOMES Act;⁴⁷ upon its adoption by the Council, the City of Cambridge became the first municipality to officially support this legislation. The State's Judiciary Committee held a hearing on the HOMES Act on July 16, 2019.

Enabling Legislation for a Local Transfer Fee

Real estate transfer fees, as defined by the Metro Mayors Coalition Regional Housing Task Force, are sources of funding that cities, counties, and states can target towards affordable housing development and programs. These fees would be assessed when a property is sold.⁴⁸ Revenue from such a fee is based on the performance of the local real estate market. The sponsors of enabling legislation⁴⁹ including H.2457 (Rep. Fernandes), H.1769 (Rep. Connolly) and H.2552 (Rep. Malia and Sen. Comerford) and filers of local home rule petitions (Representatives Peake, Barber, Gouveia, Vitolo, Provost) have drafted new transfer fee legislation. This legislation would do the following:

1. Allow municipalities to charge a fee of between 0.5 percent and 2 percent for real estate transactions above statewide median sale price for single family homes (currently \$430,000); and
2. Allow a municipality to charge a higher fee, up to 6 percent, for speculative real estate transfers that:
 - a. exceed three times the Massachusetts statewide median sale price for single family homes; and
 - b. involve the re-sale of a property within twelve months of a prior sale for purposes of speculative gain (i.e. excluding sales by owners who need to relocate for work or family, or to liquidate assets to address urgent needs).

The Cambridge City Council supported a policy order in the Spring 2019 requesting that the City Solicitor draft a home rule petition for a local transfer fee. This draft has yet to be presented to the Council for review, and further discussion is needed at the Council level. Should the above enabling legislation pass in the 2019-2020 legislative session, the Task Force recommends the Council initiate further discussion on a strategy for implementing a local transfer fee policy.

⁴⁶ "An Act promoting housing opportunity and mobility through eviction sealing (HOMES)" SD 526, available at <https://malegislature.gov/Bills/191/SD526>, and HD 3815, available at <https://malegislature.gov/Bills/191/Hd3815/>.

⁴⁷ POR 2019 # 43 is included in this report's Appendices, under "Policy Orders."

⁴⁸ Metro Mayors Coalition Regional Housing Task Force Strategies: "Real Estate Transfer Fee." <https://housingtaskforce.mapc.org/strategies>.

⁴⁹ Enabling legislation gives cities more latitude to make certain changes to the state law as they see fit for their respective communities; a way to make a state-wide law more palpable for municipalities to craft based on what works for them; over-arching change with parameters.

Implications of Condominium Conversion in Cambridge

Condominium—or “condo”—conversion is the process of converting from sole ownership of a rental property in its entirety, which is most commonly a multi-unit property or building, into units individually sold as condominiums. This process, even when fairly handled, significantly disrupts the lives of the tenants affected by these conversions and can lead to their displacement from the city.

In 1983, the Commonwealth of Massachusetts passed the “Condominium Conversion Act,” providing certain protections to Massachusetts tenants living in buildings being converted to condominiums, within specific parameters.⁵⁰ that have four or more units. While in the present housing climate this law falls short of sufficiently protecting vulnerable tenants, it does explicitly allow municipalities to adopt their own local versions of the state law, so long as these stay within the legal authority granted to municipalities by the Commonwealth. Several cities and towns in Massachusetts have adopted their own local ordinances, including Boston, Haverhill, Lexington, Marlborough and New Bedford.⁵¹

At the time the Massachusetts’ Condominium Conversion Act was passed in 1983, Cambridge residents and housing advocates were not very concerned with the potential impact of condominium conversions. Rent control was in effect citywide and there was little urgency at the local level to develop a local ordinance. However, by the mid-nineties the housing landscape shifted dramatically in Cambridge, after a 1994 statewide ballot initiative resulted in the repeal of rent control throughout the Commonwealth. This catalyzed a boom in the conversion of rental units to condominiums. In turn, many residents were displaced, and the number of rental units in Cambridge fell substantially. An attempt was made to pass an updated version of the Massachusetts’ Condominium Conversion Act for the City of Cambridge in the months immediately following the removal of rent control. It was controversial, and in the end the City Council could not come to an agreement.⁵² This continued to be low on the priority list for housing advocates, even as housing—especially affordable housing—became increasingly scarcer in the decades following.

The persistently low availability of affordable rental units in Cambridge continues to impact the supply and cost of housing in the City.⁵³ Cambridge has seen a sustained increase in housing prices for single-family homes and condominiums, with the median price for the former surpassing \$850,000 in 2013 and the median price for the latter exceeding \$500,000.⁵⁴ Similarly, a greater number of households are spending upwards of 50 percent of their income on rent. The table below, taken from Cambridge’s 2015 Incentive Zoning Ordinance Nexus Study, displays the distribution of households by the percentage of income spent on rent in the years 1999 and 2012. Those households and individuals paying greater than 50 percent of their gross income on rent were the largest cohort in both years, at 19 percent of households in 1999 and 23 percent of households in 2012.⁵⁵

⁵⁰ The statewide law, Chapter 527 of the Acts of 1983 (the “Condominium Conversion Act”), only applies to buildings with four or more residential units. The current law offers certain notice, eviction, and rent increase protections for tenants for a period of up to one year following; with the exception of tenants who are elderly, disabled and/or with low-income, who are provided a longer period of time. The law provides monetary relocation assistance to tenants as well as the right of first refusal.

⁵¹ For a summary of Massachusetts’ Condominium Conversion Ordinances by City: <http://www.masslegalhelp.org/housing/private-housing/ch20/local-protections-for-tenants-facing-condo-conversion>.

⁵² A summary of the 1995 Cambridge City Council ordinance debate is available at: <http://www.rwinters.com/journal/ccj25.htm>.

⁵³ Planning for Housing in Cambridge: Past, Present and Future. City of Cambridge. February 7, 2013; *Cambridge Incentive Zoning Ordinance Nexus Study*. Final Report Submitted to City of Cambridge by Karl F. Seidman Consulting Services. January 2015.

⁵⁴ *Ibid*.

⁵⁵ In December 2019, the City of Cambridge released the newest report from its Incentive Zoning Ordinance Nexus Study, which is updated every three years. It cites that 43 percent of Cambridge renters were “cost-burdened,” meaning they were spending at least 30 percent of total household income on housing costs, as were about 25 percent of homeowners, according to data from the U.S. Census Bureau’s 2013-2017 American Community Survey. (Source: City of Cambridge. “Incentive Zoning Ordinance Nexus Study Report.” 2019. 27.)

Households by Percent of Income Spent on Rent, 1999 and 2012
City of Cambridge⁵⁶

Percent of Income	1999		2012	
	Renting Percent Households of Total		Renting Percent Households of Total	
Less than 10 percent	1,734	6%	1,109	4%
10 to 14 percent	2,663	9%	2,359	8%
15 to 19 percent	3,933	14%	3,317	12%
20 to 24 percent	3,522	12%	3,847	13%
25 to 29 percent	3,520	12%	3,591	12%
30 to 34 percent	2,633	9%	2,585	9%
35 to 39 percent	1,741	6%	1,702	6%
40 to 49 percent	2,195	8%	2,195	8%
50 percent or more	5,542	19%	6,752	23%
Not computed Total	1,397	5%	1,361	5%
	28,880	100%	28,818	100%

Condominium conversion is no longer a back-seat issue, it is a present concern for tenants in 2019. Cambridge's supply of middle-income housing stock is extremely limited and property values have sky-rocketed. As those residents who purchased multi-family homes when real estate was relatively less expensive and in greater supply reach retirement age, it becomes more likely that the City will soon see a rise in the rate at which properties are being converted to condos. The real estate market will continue to drive sale prices, rents will continue to increase in step, in turn making housing even more unaffordable to most.

As a Task Force, we strongly recommend that the City move to address this issue now, when there is traction to advance a new policy forward.

Recommendations: A City-wide Condominium Conversion Ordinance for 2020

The Task Force believes the City of Cambridge has an obligation to minimize the disruptive impact conversions have on tenants and ease tenant transitions to comparable (or better) living arrangements. This goal can be achieved, without placing undue burden on owners, through adopting a City Condominium Conversion Ordinance that "updates" and strengthens the state condominium law in the service of Cambridge tenants.

⁵⁶ *Ibid.* Table 10 (Source: U.S. Census Bureau 2000; 2008-2012 American Community Survey; and Consult Econ, Inc.)

Certain types of conversions are not covered under the state condominium law, most notably conversions of properties that first became residential after November 30, 1983, and conversions of properties with fewer than four units. We recognize that for a city like Cambridge, these are significant limitations; however, the alternative to modernizing the state statute for Cambridge would be for the Council to pass a home rule petition and seek approval from the state legislature for a more comprehensive solution. In addition to the aforementioned political hurdles involved, such a home rule petition would require close examination of how to balance the interests of tenants and small property owners, some of whom may be owner-occupants.

We took steps to meticulously research the limits and possibilities of what such an ordinance might contain, while remaining within the City's existing legal authority. We requested that the City provide its most up-to-date data on the state of condominium conversions in Cambridge⁵⁷, and consulted with various City offices and departments, including the City's Director of Assessment and the Community Development Department's Housing Director. Representatives from the Task Force also met with the cities of Somerville and Boston to learn about the development of their condo conversion policies, their past and potential challenges, as well as other aspects of their overall approach to addressing housing instability.⁵⁸

The City of Boston's condominium conversion ordinance model is exceptionally strong⁵⁹ and much stricter on property owners than the state law. For example, Boston included an embedded Tenant's Right of First Refusal policy⁶⁰ in its ordinance; it also expanded the "protected class" category to include more types of tenants than the state's definition and allows these protected tenants a period of five years for relocation (versus the state's two years).⁶¹ The City of Somerville adopted an ordinance just this past year, which also includes a version of a Right of First Refusal provision for tenants.⁶²

After thorough research, this Task Force recommends that the City of Cambridge expeditiously develop a Condominium Conversion Ordinance with the following general framework:

1. All residential properties would be covered, except for those exempted under the state condominium law. These exempted categories are:
 - a. Properties with fewer than four units;
 - b. Properties constructed or converted from non-housing to housing uses after November 30, 1983;
 - c. Properties constructed or substantially rehabilitated with federal mortgages without interest subsidy; and

⁵⁷ This [March 4, 2019 policy order \(O-7\)](#) may be found in this report's Appendices, under "Policy Orders," as well as its response, an update which was presented to the Task Force by the Assessor's Office at its March 19, 2019 meeting.

⁵⁸ For example, Boston's Office of Housing Stability employs an outreach process for educating tenants around condo conversion: when the office receives notice that a building subject to the City's ordinance has been sold (which is tracked by another City office), it sends each tenant a glossy card, in both English and Spanish, which provides a summary of their rights as well as contact info—not only for the City, but other service providers such as Greater Boston Legal Services, the Boston Bar Association and Harvard Legal Aid, and organizing bodies such as City Life/ Vida Urbana. In this way, Boston implicitly encourages its tenants to seek counsel or organize and advocate as well.

⁵⁹ Boston is currently reviewing its conversion ordinance, which sunsets in November 2019 (and was extended for five months to allow for consideration of possible changes). It is therefore possible that some of the Boston provisions this Task Force favors could change by the time a Cambridge ordinance is being considered.

⁶⁰ In Cambridge, a similar Right of First Refusal policy was brought to the City Council in Fall 2018 and subsequently voted down, thus a period of two years must elapse before the Council can consider similar legislation again (per the City's Charter).

⁶¹ Goldman, Howard. "Considerations Before Converting Your Residential Rental Income Property into Condominiums." *Goldman & Pease, LLC*. <https://www.goldmanpease.com/considerations-before-converting-your-residential-rental-income-property-into-condominiums.html>.

⁶² Somerville's ordinance is based on pre-existing legal authority; although its full scope is not available to Cambridge, one condition states that if a tenant fails to make an offer to buy after 30 days, the converter is not permitted to sell the condominium at a more favorable price than the one offered to the tenant for the next 180 days.

d. Properties financed through MassHousing with interest subsidy.

The definition of residential properties also excludes living units that are not on the rental market, such as dorms and hotel/motel rooms. Such a Cambridge ordinance would cover approximately 11,000 units that could be converted.

2. As in state law, the ordinance would provide additional protection for elderly, disabled, and low/moderate income tenants. *We propose keeping the state's definitions of "elderly" (62 or over) and "low/moderate income" (less than 80% of area median income over the prior 12 months) but recommend updating the definition of "disabled."*
3. As in state law, owners would provide written notice of their intent to convert to a condominium or cooperative form of ownership; "intent to convert" is defined in state law. Steps that show such an intent include measuring or inspecting a unit as a condominium and retaining professionals for engineering/architectural or survey plans for conversion. *We recommend adding these as factors: retaining a real estate agent for sale of converted unit(s) and retaining an attorney to pursue conversion.*
4. As in state law, the written notice would inform the tenant of rights created under the conversion ordinance and how to enforce those rights.
5. Tenants would have the right to stay in their units for at least one year after notice was provided. As in state law, tenants not in protected categories would have the right to stay for one year, even if their lease expires prior to that time. Tenants in the three protected categories (elderly, disabled and low/moderate income) would have the right to stay for five years. Although state law provides a right to stay for only two years, we believe this length of time is outdated. *Given the increased difficulty of finding comparable housing in the current Cambridge housing market, we recommend adopting a right to stay of five years.* This is consistent with the Boston and Somerville ordinances.
6. As in state law, tenants would have a right to purchase the property and are provided a period of 90 days from the time of notice to exercise this right to purchase.
7. State law provides for reimbursement of tenant relocation expenses; however, as these reimbursement amounts were determined over thirty-five years ago, they must be adjusted to reflect today's housing market. *We recommend the reimbursement amount be increased from \$1000 to \$10,000 for tenants who are elderly, disabled and/or have low/moderate income, and from \$750 to \$6,000 for all other tenants. We also recommend that these be allowances, rather than reimbursement of documented expenses, to avoid delays and disputes over the expenses.* Our recommendation is consistent with the Boston and Somerville ordinances. It is also consistent with our observations of what is required for a tenant to move and provide a new landlord with first and last months' rent and a security deposit.
8. As in state law, owners would have an obligation to assist tenants who are elderly, disabled and/or have low to moderate income in finding comparable housing. Under state law, if the tenant has not been able to find such housing, the owner must allow the tenant to stay an additional two years in the unit. *We recommend that the City include provisions in the ordinance to help owners and tenants in this search process.*

9. As in state law, the ordinance should protect tenants during the period after notice.⁶³ *We recommend this include a limit on rent increases (limited by the consumer price index or 10%, whichever is less) and on improvements that can be made to units and common areas. We also recommend adding language that would permit tenants to leave on 30-day notice any time after the notice to convert, as in the Somerville ordinance.*
10. State law, as well as the Boston ordinance, leave enforcement of condo conversion requirements to state courts. Somerville, on the other hand, uses a regulatory approach managed by a City board. There are reasonable arguments for both approaches. *We recommend a robust City role without a board and without an application/approval process.* Given the statutory exemptions that apply in Cambridge, we do not think the volume of condo conversions would justify a new regulatory structure.
11. We recommend that a robust City role include the following:
 - a. The City should receive a copy of any condo conversion notice provided by a property owner.
 - b. The City should develop an extensive educational outreach effort that would reach tenants occupying any and all units subject to the ordinance on a periodic basis. Special efforts should be made when a building subject to the ordinance is sold.
 - c. The City should contract with one or more local mediators and refer disputes to a mediator (with the tenant's cost covered by the City). Such disputes might involve whether the intent to convert has been triggered, tenant protection during the notice period, or other issues that relate to conversion.
 - d. The City could perform these functions within an existing office or create a new office (e.g., an office of housing stability) that would work to address the wide range of tenant displacement issues covered in this report.
12. We recommend that the ordinance include a declaration of emergency⁶⁴ and that it sunset after ten years.⁶⁵

In Conclusion

⁶³ It should also protect tenants who resided in the building notice should have been provided. The definition of "condominium or cooperative eviction" would accomplish that by covering actions taken by landlords before notice if there is an intent to convert.

⁶⁴ The 1983 Massachusetts State Condominium Law (MA Chapter 527) states the following "DECLARATION OF EMERGENCY. The general court finds and declares that a serious public emergency exists within the commonwealth with respect to the housing of a substantial number of the citizens of the commonwealth. This rental housing emergency has been created by the lack of sufficient new rental housing production, by prolonged increases in housing costs at a rate substantially exceeding increases in personal income, by housing abandonment, by increased costs of new housing construction and finance, and by increased residential mortgage interest rates. It has also been created by the effect of conversion of rental housing into condominiums or cooperatives...." State law further requires that "local legislative action shall be accompanied by a declaration, in the form of findings, that local conditions constitute an acute rental housing emergency requiring local action, on account of the aggravating impact of the factors set forth in section one of this act.

⁶⁵ A "sunset provision" is a condition within a law that serves to designate a point in time at which the law will cease to be in effect.

An ordinance developed in accordance with the above would be responsive to the circumstances faced by today's tenants without unreasonably burdening those owners wishing to convert. The Task Force recommends that the City and City Council take steps to adopt such an ordinance for the upcoming 2020 Council term.

Increasing Funding

Preventing Eviction through Protections, Supports and Services for Tenants

Approaches to addressing the housing crisis and preventing displacement often fall into one of the following three categories: production, access and prevention. We must produce more housing to meet demand. We must create housing that is financially accessible to those with a range of incomes so that Cambridge can remain an economically viable place to live. We must also make sure that those residents who are struggling have access to services and supports. Finally, we must prevent current tenants from being evicted or priced out of their homes and preserve existing affordable housing stock. **Nearly all anti-displacement interventions require substantial financial investment.** Although this Task Force did not cover the topic of affordable housing production, arguably the largest cost to a city, we recognize that the recommendations in this report require significant resources nonetheless.

As we developed our Task Force recommendations, we kept track of the resources they might require, and assessed both present and potential funding opportunities, as well as the avenues for acquiring the funds needed to accomplish these goals. It became clear to the Task Force that increasing funds is ineffective if they are inaccessible when needed most. If future funding mechanisms are to be established, they should be structured to allow discretion on behalf of those providers serving Cambridge tenants whenever possible. We often encountered specific needs or gaps in the City's existing services throughout our work as a Task Force. In the event these needs or gaps could be directly addressed through a simple request for distributions in available funding from the City Manager's Office, the Task Force advocated for these allocations by way of submitting policy orders to the City Council for adoption. The following section of this report notes these results, reviews the Task Force's examination of current and potential funding options, and finally, outlines further recommendations for establishing flexible and sustainable funding mechanisms.

Increasing Funding to Existing Service Providers

Through several meetings and conversations with the City's service providers, the Task Force determined a few instances in which clearly identifiable needs could be targeted with specific financial support. We requested that the City explore options for incorporating additional line items in the FY20 Budget, directing supplemental funding toward our legal aid services, housing stabilization assistance, and tenant education and organizing efforts. We are pleased to report that the following funding allocations were approved by the City Manager's Office and have since been adopted by vote of the City Council:

- A total of **\$70,000** in additional funds to the Cambridge Multi-Service Center (MSC): These funds will allow the MSC to raise the cap on rental assistance funds—funding to assist with back-payment of rent, covering a security deposit and/or moving expenses for eligible tenants in need—from **\$1500 to \$2000** per household. This will also allow for an increase in frequency with which tenants may request funding assistance from twice in a five-year time period to **up to three times within a five-year period**. These funds may help a household avoid an eviction by covering some payment of rent arrearage, assistance with a security deposit and/or moving expenses when a household is relocating.
- A total of **\$65,000** in additional funds to Cambridge and Somerville Legal Services (CASLS), a division of Greater Boston Legal Services, through the MSC and the Massachusetts Legal Assistance Corporation (MLAC).⁶⁶ Due to cuts in federal funding for elder services, CASLS has not been able to fund its supportive services to Cambridge's

⁶⁶ For FY18, total funding \$130,000; increased to \$195,000 in FY19. These additional funds will bring the FY20 funding total to \$260,000.

growing population of elders facing eviction from private housing (although it continues to provide them). In addition, inflexible grant funding prevents CASLS from assisting former residents with vouchers in returning to the Cambridge community. This increase in funding will allow CASLS added flexibility to continue offering services that best fit community need.

- A total of **\$26,707** in additional funds to De Novo: Center for Justice and Healing (formerly Community Legal Services and Counseling Center) through the MSC and MLAC: This will allow De Novo to sustain its Lawyer-For-A-Day Housing Clinic, which provides on-location legal aid support to those lacking representation in housing court, both at the Middlesex Session of Eastern Housing Court and at the Cambridge District Court once per week. Currently, a part-time De Novo attorney coordinates the program, providing legal assistance while also overseeing the other attorneys offering pro-bono services. Previously De Novo relied on one-time funding to cover the cost of wages for this coordinator position. The City's financial support will allow De Novo to guarantee funding for this role and therefore support the continuation of the program.
- A total of **\$2000** in funding to support the ongoing work of the Alliance of Cambridge Tenants (ACT). ACT was identified as a critical partner in the development and implementation of a series of educational workshops and similar resources for tenants. This new funding will provide some initial support for this initiative, and for the critical organizing and advocacy services ACT offers to Cambridge tenants.⁶⁷

Evaluating Existing and Potential Funding Sources

The Richard C. Rossi Housing Assistance Fund

The *Richard C. Rossi Housing Assistance Fund* was established by the City in March of 2017 in the name of the retiring City Manager Richard Rossi, with donations raised through the Friends of Richard Rossi Fund, totaling \$35,641.46. As of 2019, this total has increased to \$55,396.24. The fund's stated public purpose is to "provide limited emergency financial assistance to Cambridge residents and households experiencing difficulty in obtaining housing or remaining housed in Cambridge." It notes its use as being "primarily in the following areas: first month's (and, where required, last month's) rent and security deposit, mortgage and/or condominium fee arrearages, credit repair, and rent arrearages."⁶⁸ The specificity of this language and other outlined restrictions make it difficult to apply this funding, and oftentimes these may be the types of tenant cases for which additional funding is needed most.

Presently, the Richard C. Rossi Housing Assistance Fund is utilized by the City only when needed, as a "last dollar" fund. Although the fund was intended to be ongoing, without a continuing inflow of donations, it is becoming increasingly finite. The City is limited in its ability to replenish the fund, as City Staff are not legally permitted to fundraise on behalf of the City. It became one of our goals as a Task Force to identify possible mechanisms that might address this fundraising issue.

⁶⁷ For more on this topic, please reference the "Tenant Education" section of this report (specifically Strategy C of the recommendations provided).

⁶⁸ [CMA 2017 #53](#): "A communication transmitted from Louis A. DePasquale, City Manager, relative to a request to establish the Richard C. Rossi Housing Assistance Fund (the "Fund"), and that \$35,641.46 in donations received be appropriated into this Fund." City Council Meeting Agenda, March 6, 2017. City of Cambridge.

Impact of Universities on Housing Demand

Cambridge is home to several prestigious higher-educational institutions, including Harvard University, the Massachusetts Institute of Technology (MIT), Lesley University, HULT International Business School and Bard College's Longy School of Music. The two largest institutions, Harvard and MIT, own a substantial amount of real estate in the city; however, given their educational non-profit status, they are exempt from paying property taxes.

Higher educational institutions increase overall housing demand, and yet the amount of on-campus housing available for graduate students is minimal when compared with the total population of enrolled students (who likely desire residence within a reasonable distance of campus). In Cambridge, families are increasingly competing with students for housing stock of similar size and affordability. The City's Envision Cambridge Plan notes this in its Housing Plan: "Large academic institutions and other actors in the regional economy have a long-term interest in limiting rapid increases in housing costs and ensuring adequate affordable housing. However, their prioritization of non-housing uses may exacerbate the affordable housing crisis by increasing demand for housing. *Cambridge should use its influence as a regulator and a center of economic activity to shepherd other entities toward affordability goals.*"⁶⁹

The topic of the level of responsibility and accountability of these universities arose frequently in the Task Force's discussions, with such questions as:

- *What would it mean for Cambridge's universities to appropriately off-set their impact on displacement in our City?*
- *If these institutions are falling short, how can they more aptly be held accountable?*
- *Where and how could universities offer more support to the City in its housing stabilization efforts?*
- *Does the City have power to encourage any action on the part of universities?*

One potential mechanism we investigated was the City's **Payment in Lieu of Taxes (PILOT) Agreements**.

These are formal contracts whereby universities make annual payments to the City in order to (partially) replace the revenue lost due to the tax-exempt status of university-owned property. Presently, the City has established PILOT Agreements with Harvard University and MIT. Both institutions signed their respective contracts in 2004, which were negotiated on fixed terms. MIT's agreement is for a 40-year term; however, Harvard's contract is for a 20-year term, meaning it will be up for renegotiation in 2024.

Recommendations: Creating Flexible, Sustainable Funding Mechanisms

Funding through University PILOT Agreements

We feel the opportunity exists to examine further the City's PILOT Agreements and their potential as a funding tool, and recommend the City take steps to accomplish the following:

1. Renegotiate the City's existing PILOT Agreement contracts with Harvard and MIT

We urge the City to investigate whether and how these contracts could be reevaluated and shifted. For example, we recommend the payment amounts be adjusted to account for the rising costs of housing and reflect current trends in the real-estate market. Additionally, the City might

⁶⁹ Envision Cambridge: A Plan for the Future of the City. City of Cambridge. June 2019. 151.

consider whether alternative forms of payment, such as property donations,⁷⁰ would be acceptable to incorporate into revised or future agreements.

2. Develop new, additional PILOT Agreement contracts

HULT International Business School and Lesley University are two examples of relatively sizable institutions lacking PILOT agreements with the City. There should be further investigation into whether these can be feasibly arranged. In the meantime, the City should investigate who might be able to assist with approaching these universities for additional affordable housing fundraising efforts.⁷¹

3. Redirect payment revenue from the City's existing PILOT Agreements

Future PILOT payments could be directed into the newly established Cambridge Housing Assistance Fund or "Walk Fund" (see below), thereby giving the greatest amount of flexibility for how these funds are distributed and directed, or perhaps through an existing source such as the Affordable Housing Trust Fund, directly impacting the production of additional affordable housing in the City. We recommend the City consult with its new Housing Liaison and additional, unbiased advisors on the most appropriate place to direct future payment revenue acquired through the its University PILOT Agreements. This might be the timeliest adjustment, if the option exists to implement these changes for the upcoming fiscal year, without needing to wait until the existing contracts are up for renegotiation.

Establishing a Cambridge Housing Assistance Fund

In our search to identify potential opportunities for acquiring additional funding sources, preferably flexible ones, the Task Force's Funding Working Group investigated strategies that nearby cities and towns were implementing. We determined that the City should work with local organizations and city agencies to establish its own unique Housing Assistance Fund,⁷² with the goal of serving as a flexible and sustainable source devoted to funding a wide variety of needs associated with housing stability, affordability, and tenant protections. We have provided below some initial guidelines for the establishment and operational management of such a fund.

Community Engagement: Annual Walk to Benefit Affordable Housing "Walk Fund"

We recommend the City of Cambridge work with local organizations and city agencies to establish a citywide walk as an annual fundraising event for the City's Housing Assistance Fund or "Walk Fund" (e.g. *"Walk for Affordable Cambridge!"*). We suggest this Annual Walk be modelled after the Town of Arlington's and the City of Somerville's established "Walk Funds," as both have shown consistent success as fundraising mechanisms. Given Cambridge's median income and available resources, we propose setting a goal of \$50,000 for the first year for tenancy stabilization; this goal amount would increase in the years following. We recommend the City identify an organization to coordinate the walk that is both dedicated to increasing affordable housing and/or ending homelessness and has the capacity to spearhead such an effort. The Walk could be

⁷⁰ In October 2019, MIT announced plans for the redevelopment of 882 Main Street, a three-story, six-unit apartment building, which the university will deed (i.e. donate) to the Cambridge Affordable Housing Trust. MIT originally purchased the property about forty years ago.

⁷¹ E.g. As potential sponsors of the to-be-established "1st Annual Cambridge Walk for Affordable Housing", as outlined in this section's Funding Recommendations.

⁷² This would be in addition to the Richard C. Rossi Housing Assistance Fund, which, as noted in this section, has unfortunate limitations.

organized as part of the City of Cambridge's *Affordable Housing Month of Action*, which is typically in the month of May.

Operationalizing the Fund: Flexibility and Discretion in Management of Funds

Stabilizing tenants to prevent displacement means assisting them in multiple and creative ways. We urge the City to pay careful attention to how it structures the operating language that establishes the Walk Fund and governs its execution. We strongly recommend that language be written to allow for flexible interpretation (less is more). power of discretion be given to a committee, established by a local service provider or organization partnered with the City of Cambridge (e.g. CASLS or CEOC). We recommend that this committee be committed by its operating bylaws to prioritize assisting as many individuals in need as possible, with \$2000 as the maximum amount of funds to be allotted per case. However, if the circumstances of an individual case are uniquely compelling, the committee members by a simple majority should be allowed to authorize a larger amount. When any such case arises, a detailed, written explanation should be documented as to why a larger amount was warranted given the circumstances of the case.

Fundraising: Local Sources for Partnerships, Grants and Contributions to the Fund

We advise that the organization identified to organize the Walk Fund consult with City officials and agencies to produce a list of outside sources to solicit for contributions to this fund. We recommend this list include community relations offices at local colleges and universities operating in Cambridge, as educational institutions have a vested interest in available housing for their employees and students. In addition, private philanthropic and community foundations should be approached, and their support elicited for contributions to the fund. We also recommend engaging for-profit companies, corporations and local businesses with offices in Cambridge, as they are similarly incentivized to ensure the availability of affordable housing in Cambridge for their employees.⁷³

In early 2019, Microsoft pledged \$500 million to fund affordable housing production in the Seattle area;⁷⁴ five months later Google followed suit, announcing it would invest \$1 billion to help mitigate the Bay Area's housing crisis.⁷⁵ Over the last decade, the rapid growth of the tech industry has caused a surge in the population of high-income workers in both the Seattle and San Francisco Bay Areas, contributing to mounting housing shortages in these major cities. Several of the world's largest tech companies have established offices and campuses here in Cambridge (including Microsoft and Google), and more will continue to follow. While these companies have helped solidify Cambridge's identity as a tech and biotech innovation hub, we hope they will acknowledge their impact on the increasing demand for housing and take an active role in the fight against displacement.

The discretion and flexibility of the City's Affordable Housing Assistance Fund or "Walk Fund" would allow its funding to be used to cover a range of costs associated with stabilizing residents

⁷³ This is echoed in Envision Cambridge's Housing Plan, Strategy 6: "Develop a broader coalition of public and private entities to support housing production, especially affordable housing, in Cambridge and the region." (Envision Cambridge: A Plan for the Future of the City. City of Cambridge. June 2019.151.)

⁷⁴ Goldstein-Street, Jake. "Tech companies step up to fund affordable housing, but experts say it's not enough to curb shortages," *Geek Wire*, 7 August 2019, <https://www.geekwire.com/2019/tech-companies-step-fund-affordable-housing-experts-say-not-enough-curb-shortages/>.

⁷⁵ Wakabayashi, Daisuke, and Conor Dougherty. "Google Pledges to Invest \$1 Billion to Ease Bay Area Housing Crisis." *The New York Times*, 18 June 2019, www.nytimes.com/2019/06/18/technology/google-1-billion-housing-crisis.html.

in their homes, promoting access to affordable housing, and preventing further displacement. With the establishment of this new, flexible funding source, accompanied by a partnership with an experienced organization, periodic fundraising could be coordinated not just through a Citywide Walk event, but through smaller-scale fundraising campaigns and tools. Ultimately, many untapped resources and potential collaborations exist for the City to consider in the future.

Data Collection and Analysis

Improving our Understanding to Prevent Evictions and Displacement

It is critical to the work of this Task Force to encourage the City to develop a process for collecting and analyzing more specific eviction data. Staff from the City's Community Development Department (CDD) repeatedly emphasized in meetings with the Task Force that comprehending Cambridge's eviction landscape is an extremely arduous process; attempting to determine causation would be an even more ambiguous task. Although the CDD has begun to review eviction data from the court system, this data remains high level. The Department has yet to reach a point of interpreting this data, discerning meaning, and targeting potential solutions.

Aside from the necessity of collecting and analyzing data related to evictions in Cambridge, the City must also find ways to evaluate the prevalence and impact of direct displacement, i.e. instances in which a rent increase, building rehabilitation or sale, or a combination of these, force a household to move out.⁷⁶ Other than an inability to afford a rent increase, anecdotal evidence suggests that a combination of factors, including fear, misinformation, and lack of knowledge of legal rights and responsibilities, likely contribute to a why a household in such a situation would make the choice to move, regardless of whether it's within the household's legal right to stay. Unfortunately, at present we can only speculate, given the difficulties inherent in tracking and categorizing such occurrences and therefore the lack of measurable data; however, the City can and should still work to prevent Cambridge residents from experiencing direct displacement and likewise prevent it from affecting the community.

Analysis of Currently Available Eviction Data

In December 2018, staff from the CDD presented data the Department had collected on evictions in Cambridge to the City Council.⁷⁷ This report assembled publicly available data on eviction complaints filed in between 2013 and 2017, retrieved from the Massachusetts court system electronic records. It provided information as to the number of evictions filed against Cambridge residents, the number of judgments, and the median and average judgment amounts.

Although a good starting point, there remained many gaps in the data in need of further analysis, such as 1) a comparison of the number of complaints filed in Cambridge District Court versus the Eastern Division of the Massachusetts Housing Court (given that Housing Court judges and staff are more knowledgeable on housing-related issues, Housing Court is more advantageous to tenants than District Court), 2) a categorization of eviction data by landlord types, such as management companies, private landlords, or the Cambridge Housing Authority, and 3) specific information on cases involving subsidized tenancies (e.g. the number of subsidized tenancy cases resulting in the execution of eviction and the rate of execution of eviction in subsidized tenancy cases).

We requested that the CDD provide additional analysis of this eviction filing data and other information that might be beneficial in analyzing displacement of residents;⁷⁸ the CDD presented its response to this request at the April 22, 2019, meeting of the City Council. The CDD noted that it had expanded on its previous work with a more detailed analysis of Evictions Complaints filed between 2013 and 2018 and included data from complaints filed *during* the 2018 year. It

⁷⁶ U.S. Department of Housing and Urban Development (HUD). 2018. "Displacement of Lower-Income Families in Urban Areas Report."

<https://www.huduser.gov/portal/sites/default/files/pdf/DisplacementReport.pdf>

⁷⁷ This came in response to a [May 21, 2018 policy order \(O-5\)](#) submitted by Housing Committee co-chairs, Councillor Simmons and Councillor Siddiqui.

⁷⁸ This policy order was submitted by Councillor Siddiqui and adopted by the Council at its January 14, 2019 meeting; a copy of the order (O-6) may be found in this report's Appendices under "Policy Orders."

gathered data on housing type, and separated complaints filed against tenants who reside in affordable housing from those filed in market rate housing. Most filings occurred in properties with more than 50 units. Among properties with market-rate units, most filings were in those with more than 12 units and those that were professionally managed. Further data analysis showed that among monetary judgments awarded to landlords, 39 percent of such monetary judgments of the average per year were for \$1,000 or less, with another 23 percent for amounts between \$1,000 and \$2,000. Especially given that these monetary judgment amounts are relatively low, we encourage the City to intervene earlier on behalf of tenants in need with financial assistance to cover these arrearages. Further, we urge the City and its Departments to work to prevent these cases from resulting in eviction filings, which can present a barrier to tenants in achieving housing stability in the future.⁷⁹

Recommendations: Investing in a Deeper Understanding of Displacement

The Task Force, through meetings with various City departments, staff, and service providers, reached a clear consensus on the need for data that is comprehensive, accurate, accessible, and presented in effectively designed visualizations.

The Task Force recommends the following steps be taken to advance the City's understanding of the present effects and potential future impact of displacement on our community infrastructure and the City's livability and desirability:

- The CDD should continue its process of reviewing eviction filing data. Additionally, this data should be compiled online, shared with the City Council and other City Departments, and be made available to the public through the City's Open Data Portal.
- In 2012, the Boston Bar Association and the Task Force on the Civil Right to Counsel issued a report on pilot programs providing legal counsel in cases involving the risk of loss of housing.⁸⁰ The study demonstrated that implementing targeted, full legal representation to tenants faced with eviction would prevent homelessness and save the Commonwealth of Massachusetts money. Specifically, it the data showed that individuals who received legal counsel were two times more likely to retain possession of their housing, and the study further projected that cutting evictions by only 10 percent could save the state \$8 million, with \$3 million of the net savings in emergency assistance expenditures. A deeper understanding of the City's present data is critical. For example, do we know how many of those tenants who were facing eviction in Cambridge had representation? **The City must analyze the data it possesses and will continue to collect, so that it can evaluate connections to legal aid providers and appropriately allocate additional funds where needed.**
- There should be alternate opportunities for resolution within the eviction process *before* an eviction filing. Facilitated discussions between property owners and tenants can reduce evictions and lead to solutions that are beneficial for both parties, particularly when combined with wraparound supports such as housing and financial counseling. We recommend the City help to develop a venue for property owners and tenants to meet before an eviction complaint is even filed. This process would be an opportunity to negotiate repayment of rent without generating legal costs for either party, and without introducing an eviction filing to the tenant's record, which can be detrimental to a tenant's success at finding secure housing in the future. In addition, these resolution meetings should include housing and financial counseling for tenants.

⁷⁹ Please reference this Report's Legislative and Policy Agenda section (under "Eviction Record Sealing") as well as the Tenant Education section (under "Recommendations") for further detail and available research on this topic.

⁸⁰ Boston Bar Assoc. Task Force on the Civil Right to Counsel. "The Importance of Representation in Eviction Cases and Homelessness Prevention." 1 March 2012. <https://www.bostonbar.org/docs/default-document-library/bba-crtc-final-3-1-12.pdf>.

- In addition to surveying Cambridge tenants, we urge the City to investigate a process for surveying and/or interviewing building managers and property owners. Gaining insight into motivating factors and potential barriers experienced by this group might help the City in working with its small property owners, particularly those offering below-market rents, to potentially determine what might influence or otherwise incentivize them to rent to subsidized tenants. This project could be under the purview of the City Manager's new Housing Liaison role; however, the City should also assess how to build the CDD's capacity in order to effectively assist with this project and process as well.
- We urge the City to continue its pursuit of a Request for Proposal (RFP) that would allow for in-depth study of the unique situations and issues faced by Cambridge residents who have participated in the City's Inclusionary Housing programs. The City Manager's Office put out an initial RFP in the Fall of 2018, with the hope of contracting with a consulting firm that would work with the CDD in developing and administering a survey of tenants living in inclusionary housing in Cambridge. Although some bidders expressed interest, the City did not receive any formal responses to the RFP as initially issued. According to CDD Housing Division staff, the City plans to revise the RFP to allow for a longer study period and other changes based on comments from interested bidders and is hoping to reissue this newly revised RFP shortly.
- Additionally, we recommend the City develop an exit interview to be administered to individual tenants and households as they leave its Inclusionary Housing programs. We suggest the City's CDD collaborate with CHA to accomplish this.⁸¹ Rather than basing its policy on assumptions made as to why residents "choose" to move, the City should invest in more thorough qualitative data collection and comprehensive surveying of residents.⁸²
- Finally, we recommend the City facilitate a partnership between its major housing provider entities, such as CHA, Just A Start, Homeowner's Rehab, and other management companies serving Cambridge renters, with the goal of reducing the number of actions taken against tenants that result in eviction-related court filings. In cases when a housing entity must take legal action against a tenant, it is most often on account of non-payment of rent and does not result in a physical eviction. However, any eviction-associated court filing, regardless of outcome, can be a long-term liability for a renter and may prevent a tenant from securing necessary housing in the future.⁸³ We encourage the City and its housing providers look to other cities for examples of success in reducing the number of actions (e.g. that of the City of Minneapolis Public Housing Authority, in Minneapolis, MN).

As a Task Force, we agree that the City would benefit from developing a more comprehensive and meaningful process for data collection, analysis, and visualization (both qualitative and quantitative) in order to gain a deeper understanding of the data. An informed and committed practice of tracking and analyzing eviction statistics would provide valuable insight, and yet, it is still one piece of the complex picture of displacement in Cambridge and the surrounding region. Gaining insight into causation and targeting preventative interventions requires consensus on what exactly we are looking for. We urge the City to employ new tools and methods for measuring the phenomena of displacement, assess where these trends

⁸¹ CHA's Policy & Technology Lab (PTLab) has periodically hired interns to do research on households with tenant-based vouchers who move out of Cambridge, so-called "over-income" households (in the income range of over 80 % of AMI), and investigate what type of voucher homeownership program might work for higher-earning CHA households.

⁸² The Milwaukee Area Renters Study (MARS) involved conducting door-to-door interviews and including two years of a household's housing history. We recommend this as an exemplary model of a renters' questionnaire—Matthew Desmond's research on eviction challenged the assumption from the 1950s that most moves were intentional (i.e. because of a new job or change in household composition).

⁸³ Evans, Melissa. "Minneapolis Housing Authority leads County in Evictions." Star Tribune. 8 August 2019. <http://www.startribune.com/minneapolis-housing-authority-leads-county-in-evictions/535664982/>.

are apparent, and use the data at our disposal to amplify awareness of the crisis in our City. We suggest the City consider what resources may be needed in order to bolster its capacity to do so.

In Closing

As a Task Force, one thing we can all stand behind is that there is no single solution to the problem of displacement. The current situation has been many years in the making and will continue to worsen. We recognize that although educational programs and direct service work can be essential for stabilizing housing and preventing further evictions and displacement, these are downstream solutions. We structured our recommended criteria for a condo-conversion ordinance intending to accommodate its formal drafting in a short timeframe, with minimal added labor on the part of the City. While we believe adopting a local version of the state law is a long-overdue and necessary step, we are aware that the severity of the displacement crisis demands bolder legislation as well.

An effective, comprehensive anti-displacement strategy demands the City increase its housing supply overall and ensure that the policies and resources needed to do so are implemented and allocated. The strategy requires the City devote serious attention to targeting its outreach to those who continue to be underserved by the current system and services. It implores the City to protect its most at-risk residents and advocate for the legal rights of tenants—such as the right to remain in one's home and the right to counsel—alongside improving access to legal services, representation, mediation, advocacy, and organizing supports.

This will take investing time and resources, collaborating across many different types of Cambridge residents—renters and property owners alike—alongside City staff, the Council, and a wide variety of local leaders and partners. We hope the City will be audacious.

We believe in Cambridge as a city where all families can put down roots; with a robust economy where entrepreneurship can flourish; nationally recognized for its progressive policies, as a sanctuary city and haven for refugees; and a home to which all those raised here can reasonably hope to return. The continuation of Cambridge's identity depends on this community's full commitment to investing in stable housing for all. If we are to protect this City's livability for future generations, we must prevent it from becoming a place reserved only for the wealthiest elite and take seriously the threat displacement presents to foundational fabric of Cambridge, its diversity, economic viability and vitality.

Appendices

A. Policy Orders

B. Meeting Minutes

C. Associated Documents & Presentations

A. Policy Orders

O-6
IN CITY COUNCIL
 January 14, 2019

COUNCILLOR SIDDIQUI
 COUNCILLOR SIMMONS
 COUNCILLOR MALLON
 COUNCILLOR CARLONE

- WHEREAS: At the December 10, 2018 meeting of the City Council, the Community Development Department presented its response to Awaiting Report #18-58 dated May 21, 2018, a report on its eviction data collection which assembled publicly available data retrieved from Massachusetts court system electronic records on eviction complaints filed between 2013 and 2017; and
- WHEREAS: The Community Development Department noted that although it does have a host of anecdotal data on factors causing forced displacement, such as instances of tenants vacating due to rent increases, the lack of sufficiently available and quantifiable data makes it difficult to determine direct causes for displacement; and
- WHEREAS: The City Council observed that--in addition to the [need for a more fastidious process of data collection and analysis](#) by the Community Development Department--the City's legal services partners may be an excellent source for further quantitative data that might serve to better inform the City's understanding of eviction trends and patterns and consequently its targeted prevention efforts; and
- WHEREAS: The City would therefore greatly benefit from working with its legal service provider partners to establish a mechanism and/or protocol for sharing detailed eviction outcomes data (see attachment for list of example variables); now therefore be it
- ORDERED: That the City Manager be and hereby is requested to confer with the Community Development Department and the City's legal services providers on establishing a system of information-sharing and/or alternative method for making available that data which may be of beneficial use to the City in analyzing displacement; and be it further
- ORDERED: That the City Manager be and hereby is requested to report back to the City Council on this matter in a timely manner.

In City Council January 14, 2019.
Adopted by the affirmative vote of nine members.
Attest:- Donna P. Lopez, City Clerk

A true copy;

ATTEST:-

A handwritten signature in cursive script that reads "Donna P. Lopez".

Donna P. Lopez, City Clerk

1. Prevented eviction
2. Prevented eviction/occupant retained possession
3. Prevented or delayed eviction
4. Tenancy Preserved
5. Obtained other favorable outcome in a housing case
6. Summary Process filing avoided
7. Overcame illegal eviction (e.g. lockout)
8. Delayed eviction
9. Delayed eviction up to 3 months
10. Delayed eviction 3-6 months
11. Delayed eviction 6-9 months
12. Delayed eviction 9-12 months
13. Delayed eviction 12-18 months
14. Delayed eviction more than 18 months
15. Obtained access to housing
16. Prevented Denial of Public Housing
17. Overcame illegal charges by landlord
18. Obtained relief and/or damages resulting from fraudulent landlord actions such as cross metering and illegal charges
19. Overcame denial of tenant's rights under lease
20. Enforced tenant's rights to decent, habitable housing
21. Obtained repairs to dwelling
22. Obtained damage for and/or correction of bad housing conditions
23. Prevented lockout or utility termination by landlord
24. Enforced security deposit rights
25. Obtained monetary damages or rent abatement
26. Obtained order/judgment for money damages

27. Prevented denial of public housing tenant's rights
28. Prevented housing discrimination
29. Obtained relief for illegal housing discrimination
30. Obtained reasonable accommodation of Tenant disability
31. Avoided foreclosure or other loss of home
32. Prevented or delayed foreclosure
33. Advice, brief services or referral on a Housing matter
34. Prevent Subsidy Termination
35. Prevented Termination from public housing
36. Obtained or Preserved a housing subsidy
37. Prepared Pleadings/Court Paperwork
38. Obtained access to affordable housing unit
39. Obtained offer of public/subsidized housing unit
40. Obtained access to other housing
41. Alternate Housing obtained
42. Obtained temporary/emergency stay of execution
43. Tenant/Occupant removed by constable
44. Obtained determination eligible public/subsidized housing
45. Obtained offer of public/subsidized housing
46. Obtained representation in a housing case with no other outcome

O-12
IN CITY COUNCIL
 February 4, 2019

COUNCILLOR SIDDIQUI
 COUNCILLOR MALLON
 COUNCILLOR SIMMONS
 COUNCILLOR TOOMEY

- WHEREAS: Since 1988, over 1 million eviction cases have been filed in Massachusetts; and
- WHEREAS: Once a case is filed, it becomes part of that tenant’s eviction “record”, which documents the tenant’s history of ever having sued or been sued by a landlord; and
- WHEREAS: In 2013, the Massachusetts Trial Court began placing eviction record information online, making a tenant’s court record history easily accessible to the public; and
- WHEREAS: While the Trial Court’s intent was to provide parties with remote access to manage their cases, the unintended consequence in making this eviction record information publicly available without expiration, is that it is being used as a free and unregulated tenant screening service; and
- WHEREAS: The fact that these records are publicly available with unrestricted access has many organizations and tenants deeply concerned about the impact on people’s ability to obtain housing, credit, and employment, now and in the future; and
- WHEREAS: Regardless of fault, outcome, or underlying basis for a court filing, possessing any record of an eviction filing can present a serious barrier to a tenant’s ability to secure housing, as the mere fact that they were party to an eviction or housing case may give a landlord reason to reject their application; and
- WHEREAS: Significant research has shown that vulnerable and marginalized populations—such as those who are low-income, people of color, women, and children (as they are often named on guardians’ complaints)—are at increased risk for eviction and therefore disproportionately impacted by having a publicly available eviction record tied to their identity; and
- WHEREAS: If an eviction case is not the fault of the tenant, is dismissed, or ends with a tenant satisfying an agreement, these records should not be made public; and
- WHEREAS: *Only* in cases in which a landlord wins on merit or a tenant breaks an agreement and is evicted by a constable should eviction records be made publicly available online or reported by a tenant screening company; and

- WHEREAS: SD 526 and HD 3815 HOMES “An Act promoting housing opportunity and mobility through eviction sealing” will protect tenants from being unfairly branded with an eviction record if there exists no judgment against them, if they were not evicted, or were not at fault; now therefore be it
- ORDERED: That the City Council go on record in support of “An Act promoting housing opportunity and mobility through eviction sealing (SD 526 and HD 3815 HOMES);” and be it further
- ORDERED: That the City Clerk be and hereby is requested to forward a suitably engrossed copy of this order to the Cambridge Legislative Delegation on behalf of the entire City Council.

In City Council February 4, 2019.
Adopted by the affirmative vote of eight members.
Attest:- Donna P. Lopez, City Clerk

A true copy;

ATTEST:-



Donna P. Lopez, City Clerk

O-3
IN CITY COUNCIL
 February 25, 2019

COUNCILLOR SIDDIQUI
 COUNCILLOR SIMMONS
 MAYOR MCGOVERN
 COUNCILLOR TOOMEY

- WHEREAS:** There exist five hundred affordable homeownership units in the City of Cambridge, provided through a variety of means from non-profit development and inclusionary housing to the City's Down-Payment Assistance and HomeBridge programs; and
- WHEREAS:** The Housing Division oversees both sales and resales of these affordable homeownership units to qualifying buyers in the Homeownership Resale Pool through a lottery process; and
- WHEREAS:** The September 2018 Inclusionary Housing Report provides helpful data with respect to inclusionary homeownership units—which account for 40% of all affordable homeownership units—such as the frequency of resales and the length of time that owners remain in inclusionary homeownership units; and
- WHEREAS:** As the report states, the overall rate of resale of inclusionary homeownership units is low (from the time the first resale of an affordable homeownership unit occurred in 2008, the highest rate of resales was in 2014 and 2016 when 2.6% of the units were resold), and of the limited resale data available, only in some cases was the seller's motivation or reason for selling documented; and
- WHEREAS:** The remaining 60% of the City's affordable homeownership units are not included in this report's analysis; now therefore be it
- ORDERED:** That the City Manager be and hereby is requested to confer with the Community Development Department on a process for establishing a formal, thorough review of the City's Affordable Home Ownership programs, incorporating a plan for obtaining and analyzing substantial quantitative data (see Attachment A for suggestions) inclusive of all types of units; and be it further
- ORDERED:** That the City Manager be and hereby is requested to report back to the City Council with a plan for this formal review process and any additional available data as soon as possible.

In City Council February 25, 2019.
Adopted by the affirmative vote of nine members.
Attest:- Donna P. Lopez, City Clerk

A true copy;

ATTEST:-

A handwritten signature in cursive script that reads "Donna P. Lopez".

Donna P. Lopez, City Clerk

ATTACHMENT A

- What, if any, level of contact is maintained between the City and Cambridge residents participating in its Affordable Homeownership programs?
- How long do potential buyers remain in the lottery before being selected to purchase a unit?
- What are turnover rates for the non-inclusionary units?
- How frequently do additional units become available?
- Where are units located?
- Of the existing units, what is the breakdown of number of bedrooms/unit?
- How are participants benefitting?
- How many owners are coming from public housing, non-profit/other affordable housing, or the market?
- What is the median length of ownership in years?
- What are the reasons owners sell an affordable unit/ motivation for selling?

O-7
IN CITY COUNCIL
 March 4, 2019

COUNCILLOR SIDDIQUI
 MAYOR MCGOVERN

- WHEREAS: Massachusetts state condominium law (General Laws Chapter 183A) allows cities and towns to adopt local ordinances and bylaws that regulate condominium conversion more strongly than the statewide law; and
- WHEREAS: Cambridge has not yet adopted a local condo ordinance under the authority of the statewide condo law; and
- WHEREAS: While an attempt was made in the year 2000 to pass a local ordinance, it did not obtain the necessary 2/3rds vote of the Cambridge City Council; and
- WHEREAS: Condo conversion regulations in Cambridge remain unchanged from those under the statewide law; and
- WHEREAS: The City of Cambridge 2016 Housing Profile report states that 600 units were converted to condominiums between 2010 and 2015 and the median price for a condominium was \$612,000 in 2015; the report further found that median prices for one, two, and three family homes were each over \$1 million in 2015; and
- WHEREAS: The 2019 Mayor's Blue Ribbon Task Force on Tenant Displacement is analyzing the impact of condo conversions on displacement in Cambridge and investigating methods for strengthening protections for tenants; and
- WHEREAS: A response to the following questions would be helpful in informing this process:
- Between the year 2015 and the present date, how many rental units have been removed from the market and converted to condominium units?
 - What year has seen the highest number of condominium conversions?
 - How many converted properties were delivered partially or completely vacant?
 - What are the property sizes of the units that have been converted?
 - What are the median annual condominium sales prices by bedroom count from 2015 to the present date?
- WHEREAS: The market may change at any time and understanding such trends will be instructive; now therefore be it
- ORDERED: That the City Manager be and hereby is requested to instruct the Assessor's Office to provide the above data, and report back to the Mayor's Blue Ribbon Task Force on Tenant Displacement with sufficient time for it to review the information prior to the date of its next meeting, Tuesday, March 19, 2019.

In City Council March 4, 2019.
Adopted by the affirmative vote of nine members.
Attest:- Donna P. Lopez, City Clerk

A true copy;

ATTEST:-

A handwritten signature in cursive script that reads "Donna P. Lopez".

Donna P. Lopez, City Clerk

O-5
IN CITY COUNCIL
 May 13, 2019

COUNCILLOR SIDDIQUI
 MAYOR MCGOVERN
 COUNCILLOR SIMMONS
 COUNCILLOR CARLONE

- WHEREAS:** Over 40,000 households in Massachusetts were served with eviction papers in 2018; and
- WHEREAS:** Over 92% of these tenants received no legal guidance once the notice was delivered, nor assistance from an attorney in fighting the eviction in court; and
- WHEREAS:** Many tenants are unaware of their rights and legal protections both in and out of the courtroom; and
- WHEREAS:** Access to critical legal resources, guidance and support from an attorney prior to a court eviction can protect families from being displaced by an illegal or unnecessary eviction, prevent homelessness, and create a path to housing stability; and
- WHEREAS:** The Massachusetts Right to Counsel Coalition is a broad coalition of municipal leaders, housing advocates, and community groups who support legislation to provide a right to counsel in Massachusetts for those with low income who are facing eviction, and ensure access to resources and assistance that will prevent eviction and stabilize their housing; and
- WHEREAS:** Three Right to Counsel bills have been refiled for the 2019-20 Session and assigned to the Joint Committee on the Judiciary: S.913 ‘An Act to ensure right to counsel in eviction proceedings’ filed by Senator Sal N. DiDomenico; H.3456 ‘An Act to ensure right to counsel in eviction proceedings’ filed by Representative Chynah Tyler; H.1537 ‘An Act establishing a right to counsel in certain eviction cases’ filed by Representatives David M. Rogers and Michael S. Day; now therefore be it
- ORDERED:** That the City Manager be and hereby is requested to join the Massachusetts Right to Counsel Coalition on behalf of the City, signing “The City of Cambridge” on as an official supporter of the Massachusetts Right to Counsel Campaign.

In City Council May 13, 2019.
Adopted by the affirmative vote of nine members.
Attest:- Donna P. Lopez, City Clerk

A true copy;

ATTEST:-

A handwritten signature in cursive script that reads "Donna P. Lopez".

Donna P. Lopez, City Clerk

O-12
IN CITY COUNCIL
 June 24, 2019

COUNCILLOR SIDDIQUI
 MAYOR MCGOVERN
 COUNCILLOR SIMMONS
 COUNCILLOR MALLON

WHEREAS: In accordance with its mission to provide critical guidance to the City of Cambridge on mitigating the effects of housing instability and displacement, the Mayor's Blue Ribbon Task Force on Tenant Displacement has sought to identify both where the greatest funding needs exist in fighting and preventing displacement, as well as potential opportunities for acquiring additional funding sources; and

WHEREAS: In anticipation of its comprehensive report of final recommendations for policy change and resource allocation, the Tenant Displacement Task Force presents below the following which have come to its attention:

- Due to cuts in federal funding for elder (60+) services, Cambridge and Somerville Legal Services is no longer able to fund the support services it provides to Cambridge's growing population of elders facing eviction from private housing, and additionally lacks the grant funding flexibility to support those voucher-holders who have been displaced from our community in returning to Cambridge; and
- De Novo Center for Justice and Healing, formerly Community Legal Services and Counseling Center, provides on-location legal aid support at the Middlesex Session of Eastern Housing Court and every Friday at Cambridge District Court through its 'Lawyer for the Day' Housing Clinic program, coordinated by one of De Novo's part-time attorneys; and
- Transition House provides critical services and transitional housing to Cambridge residents who have experienced DV/IPV and subsequently displacement or eviction from their homes or are otherwise seeking shelter and safety from their perpetrator, and, due to the extremely limited supply of transitional housing and family shelter, particularly for survivors, in Cambridge, many of these residents are forced to seek shelter outside of the City; and
- The Task Force's Education Working Group has been developing a plan for a series of tenant workshops, and identified The Alliance of Cambridge Tenants (ACT)--that collective body of tenants and activists allied to organize and advocate specifically on behalf of tenants' rights in the City of Cambridge--as a critical partner in the establishment and implementation of this series; and

WHEREAS: The Tenant Displacement Task Force therefore recommends that additional city funds be allocated to sponsor the following:

- Cambridge and Somerville Legal Services to expand its services to elder residents, increase the number of office hours it currently provides at the Cambridge Multi-Service Center and serve ~ 30 more resident cases each year; and
- De Novo Center for Justice and Healing to sustain its “Lawyer-A-Day” program and continue providing much-needed support to those lacking representation at housing court; and
- Transition House to hire a “Housing Stability Coordinator” who would serve to both stabilize tenancies and provide mobile case management to more effectively serve the immense need of displaced DV/ IPV survivors for support in finding housing in Cambridge; and
- A partnership between the City of Cambridge and the Alliance of Cambridge Tenants (ACT) that would serve to fund a series of educational workshops and resources for tenants, as well as support the continuation of the critical services and advocacy ACT provides for this City’s residents; now therefore be it

ORDERED: That the City Manager be and hereby is requested to confer with the Department of Finance and Department of Human Services to explore options for incorporating additional line items in the FY20 Budget to allocate supplemental funds for legal aid services, housing stabilization and tenant education and organizing to prevent displacement and address its ramifications on Cambridge residents and families; and be it further

ORDERED: That the City Manager be and hereby is requested to report back on the matter of these allocations by September 2019.

In City Council June 24, 2019.

Adopted by the affirmative vote of nine members.

Attest:- Paula M. Crane, Interim City Clerk

A true copy;



ATTEST:-

Paula M. Crane, Interim City Clerk

O-13
IN CITY COUNCIL
 July 30, 2019

COUNCILLOR SIDDIQUI
 MAYOR MCGOVERN
 COUNCILLOR SIMMONS
 COUNCILLOR TOOMEY

- WHEREAS: Between 2000 and 2014, cost-of-living in the City of Cambridge grew by nearly 60% (over 20% higher than the projected growth rate given inflation, 37%), and rents have continued to increase rapidly in the years since; and
- WHEREAS: Approximately 70% of Cambridge residents are renters, this trend has resulted in the displacement of many low-, moderate-, and middle-income residents and families from this City; and
- WHEREAS: The Cambridge Multi-Service Center offers case management services to those individuals and families experiencing homelessness or otherwise at-risk of losing their housing; and
- WHEREAS: Depending on the needs of the individual or family, case-management services may be immediate and limited, such as securing shelter for the night, or more complex and longer-term, such as helping a family avoid eviction; and
- WHEREAS: In many of these cases, individuals and families are in need of financial support in order to cover rent and utility arrearages, moving expenses, and household costs associated with leasing a new unit, such as first month's rent and security deposit, where required; and
- WHEREAS: The Multi-Service Center can provide one-time financial assistance to help cover these costs, currently in the amount of \$1,500 per individual or family per year, not to exceed \$3000 over a period of five years; and
- WHEREAS: This amount has not been increased since 2014; and
- WHEREAS: In order to adequately support the Multi-Service Center in serving and meeting the needs of an increasingly financially-burdened Cambridge community, the Mayor's Blue-Ribbon Task Force on Tenant Displacement recommends raising the financial assistance cap from \$1500 to \$2000, to be accounted for through an increase in the overall funding allocated to the Multi-Service Center; now therefore be it

ORDERED: That the City Manager be and hereby is requested to confer with the Department of Human Services on the matter of increasing the amount of funding assistance provided to the Multi-Service Center by the City of Cambridge, and report back to the Mayor's Blue-Ribbon Task Force on Tenant Displacement on this matter by its September 2019 meeting.

In City Council July 30, 2019.

Adopted by the affirmative vote of nine members.

Attest:- Paula M. Crane, Interim City Clerk

A true copy;

A handwritten signature in cursive script, appearing to read "Paula M. Crane".

ATTEST:-

Paula M. Crane, Interim City Clerk

B. Meeting Minutes

Mayor's Blue-Ribbon Task Force on Tenant Displacement – Meeting Minutes

First Meeting of the Tenant Displacement Task Force

Date: January 29, 2019

Location: City Hall, 795 Mass Ave, Sullivan Chamber

Meeting Start: 5:37 PM

Meeting Adjournment: 7:34 PM

Task Force Members Present: Councillor Sumbul Siddiqui, Chair; Teresa Cardosi; Larry Field; Sonia Andujar; Sean Hope; Patrick Barrett; Jessica Drew; Kuong Ly; Iram Farooq; Alexandra Markiewicz; Sean Hope; Betsy Eichel; Beth Huang; Maura Pensak; Cheryl-Ann Pizza-Zeoli.

Also present: Sarah Stillman, Aide to Councillor Siddiqui and Executive Assistant to the Task Force; Wilford Durbin, Chief of Staff to Mayor McGovern.

Mayor McGovern was present at the start of the meeting to thank everyone for agreeing to be part of this task force. He expressed his thanks to Councillor Siddiqui for serving as chair, and for bringing forth the idea to organize this task force in the first place. It's incredibly important, Mayor McGovern continued—there is so much discussion on housing issues in the city, issues of affordability, gentrification, tenant protections and evictions, and there is no single answer to solving issue. Linkage fee was a piece. Overlay is a piece. How do they all come together. Tenant Protection is an important piece of puzzle, when new development is built that causes displacement. He said he is not sure he agrees, but what he sees in people who come to our office is people who live in smaller units, 2-4 family, that get sold for well over market value, and in order for that new owner to get financing the rents go up and then people get evicted. How do we talk about that and address that? He said that he and Councillor Siddiqui spent a lot of time talking about the formation of this committee, and he's excited to see a wide range of people represented here, small property owners, people who live in affordable housing, advocates, attorneys, all with different perspectives to inform a good conversation. He said he is looking forward to the recommendations.

Councillor Siddiqui then called the meeting to order at 5:37 PM. She began with brief opening remarks, welcoming everyone in attendance and reviewing the agenda for the meeting. She said she is very excited to be chairing this task force, having had the opportunity to learn about its members and their work on this issue. After introductions, she plans to go over objectives, define terms and concepts, such as tenant protections and displacement, and the relevant policies that exist around the issue. The task force will then further define its objectives and prioritize these along the timeline of the next five meetings.

Members of the Task Force went around the table and introduced themselves.

Councillor Siddiqui remarked that the time is right to have these conversations and the next steps are to talk about the goals of the Task Force. She noted that some of these have come up already in what everyone shared when introducing themselves, their work and connection to the issue. Cambridge has changed immensely and has become extremely expensive; and although change is good, it has implications. This task force aims to better understand what is causing eviction and displacement in Cambridge and provide guidance to City Manager and Council on how to promote protections for tenants. Some of that work is ongoing. We are hired another legal aid attorney for Cambridge Somerville Legal Services. We are hiring currenting for a Housing Liaison position in the City Manager's Office. There is work from the previous term, such as gathering better data- we'll talk about that next- that data is incomplete, and this data is [what is used to] help us understand why displacement is happening and inform policy. And this work is incomplete. How do we combat displacement? What are the tools that exist? Some are more viable than others, some short-term and others longer term. What can we do now, versus what can we do later? Of course, there are certain things that, if pursued 10 years ago, would have made a big difference by now. [As a Council and a Task Force] there is a lot out of our control. It's important to be transparent and honest about all this, about the limitations, as much as we want certain actions now. She said she is pleased with the work the City has done thus far; she mentioned recent work such as policy orders submitted on collecting eviction data. She said that she and Councillor Simmons wanted to figure out why evictions were happening. A lot of

cities don't have this [data analysis], and the City of Cambridge didn't have this previously. She noted further the significant progress on this issue. Councillor Siddiqui then referenced a December 5th, 2018 Cambridge Community Development Department (CDD) "Report on Eviction Data" MEMO, which had been provided for all Task Force members as a handout. She remarked on the need to understand some of the limitations to that data, as there are many. The staff from the CDD has been upfront about these limitations. The data is still incomplete.

Councillor Siddiqui read from the attached CDD MEMO.

Councillor Siddiqui noted that situations exist that are very difficult to capture. She mentioned that she has asked the City staff to dig deeper into the data and methods; she filed two policy orders asking for more specific and thorough data. She reiterated the expectation that the CDD will report back to the Council with responses on this by the next two meetings; that's the hope and goal. She said that we have started the process to understand why displacement is happening. The Council receives many concerns about rents increasing—in these situations, what are the tenant's options? Either to pay, leave, or the eviction process begins. The Council has no authority to force rents to stay low, but it knows that landlords exist that offer below-market rent. She asked if there might be ways to connect these landlords to other members of the community in need of affordable housing. What about the incentives? The "can and can't dos" can be explored later. She opened the floor for other Task Force members to chime in—what is missing in the discussion on tenant displacement? What are the other situations and nuances exist that this group has come across? What else can we add to the discussion of eviction? Rents are ever-increasing, people with Section 8 vouchers cannot find housing....

Ms. Pensak said she doesn't think anything has been missed, but highlighted the difference between eviction and displacement. For example, when a house is sold, and a new owner can't afford to keep the rent where it was [and tenants are then displaced if they cannot pay the higher rent]. She said that eviction prevention is important, but emphasized the need to get information on displacement, those who are forced to move due to their apartment being sold. She said that for a lot of those folks, when the building is sold, maybe the owner isn't raising the rent but is doing something different.

Ms. Cardosi commented that sometimes when a person leaves, Airbnb takes over, and this takes away from affordable housing as well.

Ms. Markiewicz mentioned condo-conversions as a huge barrier to entry.

Ms. Pizza-Zeoli said that for a long time, the housing committee hasn't had vouchers. Best to put efforts into preserving existing housing that are nearing expiration. Hasn't been an option for a lot of people who don't qualify for an emergency. Very tempting to think about requiring all lease non-renewals, but the bill foundered at the state house. Worth looking at how to get information direction from landlords. Tenant education and advocacy office is key for other cities who are successful in this.

Ms. Eichel added to the topic of tenant education, saying that a big source of displacement was when the condition of the apartment became bad, impacting the tenant health, and that put tenants at a disadvantage to the landlord. She noted construction as harassment. She said that if people knew they had protections [against retaliation by landlord], maybe they would stay [and fight bad conditions].

Ms. Drew added that Massachusetts does have some broad tenant protections in the way of conditions issues, as well as retaliation. She said she thinks what Ms. Eichel is talking about is that if you address these issues with, for instance, the Board of Health, you'd be concerned that the landlord would file an eviction against you. She added that in MA, if a tenant engages in a protected activity (e.g. contacting the Board of Health) before their rent is in arrearages, they have a six-month presumption that if the landlord should make an adverse action against them, such as file an eviction case against them, there is a six-month window where it is a rebuttable presumption. Thereafter, retaliation can still be used as a defense and as a counterclaim, however the presumption is no longer there. However, she said, it can be overcome with a business justification. She added that, in practice, while retaliation can be raised as a defense (and it is something she is always mindful of when tenants come to her saying that there are condition issues with the apt or unit, and the landlord is trying to evict them), that it is very difficult to prove [retaliation] in practice. She noted perhaps 1 or 2 cases she has worked where a retaliation claim was successful.

Councillor Siddiqui said that she is hearing a lot in this discussion so far. Yes, eviction is a type of displacement. Some evictions are legal, in theory, and there are many reasons for evictions. We are talking then also about this type of displacement- we've had this discussion at the Council level. We are trying to measure eviction through court system, but the other type [when people leave voluntarily due to rent increases, intolerable conditions, or are otherwise forced out] is harder to measure. We asked City to keep track of all instances of big buildings being converted.

Ms. Farooq remarked that there are more complications than there are straight answers. She said that just previously she was talking to the CDD's data person and understands that the City doesn't have data on how many people leave/ have left the city but does have data on those coming into the city. It's very complicated, students in group housing are counted just the same as someone who buys or rents a condo. It's hard to tease out those differences. It's not a week's project or months project, but a PhD project. Went back to Ms. Pizza-Zeoli's comments on people who leave the city—some of that is good for individual families that moved away, and that may be good for them, they may be happier or receive higher wages. How do we choose among those who leave by choice, and those who are forced out? That hints at how difficult the charge is. On the education piece, lots of immigrants are coming into the city. As a personal example, in post-grad, I had no idea that I could go to the board of health if a building is falling into itself. There is an education piece that is much broader, and it is very important. To the data question, we are digging into the next level of the eviction data. Don't know if that will be satisfying but can give us more guidance.

Mr. Ly noted that a lot of the conversation has been centered on the increased cost of housing; however, on eviction cases, the issues that are forcing people out aren't just about money. There are social support systems that are lacking. Recently, deportations factored into the issue. Gentrification is a factor, but there are other issues, how much is rents, how much is people only two bad events away from not being able to pay rent.

Mr. Barrett said that he thinks data is great, and the reason why someone like himself is here is that he is on the ground floor; while data is important, he doesn't have to wait to understand some of the displacement that is happening. Protections can come in all types of reforms. You can ask landlords to keep tenants for a year. Give tenants chance to buy a unit if it is being sold. As a property owner, he said he recently bought a condo building, but the rents were from 1970s. That was good for them, but he needed to increase the rent. There is a way to do business, and some displacement is always going to happen, we can have pragmatic approach. But guidelines and education can be very important. In reference to the talk of emergency placement, he noted that he placed an emergency tenant [in one of his units]. Data is great, he said, but we shouldn't wait for that to put things in place. Councillor Siddiqui reentered the conversation around what can be done now.

Mr. Hope said that he had an idea—there is a shortage of 3-bedroom units that are de-leaded, and families cannot pay for the bigger buildings when they have that second child. We see the Council building apartments, and he believes there is a shortage in the market, even at market rate, for apartments that are suitable.

Ms. Andujar mentioned co-ops for low-income tenants, saying that this type of thing seems to fall on deaf ears at the Council. She said we [low-income and Section 8 tenants] are like slaves afraid of being displaced.

Ms. Pensak added that when Mr. Hope mentioned need for 3-4 bedrooms, that there are also not nearly enough accessible units in the city. So those who need accessible units then are forced to find them outside of the city.

Ms. Pizza-Zeoli mentioned that the city does not do exit interviews. These take resources, yes. You see the number of cases filed as CHA, there are a lot filed, but not a lot coming in as evictions. CHA liens, and how they define late rent.

Ms. Markiewicz I wonder if instead of displacement data that is hard to find, think in terms of income that you would need to make to get into some of the apartments, as a way to quantify displacement over time. Limited-equity coops is a good idea, to take some housing off of the free market. Or ways to reduce sale prices. Landlord tax or some way to mitigate the result of relying on the sale prices increasing. Thinking about housing and transportation, when people must move out, the housing and travel prices may have to go up.

Ms. Farooq said that some of the information asked for is provided already on the website. The point about transportation nexus is important. When we think about density, critical piece of puzzle, because when they move out not as good for them, and not as good climate-wise.

Councillor Siddiqui said that from here, we want to dig into other protections. When she was running for Council, she supported transfer fees and taxes on landlords. But when she got to the Council, she discovered that a major barrier existed to making these changes immediately—the home rule petition. Essentially, if you try to do something that is not prescribed by state law, you need to get permission from state. For the transfer fee, any fee, any tax, needs to get permission. Even a benevolent measure to get information would need to be approved by the state. The success rate of home rule petitions is not high.

Ms. Farooq added further that the state has a set of laws, and the city needs to make a compelling case for why the law of one city should differ from another.

Ms. Pizza-Zeoli noted that it took 15 years to get expiring DET through legislation.

Mr. Field said that another reason why home rule petitions are difficult is that real estate and trade organizations oppose some of the things we are talking about because of the precedent it would set statewide. He added that in addition to the home rule petition, there are broader enabling acts. He said that these are more realistic politically because it doesn't just apply to you, that you can pull more cities into it and could also support larger state changes.

Ms. Eichel said that two main strategies for home rule petition: by claiming that we have a special corner of Cambridge that is not realistic, other communities are facing displacement issues. As the Government has increased deeds in excised tax, and real estate transfer fees, I believe there will be negotiation between different versions, and municipalities could be a part of that conversation. The Community Preservation Act advocates (which includes affordable housing advocates), and affordable housing advocate, I think it's worth it to try pursuing this, since I think there's more political will in this session than there has been in the past two years.

Councillor Siddiqui said that the City Council has voted to support a transfer fee, and further on the subject of home rule petitions, the process can be difficult and lengthy, so I do want to focus on what can we do without a home rule petition. What is the low hanging fruit- I want to make sure we concentrate on that.

Ms. Drew said that she about to mention as well that yes, we are already moving forward with transfer fee legislation, proposed by Rep. Connelly with 16 co-sponsors as of today.

Councillor Siddiqui said that she is aware that there are bills in legislature pending that are around tenant protection, and it's important to support them. But don't want to be chair that say home rule petitions, never. We need to think long term strategy and our legislative agenda--some city groups have talked about this before, but given that we have a short turn around, we need to consider what we can do now, through this task force, in the time that we have [now through June]. We can move to the last item in the next 40 minutes, and have a more robust discussion-- brainstorm a list of things to pursue. We can dig deeper into options, e.g. making tenant education better. Or condo conversion policies are something we can do here. Takes a 2/3 vote, won't require a Home Rule- is there momentum to do this now? Is there now momentum. What the things we can do from a policy standpoint, from a resource-allocation perspective. If we provide more funding for CASLS, and have a partnership- that's a legal way to fight displacement. That's the kind of thing I'm talking about.

Mr. Barrett added that with home rule petitions, they are an aspiration, but they don't often work out. Small property owners own about 70 of rental properties. SPOA is looked on unfavorably. Must be a way to engage these people, to create incentives, and partner with them. They are providing affordable housing. On STR ordinance, it has a broad scope, every unit has a potential to become a STR unit. If we allow developers to build larger units, there should be some restrictions that they are permanent for long term residential. Worry about Watermark, which has a lot of STR units 20 percent. Worried about mass and Main. Millennial Towers. If we take that stock out of the market, then how can we address the problem.

Ms. Drew remarked that funding legal aid more is beneficial, but when clients have access to funds, such as emergency funds for non-payment of rent, is important. The legal service could pay the rent to prevent the eviction. To the extent that we can put funds into emergency funding, it is important. Sometimes clients are facing thousand of dollars of back rent. More access to funds is helpful.

Ms. Pensak added that the City funds folks' 50 percent of AMI, if someone is a dollar over, they will not get funds.

Ms. Pizza-Zeoli brought forth the example of California, where a Mayor has decided to give cash to residents and let them decide what to do with it. Also in CA, the discussion on accessory dwelling units, allowed to build affordable units for homeless population.

Mr. Hope said he just wanted to quickly touch on the idea Mr. Barrett brought up- looking at Watermark and some of these big developments, and maybe some of the unintended consequences of our STR ordinance. He mentioned that, as we are digging deeper into the transfer tax and condo conversion tax, and also talking about small property owners, I just want to make sure the group also recognizes that there are a lot of residents who have been here 10-20 years, and their home is their greatest asset- they've watched the value increase, and selling their homes can dramatically change the trajectory of their lives. Can send their kids to college. It does things that otherwise couldn't happen, so as we talk about these different mechanisms- they're not just people speculation, people who have bought in last few years- so just balancing this, and maybe there's a caveat...

Mr. Ly brought up that RAFT has been discussed—that something that he and Councillor Siddiqui have discussed is taking a very strong stance on court ceilings. Mr. Ly said that there is going to be a big push in next few months on this. In MA, if a complaint is brought against you-an eviction complaint-it gets entered in to the court system, and oftentimes what happens is that when landlords go to do background checks [on potential tenants], they go into the court system and look at if there's a case against you- and it doesn't matter if the case was dismissed or if there was no-cause- they can deny you and say that you were a bad tenant (citing record of eviction case against you). There is a movement across the state to try to seal these records - if there is no cause, why is there a public record? Landlords are using court records to deny housing, to harass tenants and force them to move out. They are displaced and then similarly this prevents tenants from finding new housing elsewhere, not just in Cambridge.

Ms. Eichel added that there's also an effort in NYC to stop tenant blacklisting, which also prevents them from bringing complaints against landlords. Also want to mention there are people who lose housing due to elder abuse, hoarding or mental health issues. Very heartbreaking because often isn't addressed until tenant is already facing eviction. I just wanted to see if there's anything we can do to be preventing this.

Ms. Pensak responded that MetroHousing has mental health support, and has partnered with the city a lot, as well as other organizations like CASLS and Elder Services.

Ms. Drew said that she has utilized the MetroBoston program with one of her clients and it was very helpful in getting the client an agreement to stay. She noted also that when she was working in legal services in New Bedford, the city put together a task force called "Fresh Start"- brought together Board of Health, legal services, buildings dept, and various city administrators who recognized that people were being evicted and displaced because of clutter issues- asked "how can we upstream the problem", get them in touch with social and legal services to try to figure out what the city can be doing to help prevent these issues from causing displacement (being discovered only after the fact)- looking at this program nationwide, will be giving a presentation at the National Housing Lawyers Project - maybe this is something that Cambridge could also explore as well.

Mr. Field said that in the thirty-three years that he's lived here, there have been three examples of relatively large-scale displacement that he's witnessed on his block—these have been owner-occupant, multi-families, where an elderly person was owner, the rents were below-market and conditions were less than ideal (examples of disinvestment, probably started during rent control and continued), and when the owners died, the estates then sold the property, and major gut renovations, massive condo-conversions followed, decreased the number of units and increased rent. And if you look at

the net increase/decrease of housing units, and also rental units that were affordable to certain incomes, those were not good results- in some ways, there are two windows of opportunity for dealing with these situations:

The first is while an owner-occupant has the building, people make different choices about where to keep the rents and how much to invest, and could try to influence that in some way- have the effect perhaps of increasing the period of time that someone has a building that's below market rent, but also, if they are keeping it low by disinvesting, maybe there is a way of making conditions better for low-income tenants. The second he sees is at the time there's a transfer- he noted the issue raised by Mr. Barrett about the transition for the tenants – typically, for each situation that he was aware of, it happened suddenly because the estate needed to sell the property, so there was pressure on everyone to move the tenants out quickly. Mr. Field continued that there is also the issue of who buys that property—is a condo-conversion and that change away from rental inevitable, or are there other alternatives for that building? He said he doesn't have solutions but would identify those as two windows of opportunity to influence results.

Ms. Markiewicz commented that she has lived in places where the rents go up and still the conditions are very bad. The question she has is—and any tax or fine may require home rule petition—is there any program that we can create to incent units to be maintained at low rent, or create more accessory dwelling units in the unit?

Mr. Barrett said that he rewrote zoning in Central. He said that if you look at GIS data, by changing minor things, we were able to create 5.4 million square feet of potential, spread out amongst the city. We used to give landlords a grant to de-lead their apartments, and they used to carry affordability component. If it cost 600K to build affordable unit, you can.

Ms. Cardosi remarked on the amount of foreign investment coming into the community, and these investors/ owners are not connected to the community. Can we limit the number of properties sold to foreign investments? Can we limit the profits for developers that build two units on the same lot?

Councillor Siddiqui responded that limiting profits would be very hard to do, but the city has thought about.

Ms. Cardosi asked also about a cap on how many units one could own.

Ms. Farooq said she just wanted to comment on how unfortunately challenging some of these things are. The Massachusetts constitution divides the powers on different issues, and our [the City's] ability to place limits on who can buy land, for example, stem from federal law. About the de-leading program, there is a state law that we run against, the anti-aid amendment. Cities can help individuals, non-profits or people, but it must be accessible to everyone.

Ms. Huang remarked on the issues with the Sullivan Court House, and the question on the use of public land. She said she doesn't know what the regulations are around incenting the non-profit ownership of public land. Democratic governance, land trust for ownership of dispensed public land...

Mr. Field said that Somerville has 100 homes program, using developer money from Assembly Row, requiring property and assigning to Somerville CDD. He asked if Ms. Farooq could describe.

Ms. Farooq said that the City has contributions from developers similar to those from Assembly Row,; the City's approach is to transfer to affordable housing trust, that this is most efficient. Looking at sustaining housing stock is an interesting idea, she added. When you have smaller projects, you must support completely within the city.

Mr. Durbin, who worked on the City's Short-Term Rental Ordinance, gave an explanation of Short Term Rentals (STRs).

Ms. Farooq emphasized the need to think about measures that don't require a lot of enforcement. It requires a lot of man hours, and it is difficult to be everywhere at once.

Ms. Markiewicz commented that we did have program to fund small units that lapsed, she thought, and asked if we could have people sign longer term units, because when lease renewal happens, that is when the rents go up.

Councillor Siddiqui noted that there were just a few minutes left in the meeting, and she wanted to turn to Ms. Farooq and Mr. Cotter, as they are both part of the Regional Housing Task Force, which has come up with 150 strategies to address housing issues. She asked if they could speak to the tenant protection strategies and how these played into the process.

Mr. Cotter said that they worked with the Metro Mayors Housing Task Force to get target numbers of new housing, that the research done on housing strategies is in a lot of different areas. He said that Phase II will look at strategies and work across municipal boundaries, and noted that some do require Home Rule Petitions, and that some may be more successful across cities, enabling legislation is a better strategy. He said that they are beginning to look at those strategies. Legislation is beginning to be filed.

Ms. Pizza-Zeoli added that power is not usually mentioned in the discussion. She emphasized the need to think about community engagement across the boards. She said that who gets to be the decision-makers versus who is not at the table is pitiful.

Councillor Siddiqui, in closure, summarized the many ideas brought forth in the discussion—more access to funds, fixing STRs, a condo fund, etc. She said that the next step will be to look at this list and prioritize the items. She said she will follow up with a survey, that there could be phone calls to discuss further, to decide which items to pursue, what we are most excited about tackling for the next meeting. She thanked everyone again for their presence at the table.

Councillor Siddiqui moved to adjourn the meeting at 7:34 pm.

Mayor's Blue-Ribbon Task Force on Tenant Displacement – Meeting Minutes

Second Meeting of the Tenant Displacement Task Force

Date: February 24th, 2019

Location: Cambridge Senior Center, 806 Mass Ave, Cambridge MA

Meeting Start: 4:07 PM

Meeting Adjourned: 6:13 PM

Task Force Members Present: Councillor Sumbul Siddiqui, Chair; Sarah Stillman, Aide to Councillor Siddiqui and Executive Assistant to the Task Force; Teresa Cardosi, Community Representative, Larry Field, Deputy Director, Massachusetts Smart Growth Alliance; Sonia Andujar, Alliance of Cambridge Tenants; Cambridge Residents Alliance; Kuong Ly, Legal Aid Attorney; Iram Farooq, Assistant City Manager for Cambridge Community Development Department; Alexandra Markiewicz, A Better Cambridge; Betsy Eichel, Tenant Organizer; Field Coordinator at Massachusetts Voter Table; Beth Huang, Director, Massachusetts Voter Table; Maura Pensak, Director of Housing Supports, Metro Housing Boston; Cheryl-Ann Pizza-Zeoli, Board Member, Cambridge Affordable Housing Trust.

Task Force Members Absent: Patrick Barrett, Landlord Representative; Jessica Drew, Attorney, Cambridge Somerville Legal Services; Sean Hope, Principal, Hope Real Estate Enterprises, LLC.

Members of the Public Present: Kathy Watkins; Michelle Malvesti; Sheli Wortis; nancy Ryan; Jean Hannon; Marilee Meyer; Carole Perrault; Giulia Campos; Jacob Solkoff; Carolyn Shipley; Hadassah Fleishon Hardouf; Phyllis Bretholtz; Kevin Donaho; Romaine Waite; Jon Glancy; Karen Chen; Peggy Barnes Lenart; Lee Farris.

Materials related to this meeting are attached as follows; these will also be available on the Mayor's Office webpage, under "Departments", "Blue Ribbon Task Force on Tenant Displacement":

- *City of Cambridge Communication Re: Richard Rossi Housing Assistance Fund, March 6, 2017.*
- *"Residents facing short-term housing crisis get place to turn: Aid fund honoring Rossi," Cambridge Day, March 7, 2017.*
- *Boston Tenant Organizing Program Notice of Funding Availability, January 2017.*
- *City of Cambridge: An Ordinance, 1983*
- *Cambridge Community Development Department Response to Policy Order #8 dated June 2, 2014, regarding limited equity cooperative housing*

Councillor Siddiqui opened the meeting at 4:07 PM. She addressed the room, greeting the Task Force members present as well as those members of the public, and thanking all in attendance. The Task Force members went around the room and

introduced themselves to the other community members. Councillor Siddiqui proceeded to give brief opening remarks, explaining again to those present the reason for this Task Force and what its first meeting entailed--defining tenant displacement, identifying its various impacts, avenues for addressing these and prevention tools, and a discussion of what work is happening at the City level at present, and what can and cannot be done in Cambridge. Councillor Siddiqui noted Home Rule Petitions as a barrier the City and Task Force would face with certain types of proposed solutions/ policy changes. As a Task Force, she said, we are seeking to determine what things we can do that can happen *now*. She said that asked the members to fill out a survey--a list of potential action items by topic that was compiled from the first meeting--and to provide their feedback and prioritize what they'd like to personally work on and where they feel they can best contribute. This was completed by Task Force members between sessions and reviewed by the Chair. Councillor Siddiqui stated that she had divided the TDTF members by topic area, and they are sitting at tables corresponding to the topic number they'll be leading discussion around today. We will break out in to these groups for approximately 45 minutes-hour. The public are invited to join a table, she said, but should defer to Task Force members to lead discussion. Tables were numbered as following Action Items (with the exception of #6, which was not discussed at this meeting).

Action Area Breakout Groups (Task Force Members leading discussion)

1. Tenant Education (Ms. Andujar, Ms. Pensak)
2. Increasing Funding (Ms. Cardosi, Mr. Ly)
3. Building Tenant Organizing Capacity (Ms. Andujar, Ms. Pensak)
4. Outreach & Organizing: Landlords, Property Owners & Developers (Ms. Markiewicz)
5. Improving Quantitative/Qualitative Data Collection & Analysis (Councillor Siddiqui, Ms. Farooq, Ms. Pizza-Zeoli)
6. Housing Support & Eviction Prevention
7. Policy & Legislative Agenda (Ms. Eichel, Mr. Field)

A few questions were provided to help guide the discussions [questions were posted on flip chart paper on the conference room wall]:

- *What further information is needed (background, data...)?*
- *What resources may you need to accomplish x, y, z goal(s)?*
- *What does success look like?*
- *What timeline do you envision for accomplishing goal(s)?*

The Task Force members and Chair, divided by topic area at different tables, led small break out discussions and heard from different community members who had attended the meeting. The next 45 minutes were spent in these small group discussions.

Councillor Siddiqui addressed the room--she stated that, as it was now about 5:00 PM, she'd like to reconvene and hear from each group. She requested that each Task Force member give a brief, high-level overview of some of their group's discussion. She said that would lead the discussion after that.

Ms. Pensak reported out to the room on behalf of the **"Tenant Education"** discussion group: She said there are many groups and advocates that do a variety of tenant education; however, it often does not arise until there is a crisis. Housing is very confusing, and there is a need to disseminate information in a broader way, and really go start to finish. E.g. with community forums--how to access housing, what are rights and responsibilities, what are long-term options. What does it mean to want to move from one situation to another? Discussed the myths and fears and how to get this information out in a more thorough and comprehensive way, and before the fact, before it becomes a crisis situation. There are a lot of groups that do this work, so how do we consolidate and coordinate the work that's out there (she noted a few examples). How do we consolidate and distribute this info? Lastly, she noted that they want this education to be interactive and accessible through variety of methods and means.

Ms. Cardosi reported out on the topic of **“Increasing Funding:”** Next year when participatory budgeting happens can we put the idea out that some of it go to affordable housing. They thought of grocery stores sometimes having option to give to charity, maybe could give to housing fund? Also wondered if revenue from the Cambridge plastic bag fee could be directed toward this. Option to increase taxes on private universities? What about property taxes? Seeking out grants, for example from companies like google, local foundations, and how to do outreach on grants, and outreach to local neighborhood groups. How to work with City Life in collaboration with Alliance of Cambridge Tenants.

Ms. Markiewicz was the sole Task Force representative present at this table discussing **“Organizing & Outreach: Landlords, Property Owners and Developers.”** She reported out that for this group, success would look like more affordable units being made available, and that these would be based on different levels of income. They talked about having focus groups w landlords and property owners to know how they set their rents, and the need for gathering info on options for homeowners, especially those older homeowners. Need for understanding breakdown of landlords by property type, how many units, who renting to and why, and what the landscape looks like around evictions. Need more info to understand how to reach these property owners and understand incentives.

On the **“Improving Data Collection & Analysis”** topic area, Ms. Farooq reported out that currently the City has very little understanding of what the landscape looks like in terms of evictions and the reasons behind them. Success would look like trying to identify and build a much better and more comprehensive understanding of that. The City has begun to look at eviction data from the court system. Ms. Farooq said that they [CDD] have gotten information that is high level, but the next phase would be to dive much deeper, to be able to discern what the causes are behind that and figure out what solutions might be employed. In terms of going out and gathering data about instances where there isn’t an eviction, where people are getting displaced because the building is sold, and their rent just goes up, she said that CDD has in the past tried just posting fliers in the buildings and asking people to call, but that that hasn’t really resulted in a lot of folks reaching out. Need to develop a couple of surveys - one for building owners, one for tenants - to understand what is happening to them. City’s new Housing Liaison will help with this. How to get landlords to get section 8 tenants, and how to build CDD’s capacity to work on this.

Ms. Eichel reported out on the **“Policy and Legislative Agenda”** discussion group. The group had discussed condo conversions, questioned why the law had not been changed since 1983, and which parts would require a Home Rule Petition. They said this desperately needs an update, so what is the bare minimum of what Cambridge would need to be just as strong as Boston’s ordinance? The group discussed what legislative work on behalf of the Right of First Refusal, Right to Counsel, and transfer or “Luxury” fees, and noted various transfer fee bills moving through legislature at the moment. They also discussed a vacancy fee, either as a standalone or combined with other bill, as well as a speculation/ international purchase tax, and something that might disincentivize parking dollars in real estate. Lastly, they touched on the topic of just cause eviction.

Councillor Siddiqui thanked the breakout groups for reporting out to all on their discussions. She thanked members of the public for attending and providing their feedback and ideas to the Task Force. She said that at this time the Task Force will convene with just its appointed members in order to review what has been discussed, identify priorities and challenges, and further brainstorm ways the Task Force might choose to move forward in order to make headway in addressing these issues. Members of the public are welcome to stay and observe, however further questions or comments to the Task Force will not be allowed for the remainder of the meeting.

Members of the public moved to leave or stay; some remained and held small group conversations in room and hallway. Councillor Siddiqui moved to transition the meeting and reconvene as a smaller Task Force group.

By 5:30 PM the Task Force Members had reconvened as a group. Councillor Siddiqui began that conversation by saying that she’d like to review the ideas that were just put forth from the discussions, and talk together about prioritizing these, delineating the actionable items for each topic area. Task Force members will then assign themselves to the area(s) / items they feel most drawn to working on and continue to develop further the more specific action steps for the Task Force to move on.

Let's begin with some ideas around educational materials, continued Councillor Siddiqui. For example, a Tenants' Manual--that might include things like who to call if your heat isn't working, how to get an inspector in there, etc. Most people don't know they can call the inspector and have someone from the City go over and write something up. That's something she thinks the Task Force could maybe do. She said she thinks Boston has one [a tenant's manual]. Another thought, she added, is that a manual would likely include information that may change over the years. She asked if the Task Force would want to create something that could be easily updated. Could it belong somewhere that the Task Force could constantly get access to it and be able to update it--could it live perhaps on CDD's website? Councillor Siddiqui continued, emphasizing that then there are the questions of how to disseminate such a manual, and what would it look like. She asked if anyone had thoughts on doing a manual versus doing a mailing with information, for example?

Ms. Andujar responded that, yes, those are the traditional ways of educating tenants. She stated that, at the Alliance of Cambridge Tenants [ACT], she [they/ACT] are doing self-advocacy sessions for tenants. She said that ACT has City-wide sessions every 4th Friday of the month--the last meeting was on inspections, clutter, judgements...they are on many topics, she said. Really any problem that tenants have. She said she thinks that we need to think more in terms of, for low-income tenants, the education piece--things like where and how tenants are getting trained, [more experiential] like 'This was my problem, this is how I solved it, and these are the contacts that I have who helped me solve it, etc....'

Ms. Cardosi said that she just wanted to add to what Sonia [Ms. Andujar] is saying, to say that a lot of times tenants won't speak up because they're afraid or intimidated, especially with private landlords, and we might focus on giving people skills on how to get around that. She said that people are afraid to go beyond that, especially right now because of the housing situation, fear of losing housing [is strong]-

Ms. Markiewicz agreed, and remarked that she likes the postcard idea a lot, in addition to some kind of more intensive education. She suggested maybe making it [postcard /magnet] flashy and simple, phone number or website oriented, and maybe saying something on it like 'put me on your fridge!' -- that way it doesn't get thrown out, and maybe people will be like, 'okay, I can have this here and next time when my window won't close, I can quickly find the phone number I can call.' She continued that maybe a mailing could work for this, or, it would be unlikely, but maybe if it could even be distributed in packets when people sign a lease...? She said she really doesn't know how that would work logistically...but at least maybe it could be passed out at schools, given to students, at different work locations where people are living and working in Cambridge. All of this in addition to mailings, she said, because as we know, mailings get lost, thrown out...

Ms. Huang said that she thinks yes, in addition to mailings we need to think of other ways, whether it's a fridge magnet with an easy redirect to a website, or a targeted focus on reaching high-traffic areas around Sept 1st, or whenever that is, since we know that so much of the rental market turns over every Sept 1st. She added that, along with that, whatever hotline or website needs to be translated in to whatever set of languages are most commonly spoken, read and written here in Cambridge.

Councillor Siddiqui asked, do others have thoughts?

Ms. Pensak commented that she likes all the ideas, and specifically to the Councillor's question about the manual--she said she would like to have one but noted that it would take a while to do. She said she'd like to see the Task Force start with a few community forums, because it could be doing both at the same time, while working on the manual. And to Sonia's point on popular education, Ms. Pensak agreed--that as she had also reported, it's so confusing and there are so many pieces to it, so although it could be something that the Task Force is working on designing, that materials like those don't cover everything even at her workplace [Metro Housing Boston]. She thinks that a way Cambridge could go beyond this really is a series; could be on topics like 'What is affordable housing?'; 'How do you apply?'; 'What are the options?'; and other topics like Fair Housing things, etc. She said we'd need to ask who already has these pieces, and what pieces aren't available, and that if we could collaborate and pull together all that's out there, whether it's the Tenant Association, or Cambridge Multi-Service Center, or her agency [Metro Housing Boston], or Cambridge Legal Services, that we could really have a huge series on all of the different topics. They could build on each other, she added--you wouldn't have to go to everything...she said that she likes the magnets and mailings, but how do you get to every single issue? There are some generalizations the Task Force could come up with...so how do we do that, but then still make sure we're filling in the holes?

Ms. Eichel agreed. She said she thinks that, in working with large institutions—after asking them to pay more of their money!—that asking them to also disseminate tenant magnets or quick resources would be a really promising thing. She said that she knows mailings have worked traditionally, but a lot of people really don't check their mail, and especially if they don't recognize it right away they might just get rid of it— but if the Task Force could focus really at the places where a lot of renters are, she thinks that this would go a long way. Ms. Eichel continued that like with any element of any sort of popular education, something she thinks is crucial—not to be sort of “kum-ba-yah” here, she said—is addressing the shame element. Saying like, ‘just because you're not a homeowner, you're still a resident of Cambridge, we still want you here’...that she thinks if that envelops everything and comes from the top, that's really important. That there's this sense of ‘if I say anything, I might get evicted, or, well I guess I can just move...’ It would help with changing the message to ‘no, you don't have to do that, you can stay with your community, we want you here.’ So, she said, she guesses that's not a tangible thing, but she thinks it has to be where we are all coming from.

Ms. Andujar stated that she had just been looking at the document of the Ordinance [*see attached materials*] and policy number eight, 2014...even though the policy shows very important financial feasibility of condos versus coops, it fails to mention what the Task Force just mentioned, she said. That this social capital gain--it's not mentioned in this policy. She said she understands why, but the City of Cambridge is trying to implement fair and accessible options, and help people build equity. We know that home ownership options help people build equity. Being low-income and having no place to move to doesn't help build community. She said she finds it unclear when the City uses terms like ‘low-income’ and ‘fair housing’ and ‘options,’ when we [tenants] know, really, that in practical terms, they are not. So in tenant education, we tenants are beginning to learn to ask the right questions. When the City tells us ‘affordable’, saying, ‘Yes? Affordable to whom, for whom?’ Ms. Andujar continued--are there options? No, for us [tenants who are low-income] there are not. Even though it is on paper, and you see it in the city ordinance, you see it in the policy and so on, she said. She knows it is “politically correct” to include this so people do not feel left out, but she thinks words matter. When the City writes something, we take it at heart. She continued that she would tend to say to take the words ‘low-income’ out of there, because [those with low-income] really do not apply, and [the City shouldn't] try to fool people into thinking that there is an option when there isn't. She said that education means that she should be aware--that she needs to stay in her lane. She said she knows that this is not politically correct, and that politicians don't want to hear that...

Councillor Siddiqui said that she thinks it's very important to hear how tenants are actually feeling, and what Ms. Andujar and Ms. Pensak said about community forums and doing a series, that resonated. Councillor Siddiqui continued, saying that there's a few things that came out of tenant education--she is hearing perhaps a combination of community forums and outreach, and maybe not a mailing, but maybe something tangible like a fridge magnet. She said that what she's going to do is, after the Task Force talks about each area, she's going to ask that in the members priorities, they noted what they wanted to work on, and she has that list, but that if that is what they want to work on, then let's get that on paper before we leave. Let's move on to numbers [action areas] two and three. On ways to increase funding, she continued, she has an update for the Task Force, something that hasn't been mentioned yet. She said that the City has a fund, the Richard Rossi Fund--it doesn't have a way to really replenish this fund [which is running out], and in researching this, she recently found a statement in an old article saying that the fund is meant to be ongoing. It is meant to be replenished. Councillor Siddiqui said that she talked with the Department of Human Services, to Ellen Semonoff, the Assistant City Manager for Human Services, and there's this open question of doing something potentially with that fund. Maybe something like a campaign during Affordable Housing Action Week, asking for donations. The fund started with thirty-five thousand dollars; she said she doesn't have the actual number to-date but has requested this information and the City Manager is getting back to her with it soon. This is an idea, she said, and she is curious what the Task Force thinks, if we're identifying potential sources for funding. It's a municipal-type fund, she added.

Ms. Farooq commented that [the Richard Rossi Fund] is set up as a fund through the City, but the challenge is that City Staff are not allowed to fundraise because it's a conflict of interest. So in some ways if the Task Force could be an entity that helps with fundraising outreach in the way that Councillor Siddiqui is talking about--and Harvard and MIT have actually both contributed in the initial version, modest amounts, but there was some--so if we could get people to donate to that....She explained that currently the fund is being used as “last dollar”-- meaning that when the City has [exhausted] all of the standard sources of state funding and city funding to support people who are facing eviction, and there is still a

gap, that the City is then using this fund. Just because it is so finite right now. She continued that, if it were a larger amount, it would give us [the City] a lot more capacity.

Ms. Cardosi said that she knows that with stores, often when people come through the stores will ask for donations--might say something like 'Would you like to donate to the local affordable housing?' She added that it's usually a different charity, but that stores could do that. She said that actually a lot of the stores, like Whole Foods and Trader Joe's she thought, will do community things like this. It's good PR for them, to donate [and locally]. She said that you do get a lot of donations when people come through the check line this way. You get a lot of donations--well, she does anyway. *[The group laughed.]* She clarified that she always tries to ask in a way that doesn't make people feel pressured.

Councillor Siddiqui continued, stating that, well, this can be something that Task Members could work on, replenishing that fund.

Ms. Cardosi said that she'd be willing to go to the stores and ask them, that there is usually require come kind of piece of paper that needs to be filled out, something like that.

Councillor Siddiqui thanked her and turned to the group, asking if there are any other ideas on how we can identify non-municipal sources of funding for tenant displacement?

Ms. Eichel responded saying that she thought that what Ms. Cardosi had said, about going to the many, many tech companies in Cambridge, like Google, or, others like the Broad Institute. Ms. Eichel mentioned a connection there and said she'd be happy to do some work on that.

Councillor Siddiqui, addressing Ms. Cardosi, asked what her group had discussed around the topic of participatory budgeting. Ms. Cardosi said she did not know if this was in the parameters, she forgets what you can give money to--

Ms. Markiewicz asked if it must be capital.

Councillor Siddiqui replied that, yes, it must be capital.

Ms. Markiewicz added that she wonders if there's something else. She suggested the Task Force keep it in the back of its mind, and see if something comes up that would be a possibility for participatory budget funding...maybe for some of the advertising?

Ms. Cardosi asked if building a house is considered capital, like if the city owned land...

Ms. Markiewicz said that unfortunately we'd need the whole Participatory Budget fund just to build one, because it's only like eight hundred thousand.

Ms. Farooq concurred that we couldn't do that--the City would not be able to build more than one house!

Right, of course, Ms. Cardosi laughed.

Councillor Siddiqui moved the conversation along to action area number three, "Building Tenant Organizing Capacity." She said that another idea was this partnership with an organization like City Life Vida Urbana, for example. She said that the issue she is coming up against when she looks at advocating for funding for that...that it could be hard. She said that she is willing for this Task Force to request that funding, that it goes to perhaps a community organization, and that community organization partners with City Life--but I wanted to get the Task Force members' thoughts on this. She asked if this is something that they think is worthwhile and important, trying to make a request to fund a city organization or otherwise that could partner with one of these tenant organizing organizations.

Ms. Huang responded that she thinks in order to do continuous tenant education on a thorough and ongoing basis, there needs to be some substantial organization responsible for continuing to provide this education for tenants, connecting them to legal aid services, and a lot more. She added that something she has seen, something that was pretty newsworthy, was that Boston Children's Hospital funded City Life as part of its grants to help address social determinants of health. Housing is certainly a more upstream factor in community health. She continued that considering how many institutions in biotech and tech there are in Cambridge--e.g. Sanofi, Eli Lilly, Novartis--and that these are all, in name, organizations that deal with health, she wonders if there is a track record of some hospitals or health institutions that provide funding for tenant organizing given that housing is a social determinant of health. She wonders if there's a way to leverage some funding from City of Cambridge, and some funding from CHA (well, CHA is public too, she said) as well as some set of institutions to support ongoing tenant education and organizing.

Councillor Siddiqui said that if someone would be interested in taking this on that yes, we could look at grants that these private organizations may have that could help us get funding for this.

Ms. Huang said so if it's not only the City that is getting funding for this, she imagines that it would make this a little more appealing to the Councillor and Ms. Farooq's colleagues and the City Manager, but she does think it would be useful to see if there are larger institutions that see this as a determinant of health.

Ms. Farooq added that currently, in terms of organizations, the City works with CEOC, for these functions--

Ms. Huang asked what the CEOC is.

Ms. Pensak clarified that it's the "Cambridge Economic Opportunity Coalition."

Ms. Farooq continued, saying that the City funds services through the CEOC to do both organizing and tenant support; the City also supports Just-A-Start in terms of mediation if people are in situations of conflict with landlords, and also if getting close to eviction. Both of these are funded, she said, so it would probably be good to think about whether it's better to stay with the same organization or better to expand.

Ms. Pensak commented that also Cambridge Multi-Service Center, although doesn't do tenant organizing, she sort of sees this piece as tying in to education. She said if we coordinate with the education, it just fits--perhaps whoever is working on the actual education piece can tie it in to the advocacy piece.

Ms. Farooq agreed and said that maybe this is something we ought to do—Mr. Cotter and her and perhaps Ms. Pensak—before the next meeting, is to create a snapshot of what it is the City already does on these topics, so that we're not trying to replicate these things and we're moving forward from these.

Councillor Siddiqui reminded Ms. Farooq that she has a meeting with her and Mr. Cotter tomorrow, so they could discuss this then and update the Task Force sooner rather than later.

Ms. Andujar commented that she would also like for the Alliance of Cambridge Tenants to be taken into consideration in this.

[All replied absolutely, yes.]

Mr. Ly, returning to the topic of non-municipal funding, asked what are the big philanthropic entities in greater Boston who focus on housing, outside of Cambridge Community Foundation? Maybe that would be a good project for someone to work on is how we pitch a proposal to them and figuring out who the big players are in this area in greater Boston.

Ms. Markiewicz mentioned the Barr Foundation does a lot of transportation work and might be a natural fit.

Mr. Ly mentioned Heinz does racial equity, Boston Family Foundation does health, Cambridge Community Foundation has done immigration stuff it looks like, he's not sure of the big players in housing work, so again reason to look in to this.

Mr. Field added that with Barr, transportation is under the climate focus, so he isn't sure they would be doing tenant protection work, but Heinz is an example of one...

Ms. Markiewicz said, sure, maybe Barr Foundation is more narrowly focused, but she thinks it's still worth looking into, they've invested a lot in Cambridge already...

Ms. Andujar said one more thing is that some members of ACT have an informal partnership with CRA, at least with some very good homeowners there, and CRA has community organizers that have helped ACT in the past. So this would be another community organization potentially.

Councillor Siddiqui said let's move on to number four, "Outreach and Organizing: Landlords, Property Owners and Developers." This group talked about things like focus groups, and less on the question of 'what would success look like here.' She continued, saying that she had been doing a bit of research on some of the programs that exist, like the Boston Landlord Guarantee Program, and thinks the Task Force would have a hard time doing that here. In Austin, she said, they considered giving something like a "Certificate of Excellence" to landlords who gave below market rents--like a "good for you for keeping rents below market!" award. These were some of the things she encountered as models for working with landlords, and she's open to more ideas in this category. Landlords are very important at the table, she said, so what is it that we want to do here? Is it more just getting some information?

Ms. Markiewicz said that she struggles with this one because it seems like there's not that much opportunity. It's unfortunate because, it's one of the places that if there were, say, a magic bullet, it would be like, really, really good to employ, because so much housing is provided by private landlords. So, she doesn't know. There are so many things we want to focus on and she's not convinced that this is an area that we'd really be able to move something forward, like with the other areas. But it's sad because she wants there to be. Maybe the focus groups would be a place to start that's a tangible next step--we could ask like, what would incentivize you to accept Section 8, or to lower your rents, how do you set them, etc.

Ms. Eichel commented that she just doesn't think that landlords are actually going to do anything...

Ms. Pensak wondered if a simple first step might be to include them under education--not to say that education is everything, but knowledge is power, and maybe if the Task Force has a piece of whatever education it's doing focus on property owners as well, this could help. Because, she said, they just don't know. Yes, there are a lot of really *not* good ones out there, and there's room, but she thinks that if some folks were to just get the information, they may then do the right thing. So helping them know that there's resources, what does it mean to take those resources, so it's not always an "us vs. them". Bringing them into the fold by giving them information could go a long way. This is just a piece; I know there are a lot of things here that are really important that don't touch education, like AirBnb and all of that. But just in terms of resources.

Ms. Cardosi commented that for those landlords that do keep the rents low, the private landlords, maybe if we could ask them why they want these tenants to stay, and if they give their reasons, perhaps other landlords will see that they're sincere. This is why we want to keep these tenants, and we still make what we need to pay the mortgage, etc.

Ms. Farooq said that it's very challenging to obtain this info, short of tenants volunteering it. There isn't a great way to ask. She said the City doesn't know how to target the right people, so there's no way to really know who these landlords are. Some of the landlords that keep it low keep it low for people who don't necessarily need low rents, they're not necessarily going with people who are Section 8 tenants. She said that she herself had a place at one point where she was above--although not hugely above--what would qualify, and her landlords kept the rent low. They were like, okay well, here she is, she's single, she has a job where she works all day, she won't be in the apartment a whole lot, she won't mess it up, etc. They're factoring in things like that, Ms. Farooq said. So how can we get people comfortable with the notion that if you rent to a Section 8 tenant, it's not that you're renting to somebody that's going to destroy your home or create a negative outcome. She said she's not sure she has an answer to this, to how to get to that piece of education, because she

doesn't know how to target the right people. But if we could, that would be something that would be good, like say, 'Here's the face of people who are Section 8 tenants'...

Ms. Cardosi said right, like breaking the stereotype.

Ms. Pensak said that she thinks another important thing that ties in to it too, and applies to both market rate and Section 8, is helping landlords to know who to call on for services when there's an issue. She referenced that hoarding had been brought up before, which cuts across every socio-economic group--how do landlords access resources that help them in dealing with these types of issues? And unfortunately, yes, they stigmatize and may think that of course the Section 8 person is going to do that and not the market rate person, but yes, and I also want to through it into the mix that so many of the renting here, and across the board, is through realtors, and I think we also need to educate realtors.

Ms. Farooq interjected, saying but that may be the workaround, if we can get realtors comfortable, then maybe they can communicate with landlords...

Councillor Siddiqui agreed that is a great point. She said let's move on to five and six, briefly. It's six O'clock so she said she'll keep it short and will keep people for just a few more minutes since started late. So, five and six she said she thought they gave a good recap of what's needed. Some of it has been requested already, so we're in process of getting it and analyzed. Some of it is new things, like these surveys. So some of the questions will be what do we put in these surveys, and kind of the how, and it may be worth doing when the City has a Housing Liaison person come on. That's her take, but if people feel strongly, the Task Force could dig in to this issue and think about the questions. She could go other way and said she isn't sure when the Housing position is coming online...?

Ms. Farooq said that they haven't started interviews yet...but, soon, they have scheduled them.

Councillor Siddiqui said, okay, well that's good to hear. So she'll leave it up to the Task Force--they could decide on this issue later and wait until the City has someone in place, so that person could maybe give some guidance at a later point of what should be on a survey? Does that sound good to everyone? Okay.

Councillor Siddiqui continued saying that with topic number five, the data piece--this was an easy ask so if we want more legal aid funding, we can ask for it. [comments of agreement.] And I think we should, so we can do that.

Ms. Markiewicz asked how much?

Councillor Siddiqui answered that currently, in the FY19 budget there is 113k allocated. This doesn't include the request that was made in the fall, that was for about 65k. So we're under 200k just on that issue. So, we could increase it and this is something the Task Force could make a recommendation for. This is the kind of the data that she has.

Finally, on the topic of Policy and Legislative agenda issues. What she heard from the group is that if we want to look at condo conversions, there are some questions we need to figure out, like getting the number of conversions that are happening here. In her conversations with Ms. Farooq and CDD, it seems that a lot of what's happening right now is actually luxury rental.

Mr. Field added that this was a point that Ms. Farooq was making, which explained a question that they had which was why there hasn't been focus on doing this. And their answer seemed to be that it's been a lower priority, because it hasn't been the biggest cause of displacement.

Ms. Farooq noted that but yes, right now, but as we know the market changes. So she wouldn't say that this shouldn't be in the set of recommendations, but it might not be a 'we have to do this right this minute', rather it would be in the pool of what makes sense to work on.

Mr. Field continued, saying that right now the question in his mind is whether this is something where, eventually, there might be one paragraph written that would say something like ‘the City should consider a condo-conversion ordinance’, or would it be something more substantial that would recommend specifically what such an ordinance should look like? And if it’s the latter, he thinks that we need to have a group discussion and that it’s worth taking the time to do this.

Councillor Siddiqui said that she thinks, based on people’s interest, it’s the latter. There are questions that need to be answered before we get in to digging deeper on this policy. She said that she can work on getting some of these answers from the Assessor’s Office, like how many conversions have happened in the last X years, how many units were these buildings, etc. Councillor Siddiqui said she thinks we’ll have to wait and see on this because this piece is a longer-term idea.

Ms. Andujar said that one question she has where she is confused about the condo conversion ordinance, is that it mentions in the document that there were two hundred units removed, and was this a recent condo conversion?

Mr Field said that this was in 1983.

Ms. Andujar said so we don’t have anything updated?

Councillor Siddiqui added no, and this is all the information we would need to try to get, and if there’s interest from Task force members to try to work on this, she thinks it’s definitely an area where it can. Another piece she heard from the group is the issue of how do we support the Right to Counsel movement. She said she’d love to do this, and it’s something she thinks all of us can do, and she’s wondering from them what this looks like.

Mr. Field said there is a coalition forming on this; his organization [MA Smart Growth Alliance] is part of this. But it’s in an early stage, that is bills have yet to be put into committees. He said that he’s assuming that in the past the City Council has not yet put in an order publicly supporting the right to counsel. He asked if the City has in fact endorsed this.

Councillor Siddiqui responded yes, the Council did. A resolution, she thinks.

Mr. Field asked if it was this legislative term.

Councillor Siddiqui said that yes, she thinks the Council did recently put in a resolution in support of Tenants’ Right to Counsel.

Ms. Huang said this would be helpful even to do again, since it is so close to the beginning of the session, and especially with the media cycle...

Mr. Field said he doesn’t know whether then there is really anything formally needed in terms of the City being part of a coalition. He said he’s not sure spending time and resources on this would be worth it, that if this just means being part of a policy order or resolution, then maybe that can be enough.

Councillor Siddiqui continued that she knows the group discussed the Transfer Fee as well. She said that’s also ongoing; the City Council has asked for a petition, people are joining the coalition, so she thinks that’s kind of moving. She said she can check in with Ellen Shachter about how they might want this Task Force to get involved. The discussion at the Council level hasn’t happened yet. Although we’re trying to make it happen, it hasn’t yet and she’s not sure when it will. So, she’s on that. In the interest of time, she said, we have a lot of notes and we’ll follow up on this meeting as well. It would be great before we leave today just to get an idea of what area each of you would like to work on, where each Task Force member would like to focus, so that she and Sarah [her legislative aide] can reach back out and get together a work plan and see how it’s all going. She said she’s incredibly grateful for the members’ time--this is all volunteer-based, and she’ll be working on all these things. She said she’ll leave it up to their discretion to choose one area, and if they’d like to work on more than one area, she’ll leave it up to them based on their capacity. And some areas overlap, and we can figure out where the overlaps are and combine work plans, but she’ll leave it up to them.

Task Force members self-assigned to one or more action areas and working groups were determined.

The group discussed placing some topics, like landlord organizing, under others, like education. Also placing some in a 'Parking Lot' as more secondary items to work on in the context of others.

Councillor Siddiqui thanked all the members very much for their time, she said she really appreciates it, especially on a Sunday. We have a good list of things here, and we'll be in touch with each of you about specific tasks and setting up meetings in between this meeting and the next.

The meeting adjourned at 6:13 PM.



Mayor’s Blue-Ribbon Task Force on Tenant Displacement

Monthly Meeting
Tuesday, March 19, 2019, 5:30 - 7:30 p.m.
Sullivan Chamber, City Hall
795 Massachusetts Ave, Cambridge MA 02139

MEETING MINUTES

The Mayor’s Blue-Ribbon Task Force on Tenant Displacement convened for a regular meeting on Tuesday, March 19, 2019, in the Sullivan Chamber at City Hall, 795 Massachusetts Ave, Cambridge, Massachusetts. Councillor Sumbul Siddiqui, Chair of the Task Force, called the meeting to order at 5:40 pm with 11 members present at the meeting’s start.

Task Force Members in Attendance:

Councillor Sumbul Siddiqui, Chair		
Sonia Andujar	Jessica Drew	Alexandra Markiewicz
Patrick Barrett	Betsy Eichel	Maura Pensak
Teresa Cardosi	Iram Farooq	Cheryl-Ann Pizza-Zeoli (conferenced in via phone)
Kuong Lee		

City of Cambridge Staff in Attendance:

Sarah Stillman
Wilford Durbin

ITEM	DISCUSSION	ACTION	RESPONSIBLE	DATE
Call to Order	The meeting was called to order at 5:40 pm by Sumbul Siddiqui, Chair.	Procedural	Sumbul Siddiqui	03/19/19
Overview of Meeting Agenda	An overview of the agenda for the meeting was given by Sumbul Siddiqui, Chair. She announced that she would need to leave at approximately 7:00 pm in order to speak at a vigil to be held outside City Hall, honoring the victims of the terror attack in Christchurch, New Zealand.	Informational	Sumbul Siddiqui	03/19/19
Presentation by Bob Reardon, Director of Assessment, City of Cambridge	<p>Councillor Siddiqui introduced Mr. Bob Reardon, former director of Assessment with the City, who presented on the status of the City's data on condo conversions. <i>[A memo from City Assessor, Andrew Johnson, in response to Policy Order # 79, was distributed to members prior to the meeting and is attached to the minutes for reference.]</i></p> <ul style="list-style-type: none"> • In years past, City saw thousands of conversions, especially since 2008 when economy turned south. Nowadays conversions have slowed down; the same level of pressure to convert no longer exists. From the landlord perspective, the rental market has improved and the high market rate for rentals keeps spaces filled. • 350 condo conversions at present in Cambridge - up to 110 units converted per year. Not seeing large developments converted, rather two and three family owner-occupied homes are vast majority of sales- "arms-length" transactions (meaning between a willing buyer and seller). Smaller developers are largely responsible for the conversions of these apartments, rather than investors. • If the economy takes a downturn, condo conversion rates could pick up again. • Takeaway: This is good time to be working on this issue and looking at potential changes. <p>Questions from Task Force and discussion followed:</p>	Informational	Mr. Reardon	03/19/19

			<ul style="list-style-type: none"> • Many tenants do not know about their rights when their condo is being converted. A landlord often does not give that information, and there is no communication from landlord on intent of conversion. There are protections in Cambridge's current conversion ordinance, of notice, etc; however, it is hard to "catch" conversions before they happen, before a property is sold. • The owner should be required to give tenant some information about their rights. It should be on the owner to provide that information to the tenant. • Could there be a way to require small developers to give information to tenants about their rights when a rental property is being converted? They often flip condos more frequently; would make sense to hold them accountable to making tenants' rights information accessible. • When talking about transferring property to family members, task force will need to take into consideration the implication of any policy proposed--we do not want to negatively impact their ability to keep property in the family. Although the landlord is most often the person with the asset, in some situations the tenant may have more access to information. • Having information and resources to share with landlords and owners is also important here - emphasis on developing better educational materials and programs. • If a property is sold to a new owner, will need to consider whose responsibility it would be to notify and inform in these cases. Might also look into some form of carve-out so as not to put undue burden on those who are trying to sell. • The new buyer shouldn't be off the hook. Could place more onus on developer to show that tenants left voluntarily, versus being forced or pressured out. • City of Somerville is currently amending its ordinance governing condo conversions. When looking at its conversion process, Somerville concluded that the vast majority of applications are put in for vacant units, so there is not an opportunity there to notify tenants of their rights.
--	--	--	--

	<ul style="list-style-type: none">● In Somerville's amended ordinance, it recommends a 1 year notice be provided to conversion board to prior to asking tenants to move.● In Cambridge, tenants may have to pay upwards of seven to ten thousand dollars just to sign a new lease, so a year's notice in this case makes a lot of sense.● Task Force Legislative & Policy working group will look into requiring owners provide a longer notice period to tenants as well as information on tenants' rights.		

				April 2019
			Legislative & Policy working group	
			David Kale	03/19/19
			Informational	
			<p>Councillor Siddiqui introduced Mr. David Kale, who presented on the City's funding: where does City source its funding, how is funding allocated, what limitations exist on how different funding sources can be used?</p> <ul style="list-style-type: none"> • Property Tax: The City's largest funding source <ul style="list-style-type: none"> ◦ Makes up ~2/3 of revenue source that funds annual budget day-to-day. Some non-property tax revenue (e.g. building permits, traffic and parking fees, some departmental revenue, etc) helps to offset, but most funding comes from property taxes. • "Free cash": The City's undesignated fund balance <ul style="list-style-type: none"> ◦ The City has been very fortunate as its been able to have a healthy free-cash balance; generally created by budgeting revenues conservatively. ◦ By end of the fiscal year any remaining balance will go to free cash, as well as any department budget surpluses. ◦ Balance as of July 1, 2018 was 231 million dollars, of which the City spends about 40 million dollars per year ◦ Strategy City implements is spending on one-time capital items, plan for this, some years may need to use more (e.g. fire engines, communication systems, agreement with MBTA to provide assistance with Lechmere station over next 5 years, etc). 	
	<p>Presentation by David Kale, Assistant City Manager for Fiscal Affairs, City of Cambridge</p>			

			<ul style="list-style-type: none"> ○ This year will probably see a reduction in the free cash balance; this will not be replaced. ○ The City does use free cash to lessen the property tax levy for residents (by nine million annually); some free cash funds are also used to stabilize debt service costs. ● Dept stabilization fund: when City increases its debt it can pull from this (instead of needing to pull from free cash). ● Non-municipal funding sources: people donate privately to funds like the City Scholarship Fund. ● Options for sourcing Affordable Housing Trust: Community Benefit Fund ● If City receives funds from private donors, the City Manager would make a recommendation on how to appropriate those funds; understands that housing is a priority for the Council and has considered this when allocating funding to address housing and homelessness. <ul style="list-style-type: none"> ○ FY19 budget is 636 million dollars. ○ The City Manager has promised in the FY20 budget to increase the amount of funding allocated to the Affordable Housing Trust from building permit fees by 25 percent, an increase over past years. ● \$24 million: snapshot of funds that go to support housing and homelessness (block grant funding, other funding). ● Options may exist for subsidizing certain tenancies; one way is inclusionary units, but might be a way to stabilize rental units. 	
--	--	--	---	--

				May 2019
	Sumbul Siddiqui			
	Tina Alu; Natalie Ribeiro	Informational		03/19/19
	Chair Siddiqui introduced Ms. Tina Alu, Executive Director of the CEOC, and Ms. Natalie Ribeiro, Director of Community Engagement & Advocacy at CEOC. Ms. Alu presented on the CEOC's partnership with the City of Cambridge, and provided context and background on the CEOC's work in supporting tenants via direct service and organizing. She and Ms. Ribeiro addressed gaps and limitations, and noted the high demand for services and need for increased organizational capacity.			

			<ul style="list-style-type: none"> offensive/attacking language), as well as helping to debrief with tenants afterward. CEOC staff deals with urgent emergency situations, staff need to understand in-place vouchers, relocation agreements (very large amount of information, legalities, etc.) <ul style="list-style-type: none"> Over past few weeks staff have been providing assistance to residents in filing taxes- in these cases, staff may see that a tenant is having a housing issue- can often notice trends (e.g. a number of residents coming out of one building). Entire CEOC agency budget = a little over 1.1 million dollars; perhaps 100 thousand dollars of total budget goes to organizing services specifically. <ul style="list-style-type: none"> Some funding comes from the City's Community Services block grant (federal wrap-around grant). Ms. Farooq commented that the CDD is limited by how much funding can go from block grants. This presents a challenge for how to increase funding for the very good, on-the-ground work that the CEOC is doing. The Cambridge Multi-Service Center does similar work to the CEOC; however services are delivered on City property- this presents a major barrier to access for many tenants. The CEOC does not have an annual report for 2018, but can share its "2018 Impacts" (overview of all the services provided) <ul style="list-style-type: none"> Action: Ms. Alu will share this document with the Task Force. Challenges and Barriers: <ul style="list-style-type: none"> CEOC does not have the staff capacity to adequately provide both advocacy and organizing - it is easy for staff to get sucked into individual tenant issues/ cases. The focus of the CEOC is to keep people stable in their homes. Tenants are often afraid of retaliation (e.g. "you can tell my story for me, but I don't want my name to be used"). Variety of languages spoken: we need to offer more simultaneous interpreters so people feel like their presence and voice is valued in the conversation, and
--	--	--	---

	will be more likely to participate (in organizing, process, etc). <ul style="list-style-type: none"> o In 2009-2010 CEOC hired 3.5 “organizer” roles- divided up by the affordable housing buildings in Cambridge; since these staff were there constantly/ consistently, they can organize in a way that is more ongoing. <p>Chair Siddiqui thanked all of the presenters for coming.</p>	Action	Sumbul Siddiqui	April 2019
Updates, Announcements & Needs for Next Meeting	<i>This agenda item was not taken up.</i> Chair Siddiqui asked the Tenant Education working group to present out on its updates to the Task Force.	Informational	Sumbul Siddiqui	03/19/19
Report Out from Tenant Education Working Group	Tenant education working group met in between last Task force meeting and today. Ms. Alexandra Maskiewicz, Ms. Sonia Andujar and Ms. Maura Pensak gave updates on status of progress and questions remaining.	Informational	Tenant Education working group	03/19/19
Action Area Working Group Break Out	Task Force members divided by the following working groups: Tenant Education; Legislative & Policy Agenda; Increasing Funding. Time spent on action items, research and documenting progress.	Action	ALL	03/19/19

Adjournment	Ms. Stillman, Aide to Councillor Siddiqui, adjourned the meeting at 7:35 pm , standing in for Chair Siddiqui, who had left the meeting at 7:00 p.m. in order to speak at a vigil held outside City Hall.	Procedural	Sarah Stillman	03/19/19
-------------	---	------------	----------------	----------



Mayor's Blue-Ribbon Task Force on Tenant Displacement

Monthly Meeting
 Tuesday, April 23, 2019, 5:30 - 7:30 p.m.
 Sullivan Chamber, City Hall
 795 Massachusetts Ave, Cambridge MA 02139

MEETING MINUTES

The *Mayor's Blue-Ribbon Task Force on Tenant Displacement* convened for a regular meeting on Tuesday, April 23, 2019, in the Sullivan Chamber at City Hall, 795 Massachusetts Ave, Cambridge, Massachusetts. Councillor Sumbul Siddiqui, Chair of the Task Force, called the meeting to order at 5:42 pm with seven members present at the meeting's start. In attendance as presenters were Chris Cotter and Cliff Cook. Present as members of the public were Ellen Semonoff, Maria Melo, and Bailey Werner.

<i>Task Force Members in Attendance:</i>		<i>Task Force Members Absent:</i>	<i>City of Cambridge Staff in Attendance:</i>	<i>City of Cambridge Staff Absent:</i>
Councillor Sumbul Siddiqui, Chair				
Sonia Andujar	Beth Huang	Patrick Barrett	Sarah Stillman	Wilford Durbin
Jessica Drew	Alexandra Markiewicz	Teresa Cardosi		
Betsy Eichel	Maura Pensak (<i>arrived before 6:00 pm</i>)	Sean Hope		
Iram Farooq		Kuong Lee		
Larry Field		Maura Pensak		
		Cheryl-Ann Pizza-Zeoli		

ITEM	DISCUSSION	ACTION	RESPONSIBLE
Call to Order	The meeting was called to order at 5:42 pm by Sumbul Siddiqui, Chair.	Procedural	Sumbul Siddiqui

Overview of Meeting Agenda	An overview of the agenda for the meeting was given by Sumbul Siddiqui, Chair.	Informational	Sumbul Siddiqui
Presentation by Cliff Cook, Planning Information Manager, CDD, and Chris Cotter, Housing Director, CDD	<p>Chair Siddiqui introduced Mr. Cliff Cook, Planning Information Manager, and Mr. Chris Cotter, Housing Director, both members of the City's Community Development Department (CDD) staff, who presented the CDD's data analysis of eviction complaints in Cambridge. <i>[See attached slide presentation.]</i></p> <ul style="list-style-type: none"> • Half the complaints are filed against people who have been through the process at least once already, sometimes multiple times. February and April are lowest months for complaints, a striking difference. • Noted drop off in 2015-17 when the great recession hit home in 2011, but by 2013 economy was getting better. • Housing court comes in to play in 2018 - small number of filings in housing court vs district (which court you file in may depend on what your desired outcome is) • Judgements under 500 dollars are generally only for court costs. • East Cambridge has high number of market rate evictions (noted example of particular building with a particular policy) • Black Box: this is as far as CDD can get with the data gathered, not knowing as much about eviction complaints as we do with foreclosures. We have more info than we've ever had on eviction complaints in Cambridge, but the challenge is knowing if what we've gathered is accurate with the case files (just because a complaint is filed does not mean someone is evicted); where are the points of action? • Intern will fact check and dig deeper into the data we're gathering; look at sample of case files from beginning to end in the two courts to survey what actions and outcomes we have in the city. • CDD is hoping to put all of this in to an annual report and update this periodically. The data may not show the full picture; having an eviction filing on your record will impede your ability to move forward with housing etc. <p>The Task Force members asked questions regarding the data presented, and a discussion followed, including input from Ms. Ellen Semonoff and Ms. Maria Melo of the City's Department of Human Services. Chair Siddiqui thanked the presenters for providing this update and for the data presented.</p>	Informational	Chris Cotter; Cliff Cook

			ALL
Updates & Announcements	<p>Chair Siddiqui provided an update on the status of the hiring process for City's Housing Liaison position:</p> <ul style="list-style-type: none"> • After a sizable first round of applicants, unfortunately the City has not yet completed its search and the job has now been reposted. Ideally looking for someone with CAE management experience and solid understanding of the issues, a very strong collaborator, and with broad enough experience to both properly address policy issues and deal with emergency situations. The person who steps in to this role will need to understand what's happening and do some best-fit work between all the departments that touch on housing. • Chair Siddiqui said that she will share the description with the Task Force. <p>Chair Siddiqui requested Mr. Cotter share the City's plan for its upcoming "2019 Affordable Housing Action Week of Action":</p> <ul style="list-style-type: none"> • This year, the CDD decided to shift to a month of events as opposed to one week in May - starting this Saturday, April 27th, with the "Affordable Housing Fair" at the Community Arts Center on Windsor St, 11:00 am - 2:30 pm. This is also in celebration of the 30th anniversary of the establishment of the Cambridge Affordable Housing Trust. • Chair Siddiqui said that she will share out the calendar of events for the "2019 Affordable Housing Action Month of Action." 	<p>Informational</p> <p>Action</p> <p>Informational</p>	<p>Sumbul Siddiqui</p> <p>Sumbul Siddiqui</p> <p>Chris Cotter</p>

		Action	Sumbul Siddiqui
Updates from Task Force Action Area Working Groups	Chair Siddiqui introduced the following Task Force Working groups—Tenant Education Legislative and Policy Agenda and Funding—to provide progress updates to the Task Force at large and present any pending questions or needs.	Informational	Sumbul Siddiqui
	<p><u>Tenant Education Working Group</u></p> <p>Plan for a series of workshops on different topics is laid out (resources for tenants, familiarity with fair housing laws, preparing for inspections, etc)</p> <ul style="list-style-type: none"> • Main question: would this plan be led by Task Force, or would it be passed off to someone from City to implement and institutionalize? • Chair Siddiqui confirmed the latter (would make sense to have this passed to Liaison once hired). <p>Other ideas discussed:</p> <ul style="list-style-type: none"> • Task Force “Open House” –holding open house to invite residents into space, highlight what we’re collecting and the work we’re doing on displacement. • City of Cambridge ordinance to protect tenants – a “Tenant Organizing Ordinance” – what would this look like for Cambridge, what will be the process- is this a home rule situation? • Tenant Association / inclusionary tenant advisory group - TBD (Chris Cotter said CDD is looking at coming up with better process for residents to give us input). 	Informational	Alexandra Markiewicz, Sonia Andujar, Maura Pensak
	<p><u>Legislative and Policy Agenda Working Group</u></p> <p>In process of reviewing different ordinances passed between 1998 and 2019; Boston, Somerville (just passed an ordinance on March 21), and policy considerations</p> <ul style="list-style-type: none"> • Following how Somerville’s ordinance plays out; will get sense of parameters (what lawsuits and challenges that may come up, etc); asking, ‘if Somerville is doing an 11/ 10, what is our 10/10?’ • Questions to investigate: If we were to propose some recommendations, what would they be and what kind of impact could they have? Will there be any effect? • Working Group is planning to hold a meeting and involve the Assessor’s Office; Councillor Siddiqui will be joining as well. 	Informational	Larry Field; Beth Huang; Betsy Eichel Larry Field; Beth Huang; Betsy Eichel;

			Sean Hope; Sumbul Siddiqui
	<p><u>Funding Working Group</u></p> <p>Investigating how to both increase the funding resources available and use those we have more effectively.</p> <ul style="list-style-type: none"> CASLS providers are dealing with recurring issues of how to source/ cause-manage payments of damage (e.g. tenant with a disability damages apt with bumping wheelchair)—costs of these can be significant, especially when a tenant is on SSI; if a tenant owes a landlord thousands of dollars and can't pay it, that is a threat to their tenancy. How do we use funding specifically geared to damages? Increasing rental assistance cap? What is outcome we are expecting? Chair Siddiqui said she can put in request to the City Manager. <p>Advocating for push to generate revenue- new revenue; more fruitful to identify what we are looking for funding for (versus just how funding can be increased).</p> <ul style="list-style-type: none"> Reaching out to organizations in Cambridge that give lip-service to improving quality of life in city and may have funding to give (e.g. Kendall Square Association, Science Cares); major institutions provide funding for a variety of things. Could write a letter of interest to inquire, and/or set up a meeting to discuss. <p>Options might include:</p> <ul style="list-style-type: none"> Vouchers for getting people to housing court Volunteer Action Fund for Affordable Housing (as California is trying to set something like this up). 	Informational	Jessica Drew; Betsy Eichel
		Action	Sumbul Siddiqui
		Action	Sumbul Siddiqui
Action Area Working Group Break Out	Chair Siddiqui thanked all the Task Force members for their updates and announced that for the last 15-20 minutes of the meeting the Task Force would break out in to these Working Groups and discuss next action steps.	Action	ALL

	Chair Siddiqui and her legislative aide, Ms. Sarah Stillman, met with each of the groups during this time.		
Adjournment	Chair Siddiqui adjourned the meeting at 7:40 pm.	Procedural	Sumbul Siddiqui



Mayor's Blue-Ribbon Task Force on Tenant Displacement

Working Meeting
 Tuesday, May 21, 2019, 5:30 - 7:30 p.m.
 Sullivan Chamber, City Hall
 795 Massachusetts Ave, Cambridge MA 02139

MEETING MINUTES

<i>Task Force Members in Attendance:</i> Councillor Sumbul Siddiqui, Chair		<i>Task Force Members Absent:</i>	<i>City of Cambridge Staff in Attendance:</i>	<i>City of Cambridge Staff Absent:</i>
Sonia Andujar Patrick Barrett Teresa Cardosi Jessica Drew Betsy Eichel	Iram Farooq Larry Field Beth Huang Kuong Lee Maura Pensak	Sean Hope Alexandra Markiewicz	Sarah Stillman, Aide to Councillor Siddiqui	Wilford Durbin, Mayor's Chief of Staff and Task Force Representative

The Mayor's Blue-Ribbon Task Force on Tenant Displacement remembers its esteemed honorary member, Cheryl-Ann Pizza-Zeoli (1957-2019), with gratitude for her life of dedicated advocacy and service to the Cambridge community.

The Mayor's Blue-Ribbon Task Force on Tenant Displacement convened for an informal, working meeting on Tuesday, May 21, 2019, in the Sullivan Chamber at City Hall, 795 Massachusetts Ave, Cambridge, Massachusetts. Councillor Sumbul Siddiqui, Chair of the Task Force, convened the working meeting at 5:32 pm with 10 members present.

The Task Force members broke out in to Working Groups to discuss updates and continue making progress on their respective action areas. Chair Siddiqui and Sarah Stillman discussed with Funding Working Group members Teresa Cardosi, Kuong Lee and Jessica Drew some of the current challenges Cambridge and Somerville Legal Services is facing, such as funding cuts to services for elders in private housing, ideas for flexible funding options (e.g. a fundraising "Walk Fund"), limitations of the Richard Rossi Fund, and the need for crafting broad language around stabilization of tenancies vs. rental arrears. Maura Pensak and

Sonia Andujar of the Tenant Education Working Group checked in briefly with Chair Siddiqui on the status of the group's workplan, to be translated in to the Task Force's final recommendations; Chair Siddiqui noted a report from a Philadelphia task force on eviction response, which Ms. Pensak and Ms. Andujar then left to review. Larry Field, Beth Huang and Betsy Eichel of the Legislative & Policy Agenda Working Group, along with Chair Siddiqui, met to discuss the group's work on developing recommended updates to the City's 1983 Condo Conversion Ordinance. They were joined by Iram Farooq, Task Force member and Assistant City Manager for Community Development, and Chris Cotter, Housing Director at the Cambridge Community Development Department, who offered insight and answered questions from Working Group members. The working meeting was adjourned at 7:30 PM.

The next scheduled meeting of the *Mayor's Blue-Ribbon Task Force on Tenant Displacement* —the last before the Council takes summer recess—will be on Tuesday, June 18th, from 5:30 – 7:30 PM in the City Hall's Sullivan Chamber.

C. Associated Documents & Presentations

OFFICE OF THE MAYOR

Marc C. McGovern

mayor@cambridgema.gov

(617) 349-4321

**OFFICE OF COUNCILLOR**

Sumbul Siddiqui

ssiddiqui@cambridgema.gov

(617) 349-4264

To: Cambridge City Council

From: Offices of Mayor Marc C. McGovern and Councillor Sumbul Siddiqui

Date: December 13, 2018

Subject: Announcing Mayor's Blue Ribbon Task Force on Tenant Displacement

To the Honorable, the City Council:

Mayor Marc McGovern and I are pleased to announce the establishment of the *Mayor's Blue Ribbon Task Force on Tenant Displacement*; its primary mission will be to provide policy guidance on how to prevent displacement in the Cambridge community.

The task force will be charged with investigating the root causes of displacement—answering the question of where and why forced displacement is occurring—evaluating current policies, programs and practices, and developing bold alternatives where necessary, thereby addressing the imperative need for stronger, more immediate tenant protections. Its recommendations for policy change and resource allocation will provide critical guidance to the City Council and City Manager's Office on mitigating the effects of housing instability on our City, and realizing the future of Cambridge as affordable, inclusive and desirable for all.

We plan to enlist a diverse task force membership of neighborhood residents, property owners and managers, community leaders, and representatives from tenant advocacy groups, the affordable housing trust, and city staff, and to have these 10-15 members confirmed by early January 2019. It is our hope that this will serve as a platform for proactive discussion and an opportunity for strengthening community and building trust amongst this city's residents.

The average Cantabrigian sees a tenuous future here, with rents ever-increasing and homeownership seeming beyond reach. As noted in the Cambridge Development Department's recent report on eviction data collection, there were "2,900 eviction complaints filed against 1,937 unique Cambridge tenants" from 2013 to 2017. It is difficult to track outcomes and analyze causation, as "complete data on outcomes is hard to assemble" and cause [for evictions] is "difficult to reliably determine...without a file review of the details of each case." The City must work harder to understand the variety of factors contributing to the displacement of Cambridge families and individuals--the establishment of this task force represents a crucial step in moving from talk to action in 2019 and beyond.

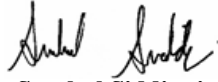
If the City of Cambridge cannot do more to fight displacement in its community, it risks sacrificing its very cultural fabric, historical vibrancy, and economic and demographic diversity. The continuation of Cambridge's identity--as a place where families of all colors, shapes and sizes can put down roots, where entrepreneurship can flourish, and young people raised here can reasonably hope to return, as a sanctuary

city and safe haven for refugees, a city with a robust economy, nationally recognized for its policy innovations--is at stake.

Signed,



Marc C. McGovern
Mayor of Cambridge



Sumbul Siddiqui
Cambridge City Council



CITY OF CAMBRIDGE

Community Development Department

IRAM FAROOQ

Assistant City Manager for
Community Development

SANDRA CLARKE

Deputy Director
Chief of Administration

KHALIL MOGASSABI

Deputy Director
Chief of Planning

To: Louis A. DePasquale, City Manager
From: Iram Farooq, Assistant City Manager for Community Development
Date: December 5, 2018
Re: Awaiting Report #18-58 dated May 21, 2018 regarding eviction data collection

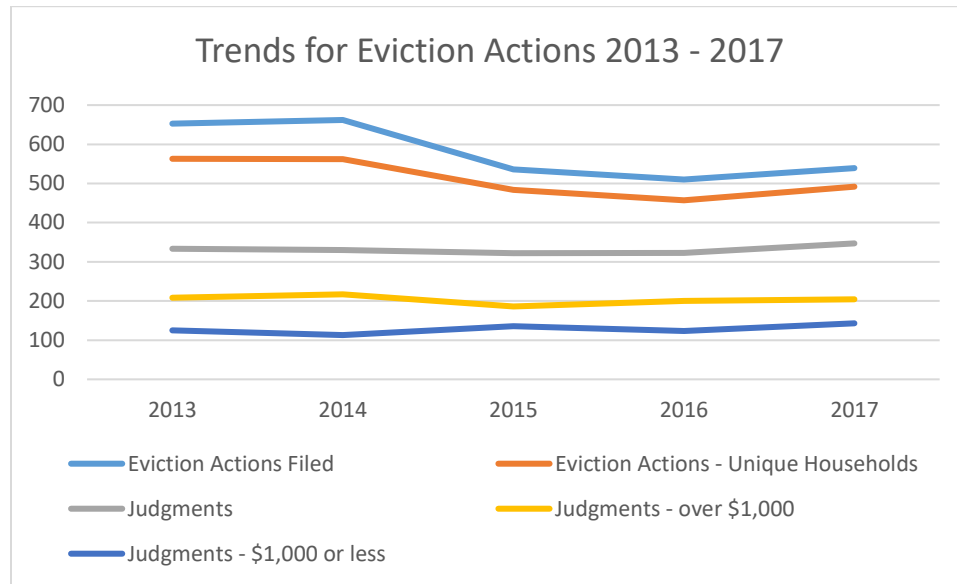
In response to the above-referenced policy order we report the following. Property owners may file eviction complaints against tenants for unpaid rent or other lease violations. Owners must follow the terms of their leases and state statutes which regulate the landlord-tenant relationship. The process begins with a 'notice to quit' delivered to tenants, and if tenants do not remedy any violation (or in the case of no-fault evictions do not move), owners may escalate the issue by filing an eviction complaint. Eviction complaints can be filed in Cambridge District Court or, more frequently, in the Eastern Division of the Massachusetts Housing Court. Complaints may be dismissed for various reasons such as when the parties come to agreement.

Over the past several months Community Development Department staff have assembled data available in Massachusetts court system electronic records on eviction complaints filed in Cambridge between 2013 and 2017. Since there is no consolidated source for eviction complaint data (like there is for foreclosure actions), the information gathered by CDD helps to establish a baseline for tracking eviction complaints and helps us begin to evaluate the extent to which these eviction complaints pose a threat to stability of tenants in Cambridge rental housing. However, information on executed eviction judgments is limited, so it is difficult to draw conclusions about the number of households displaced as a result of eviction.

ANALYSIS

Between 2013 and 2017, there were 2,900 eviction complaints filed against 1,937 unique Cambridge tenants. Eviction filings were seen in all types of housing, and ranged from a high of 662 in 2014 to a low of 510 in 2016. Many tenants were defendants in more than one eviction action during this period, with an average of 1.5 actions per defendant.

344 Broadway
Cambridge, MA 02139
Voice: 617 349-4600
Fax: 617 349-4669
TTY: 617 349-4621
www.cambridgema.gov



During this time, there were 1,655 judgments, approximately 330 each year. More than 60% of judgments were for amounts of more than \$1,000. The median judgment amount was roughly \$1,400, and the average judgment amount was \$2,830. A summary of these trends is shown in the chart above.

It is difficult to reliably determine the cause for eviction filings without a file review of the details of each case. However, analysis of judgment amounts shows that 82% of judgments approved by the Court are for amounts greater than expected court costs, which suggests that rent arrearages are included in most judgments. Of judgments in amounts under \$300 (which are likely court costs), most appear to be for units with affordability restrictions, which would suggest the complaints stem from lease violations as affordable housing providers only file eviction complaints for cause.

LIMITATIONS

While data is available to show patterns in eviction complaints and judgments, complete data on outcomes is hard to assemble. We have information on judgments entered for eviction actions, however it is up to property owners to act on these judgments and then file paperwork with the Court. Judgments are often used by property owners to negotiate agreements with tenants, so many do not result in eviction and displacement. While property owners are responsible for returning notice of executed judgments to the Court, many do not, and information on executed judgments is therefore not readily available.

We should also note that tenants may face displacement risk outside the eviction process, such as tenants who are not aware of their rights and move

after receiving notices from property owners. So even with better information on eviction outcomes we will not have a complete picture of households at risk of displacement or being displaced in the community.

NEXT STEPS

To continue this analysis, we will delve further into the court dockets and judgements to review eviction case files in the relevant courts to determine what additional information we can gather, especially on causes and outcomes. We intend to initiate this work in early 2019 and review a year of cases to establish a baseline, and to then update this analysis of court records annually.

Staff are also now working to determine how available data could be used to connect tenants facing eviction complaints with resources including legal assistance and financial support to help preserve tenancies.

TDTF List of Potential Action Areas

#1: Review this list and rank the top 3 areas you are most interested in focusing on. Consider: How would you like to best support the work? Which items or policy areas do you feel your expertise would serve best?

#2: Then, answer the following question: What skills and/or areas of expertise do you have that you might contribute to the work of this task force? Some examples include (but are not limited to) community engagement, qualitative or quantitative analysis, graphic design, and legal advisement.

1. Tenant Education

- Identifying: where are existing gaps and specific needs?
- Generating resources, increasing access to information, social and legal services; dissemination at various levels/ points of contact (for example, via Community outreach workers? Dept of Human Serv? CASLS?)
- Producing manual on landlord responsibilities/ tenants' rights applicable in Cambridge; develop outreach and education plan for providing to tenants
- Advocating for more funds in order to address identified gaps & needs

2. Increasing Funding

- Identify new, non-municipal sources of funding for anti-displacement work (outside grants)
- Developing criteria through engagement with community partners for establishing and implementing an Emergency Stabilization Fund

3. Building Tenant Organizing Capacity

- Funding for an attorney or advocate who could assist with tenant organizing
- Contract for third party tenant organizing support to work with community volunteers to target at-risk buildings or buildings housing a significant number of immigrants, seniors or persons of low or moderate incomes
- Attention also given to multifamily rental properties having a mix of tenants with higher and lower incomes to foster a base of solidarity with regard to occupancy issues to be negotiated with the property's ownership.
 - Tenant cooperatives / limited-equity coops

4. Outreach & Organizing: Landlords, Property Owners & Developers

- Engaging in affirmative outreach to landlords and homeowners in order to expand housing opportunities for tenants with low to moderate income and encourage landlords to work toward preserving tenancies wherever possible via one or more of the following goals:
 - Encourage homeowners to sell their buildings to a non-profit before they hit the market if they are planning to sell

- Informing realtors/landlords about possible incentives for renting to families with Section 8 vouchers and/or keeping rents stable for tenants living in units already leased up with Section 8 vouchers if such an incentive program is funded
 - Asking larger landlords to provide tenants receiving eviction notices (“notices to quit”) with flyers regarding services available
 - Supporting landlords willing to voluntarily set rents below market (while making sure to have standards/ keep track of those showing signs of lack of appropriate upkeep/ disinvestment in property)
 - Connect individual property owners with tenants in need of Emergency housing with a formal process
 - Educating property owners & landlords about STRs (e.g. send out letter, how to spot whether your tenants are operating on Airbnb illegally)
 - Educating neighbors in areas with STRs (can see general area on AirBnB/HomeAway websites) of STR warning signs and instructions for how to report. STRs are often a nuisance for residents so they have an incentive to report.
 - Enlist landlords’/ developers’ support for greater enforcement of STR Ordinance and Increased Transparency (e.g. requesting additional City hire inspectors)
 - Enlist landlords’/ developers’ support for increased transparency
 - Publicize identity/location of developments known to be operating illegal STRs (so that neighborhood groups can start policing illegal/unlicensed STRs on their own)
- 5. Improving Quantitative/Qualitative Data Collection & Analysis** (in order to better understand factors associated with displacement)
- Measuring voluntary or forced displacement
 - Methods for gaining greater information & understanding as to why people are leaving the city
 - Collecting qualitative data (e.g. Exit Interviews)
 - Understanding eviction patterns and outcomes
 - System for tracking and measuring eviction outcomes data to gain insight into nuances
- 6. Housing Support & Eviction Prevention**
- Assist City in process of hiring new Housing Liaison position
 - Individualized housing search and stabilization services for those seeking housing including housing in the private market for tenants with or without tenant-based subsidies and those looking for rooms or other co-housing situations; help tenants search & apply for largely Cambridge-based public and subsidized housing options
 - Develop additional staff capacity to assist with legislative initiatives at the state and federal level
 - Flexible funding for prevention of eviction and/or rehousing which is not subject to the same restrictions as other forms of prevention funding

- Investigate potential for forming a Section 8 incentive program to increase utilization of Section 8 vouchers in Cambridge
- Direct more funding to Legal Aid organizations (as funds typically run out mid-year) to allow for representation for tenants facing eviction, termination of subsidies, or denials of public and subsidized housing

7. Policy & Legislative Agenda

- Cambridge Condominium Conversion Ordinance
 - Further analysis of policy options > drafting > passage
- Home Rule Petitions
 - Need for longer-term strategizing and engagement in broad coalition-building >> HRP initiatives require state legislative approval and often multi-term approach (e.g. passage of legislation to allow Cambridge to implement a Real Estate Transfer Fee)
 - Options for HRP policy work:
 - Relocation Assistance Program (PO filed by Quinton Z.)
 - Requiring or incentivizing landlords to extend length of fixed-term leases >> does legal precedent exist?
 - Legislation that applies statewide or is enabling
 - Long-term strategizing and engagement in broad coalition building around proposals that would raise money for affordable housing (e.g., real estate transfer tax) and/or address tenant displacement (e.g., right to counsel in eviction cases)

Other:

1. Generating a list of Cambridge rooming houses
2. Data of Cambridge residents who have accessed assistance that can be added to mix of data collection
3. Exit interview for households leaving Cambridge Housing Authority
4. S8 incentive program to increase the success rate of voucher holders in Cambridge
5. Up to date number of new condos built
6. Total number of residential conversions
7. which size properties have been converted
8. Number of units converted from market to below-market rentals to condos
9. Right to counsel movement (meeting with Rep. Rogers)

To: Louis A. DePasquale, City Manager
From: Iram Farooq, Assistant City Manager for Community Development
Date: April 22, 2019
Re: Awaiting Report #18-144 regarding obtaining and analyzing further detailed and specific eviction data and 19-10 regarding sharing information to assist in analyzing displacement

In response to the above-referenced policy orders requesting additional analysis of eviction filing data and other information that could be beneficial in analyzing displacement of residents, we report the following.

In December 2018, we shared with the City Council, initial analysis of electronic data available through on-line records of the Massachusetts Trial Court system regarding Summary Process Complaints (“Eviction Complaints”) filed against tenant households residing in Cambridge. Expanding on that work, we have completed the attached more detailed analysis of Evictions Complaints filed between 2013 and 2018. We have analyzed available data further, and have also now included data on Eviction Complaints filed during 2018.

ANALYSIS

Between 2013 and 2018 there were an average of 572 Eviction Complaints filed each year -- ranging from a low of 510 filings in 2016 to a high of 662 in 2014, with 533 Eviction Complaints filed in 2018. Data from 2018 show that roughly 22% of new Evictions Complaints were filed in Housing Court, an option not available in earlier years.

During the six year period, an average of 372 tenant households faced Eviction Complaints each year. We found that 73% of Eviction Complaints were filed against tenant households who faced only one complaint, while 27% of Eviction Complaints were filed against tenant households who have had multiple Eviction Complaints filed against them.

We analyzed Eviction Complaints by housing type, separating complaints filed against tenants who reside in affordable housing from those filed in market-rate housing. We included the following as affordable housing for the purpose of this analysis: (1) housing owned or managed by the Cambridge Housing Authority and non-profit affordable housing providers, and (2) privately-owned housing subject to affordability restrictions including inclusionary housing units.

Residents living in market-rate housing may face eviction for cause or for no cause, as we have seen in some recent cases after building sales. Affordable housing providers who rely on government subsidies generally can only file eviction complaints for cause, and given the high costs associated with legal actions, filing an Eviction Complaint in court is often a last resort to enforce lease requirements. Most filings occur in properties with more than 50 units. Among properties with market-rate units, the majority of filings were in those with more than 12 units and that are professionally managed.

We further analyzed information regarding monetary judgments awarded to landlords and found that 39% of such monetary judgments of the average 320 judgments per year were for \$1,000 or less, with another 23% for amounts between \$1,000 and \$2,000.

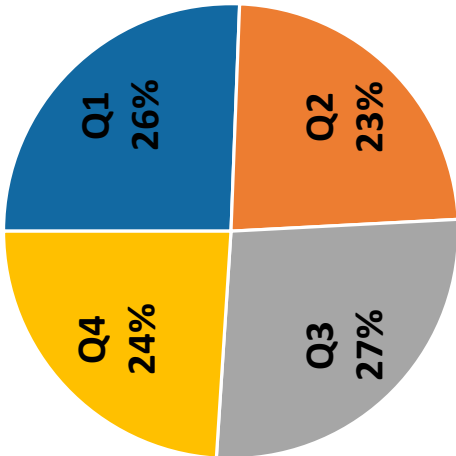
We reviewed other data collected on Eviction Complaints and found that there is no comprehensive source on Eviction Complaints and outcomes. Some legal services providers for example, survey data periodically but do not collect data on evictions in a systemic way.

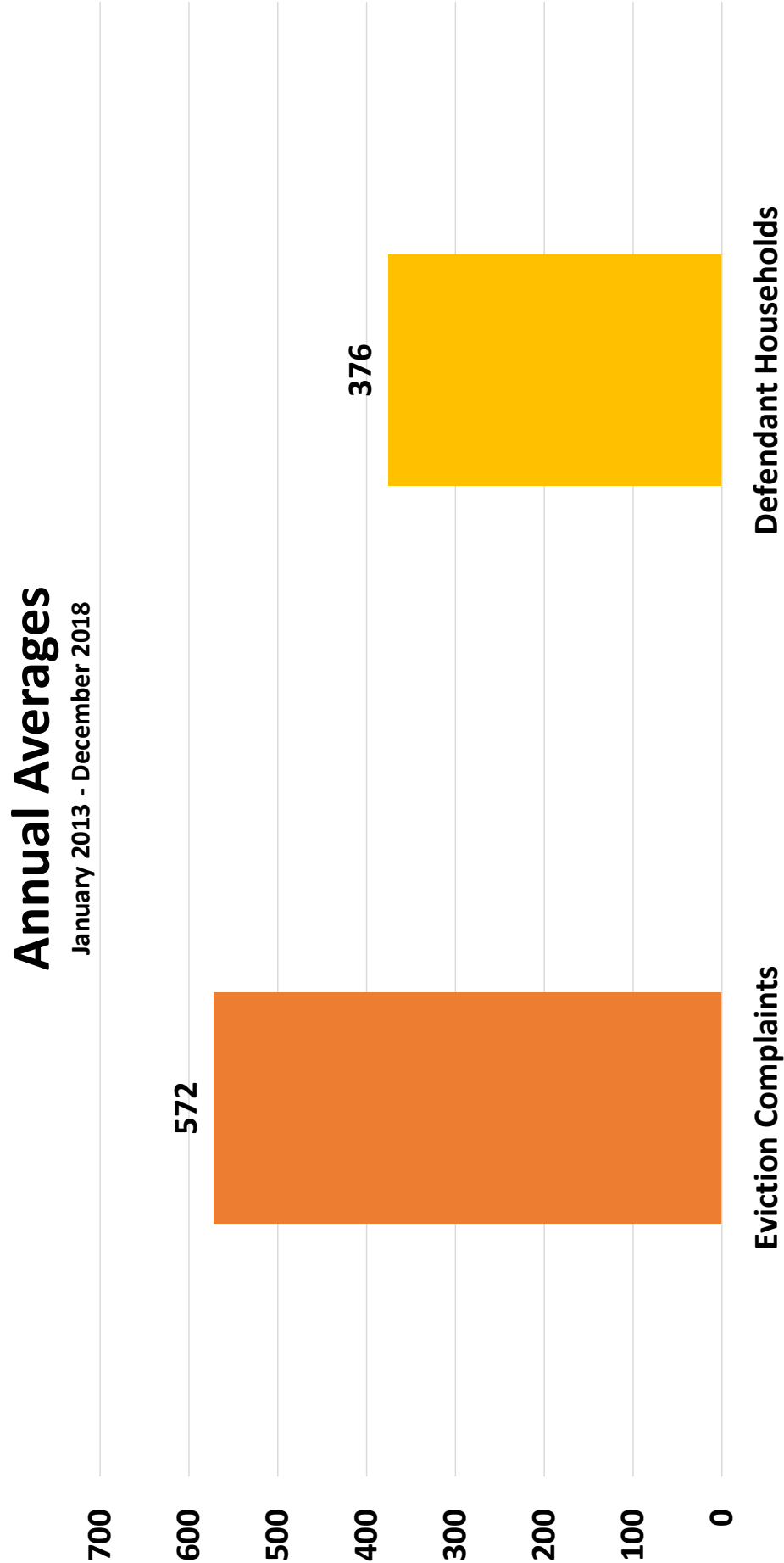
We will continue to work with legal service providers to refine the protocol for reviewing court records to confirm and augment the data collected to date. We expect to update the attached report about eviction complaints on an annual basis.

Eviction Complaints Over Time

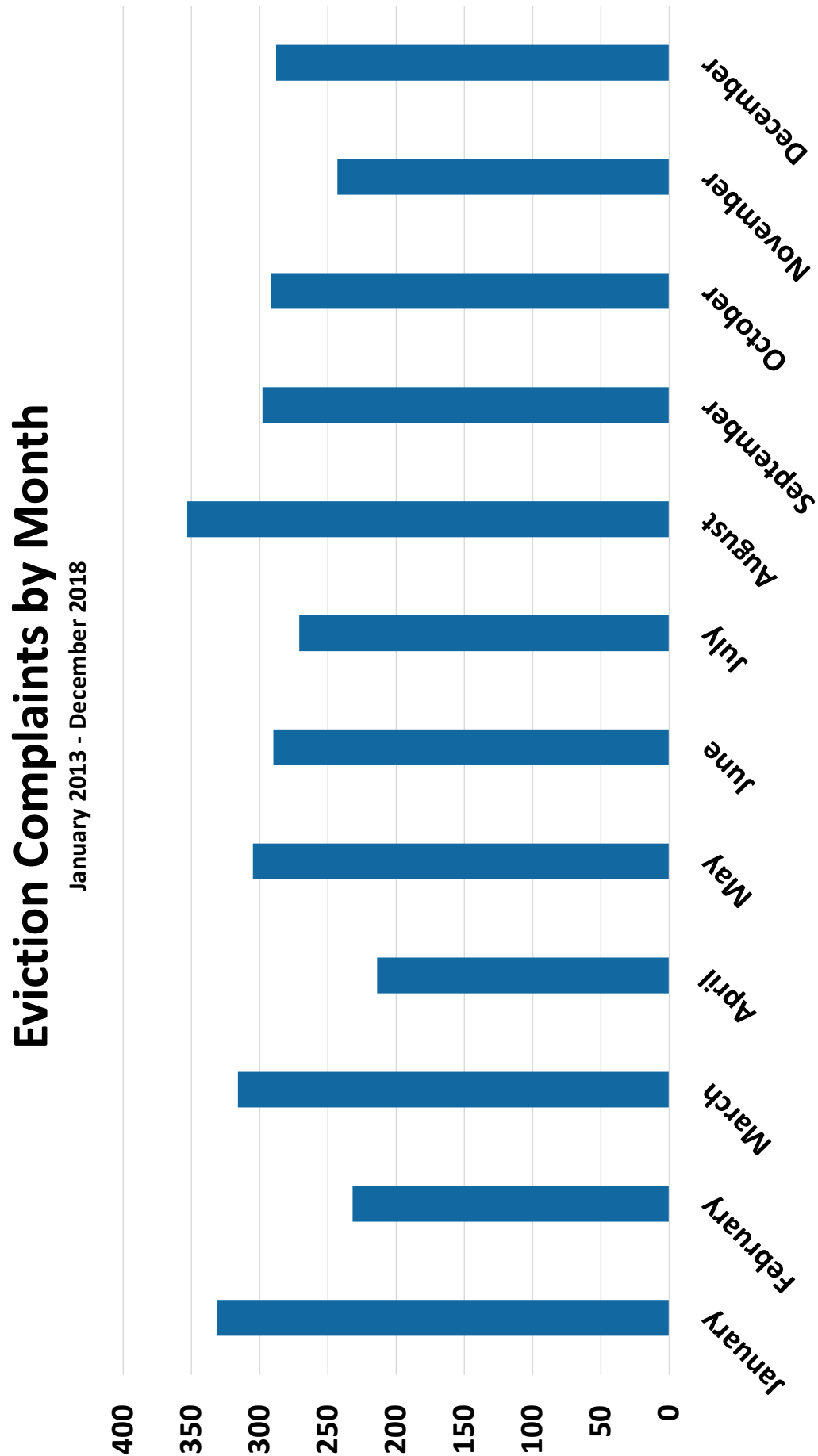
January 2013 - December 2018

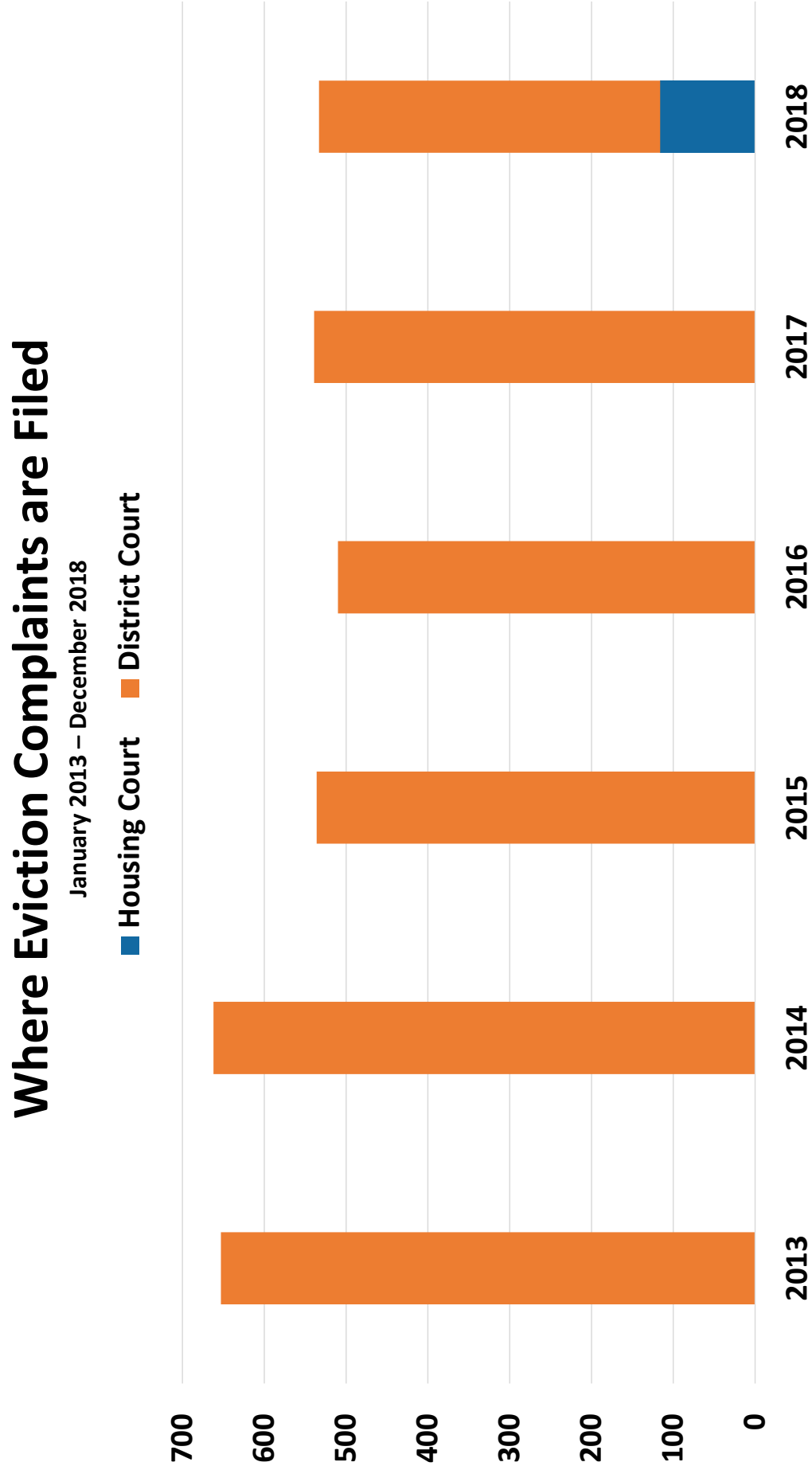
Eviction Complaints per Quarter (All years)

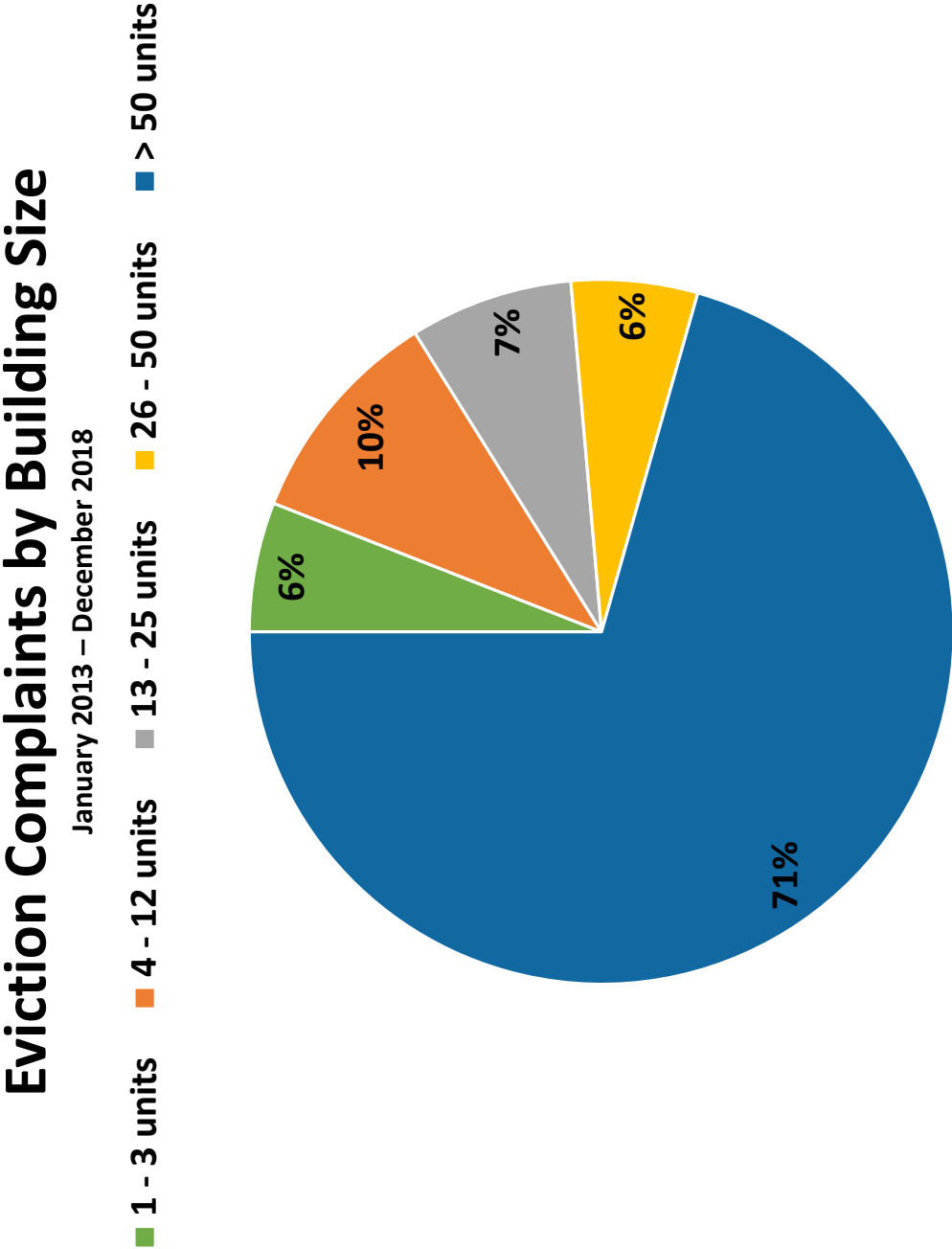


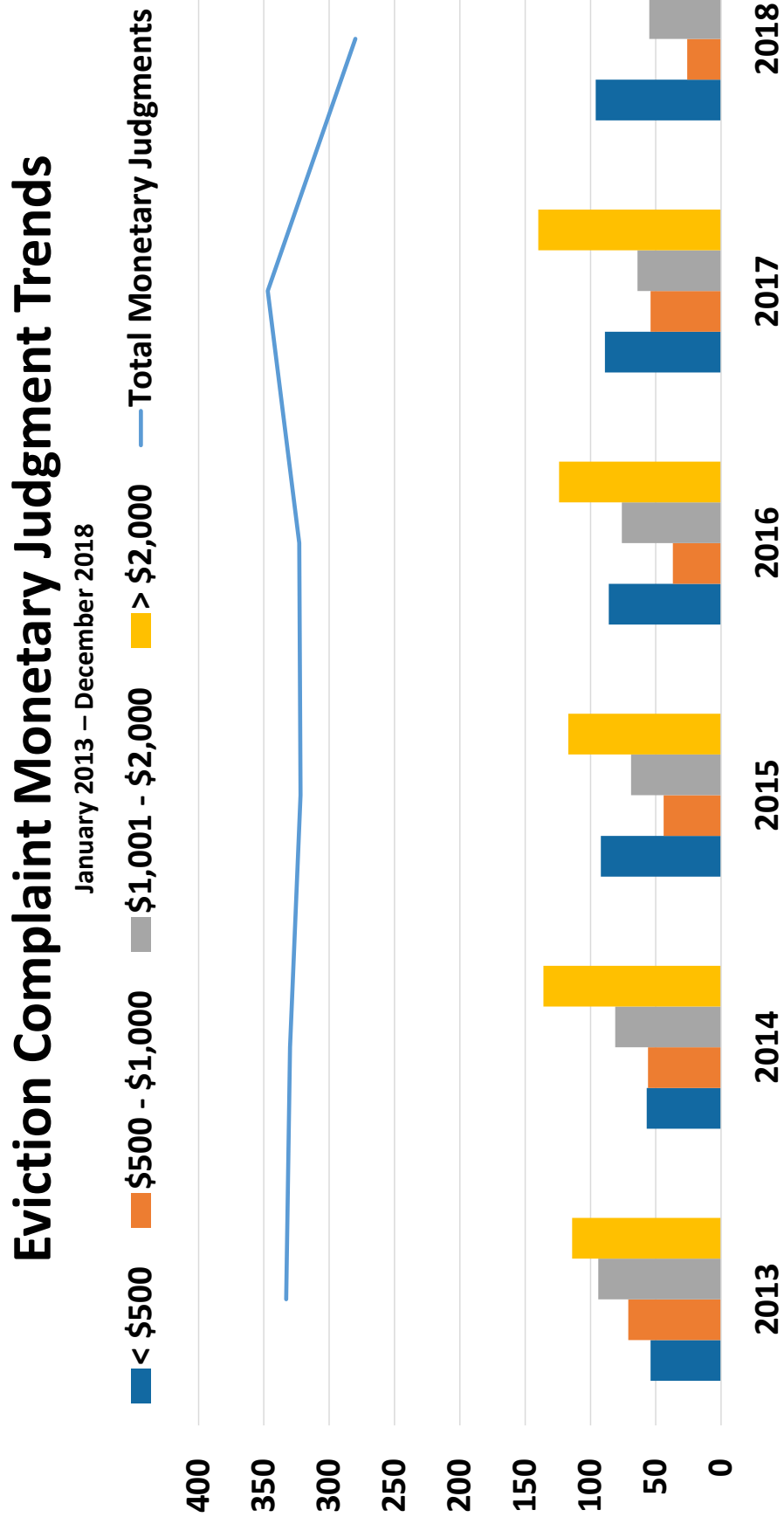


Note: “Defendant Households” includes both households that have had a single complaint filed against them and those households with two or more complaints filed against them.

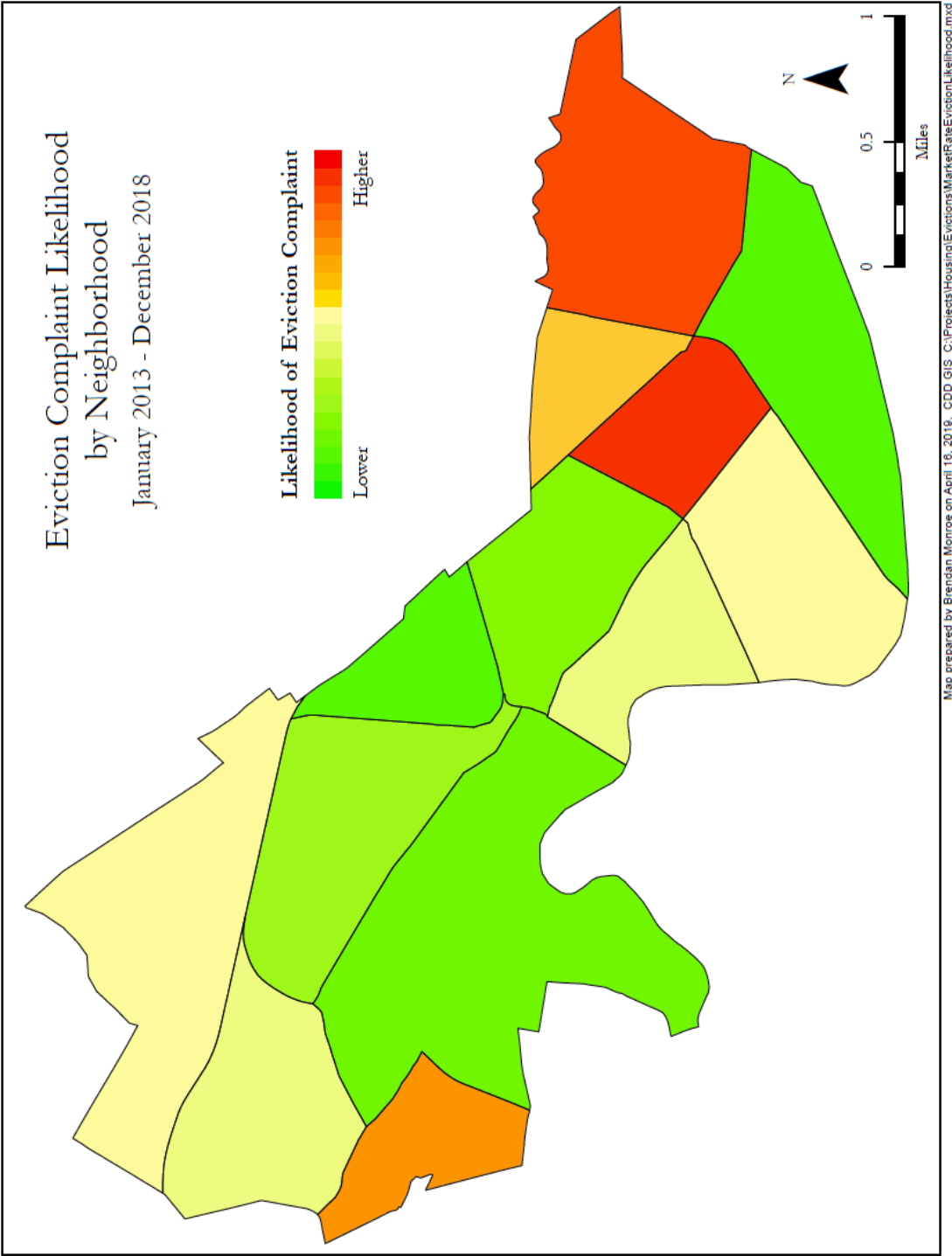








Note: A significant number of < \$500 judgments likely represent only court fees and do not include an award of damages against a tenant and to a landlord. This chart excludes filings where there was no monetary judgment listed, where the total was \$0, or where a judgement was against the landlord.

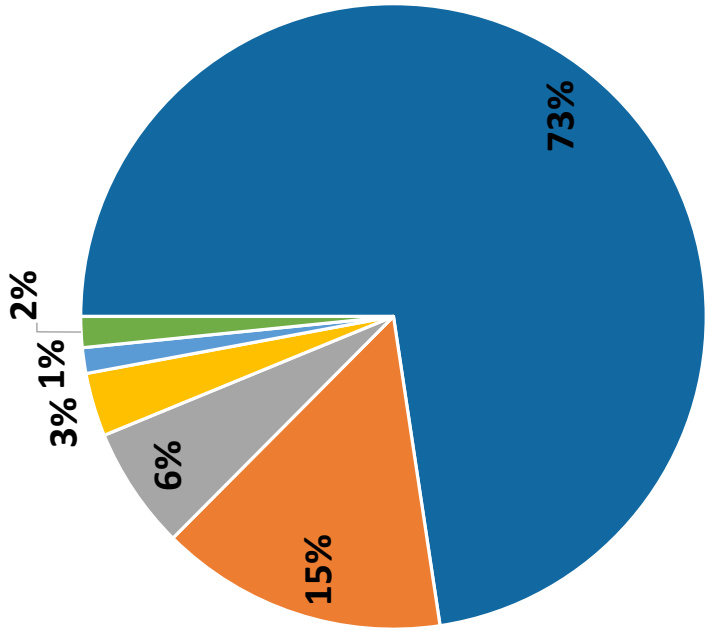


Number of Eviction Complaints per Household by Housing Type

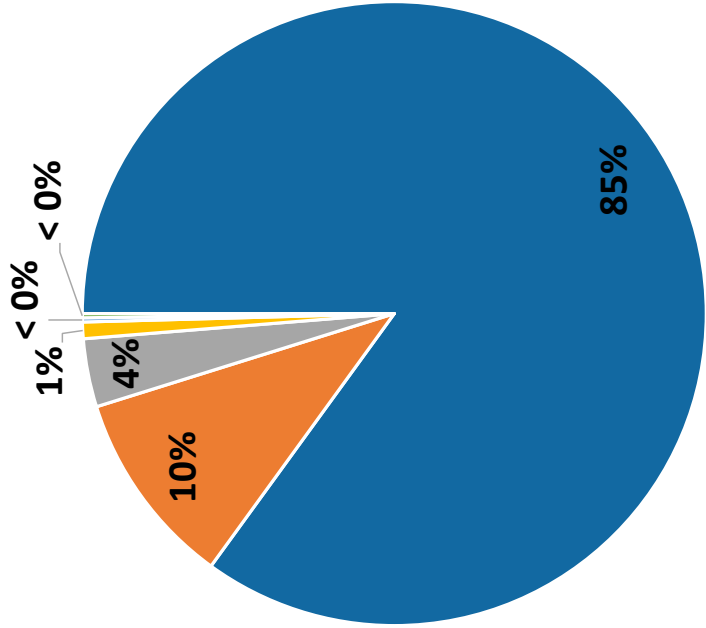
January 2013 – December 2018

1 2 3 4 5 6 or more complaints

All Housing



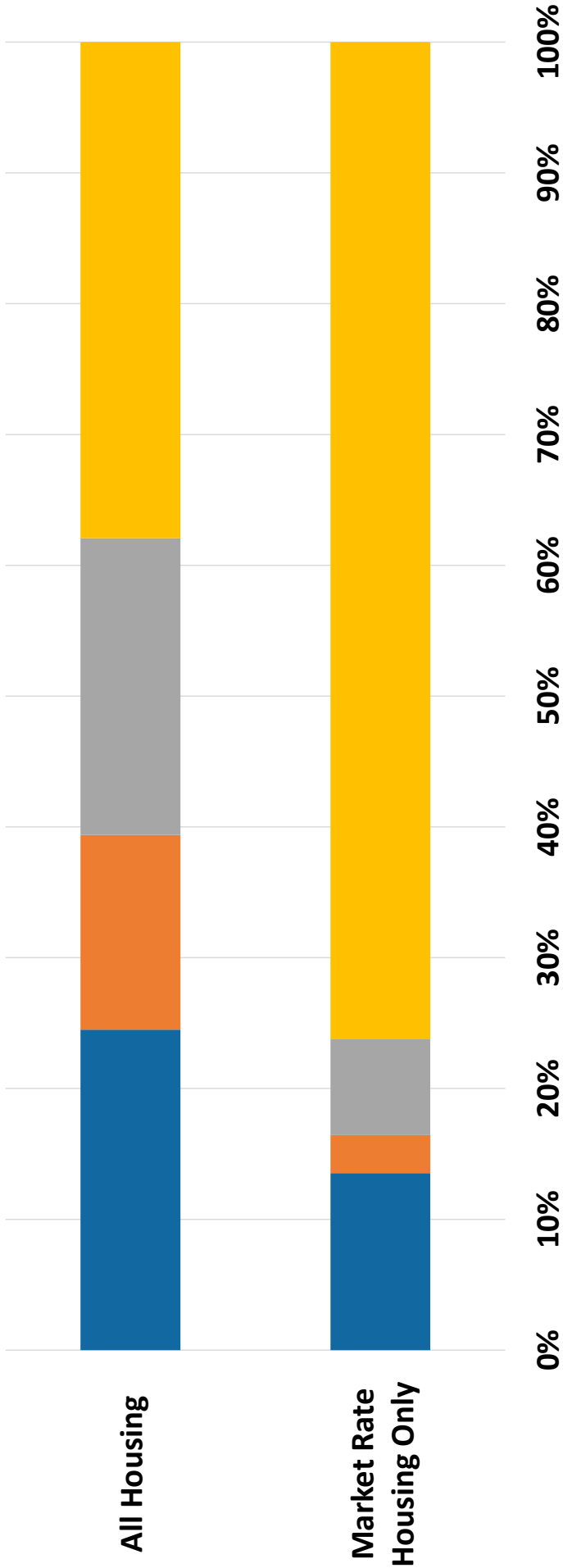
Market Rate Housing Only



Eviction Complaint Monetary Judgment Totals

January 2013 – December 2018

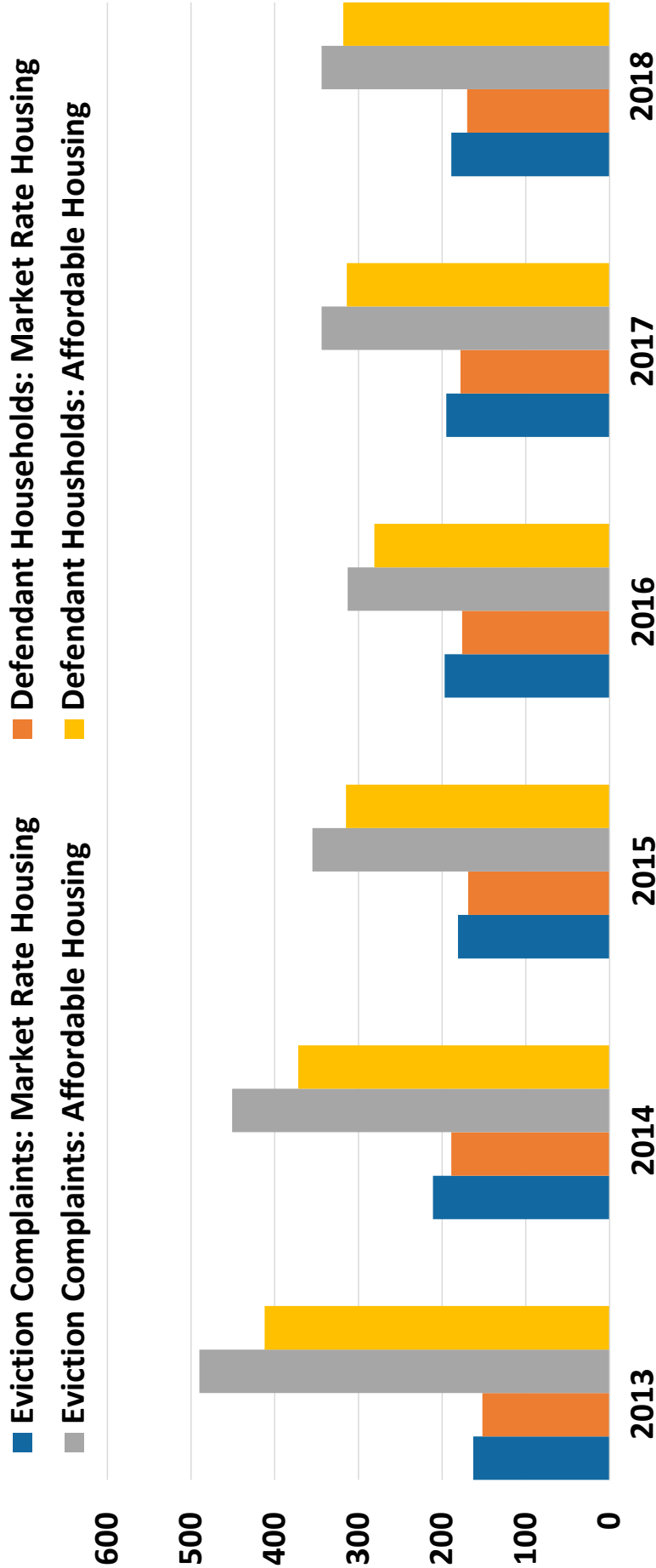
< \$500 \$500 - \$1,000 \$1,001 - \$2,000 > \$2,000



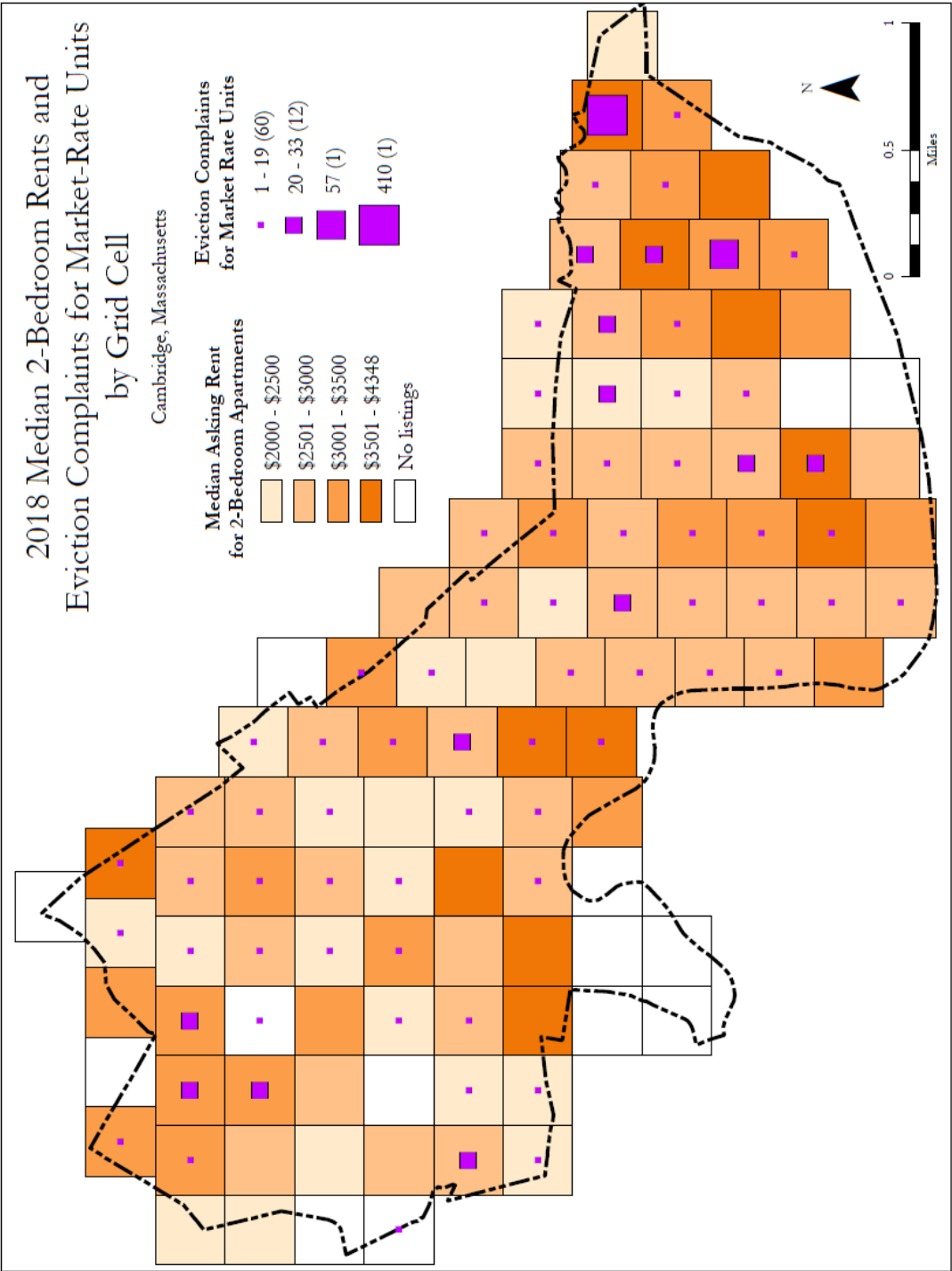
Note: A significant number of < \$500 judgments likely represent only court fees and do not include an award of damages against a tenant and to a landlord. This chart excludes filings where there was no monetary judgment listed, where the total was \$0, or where a judgement was against the landlord.

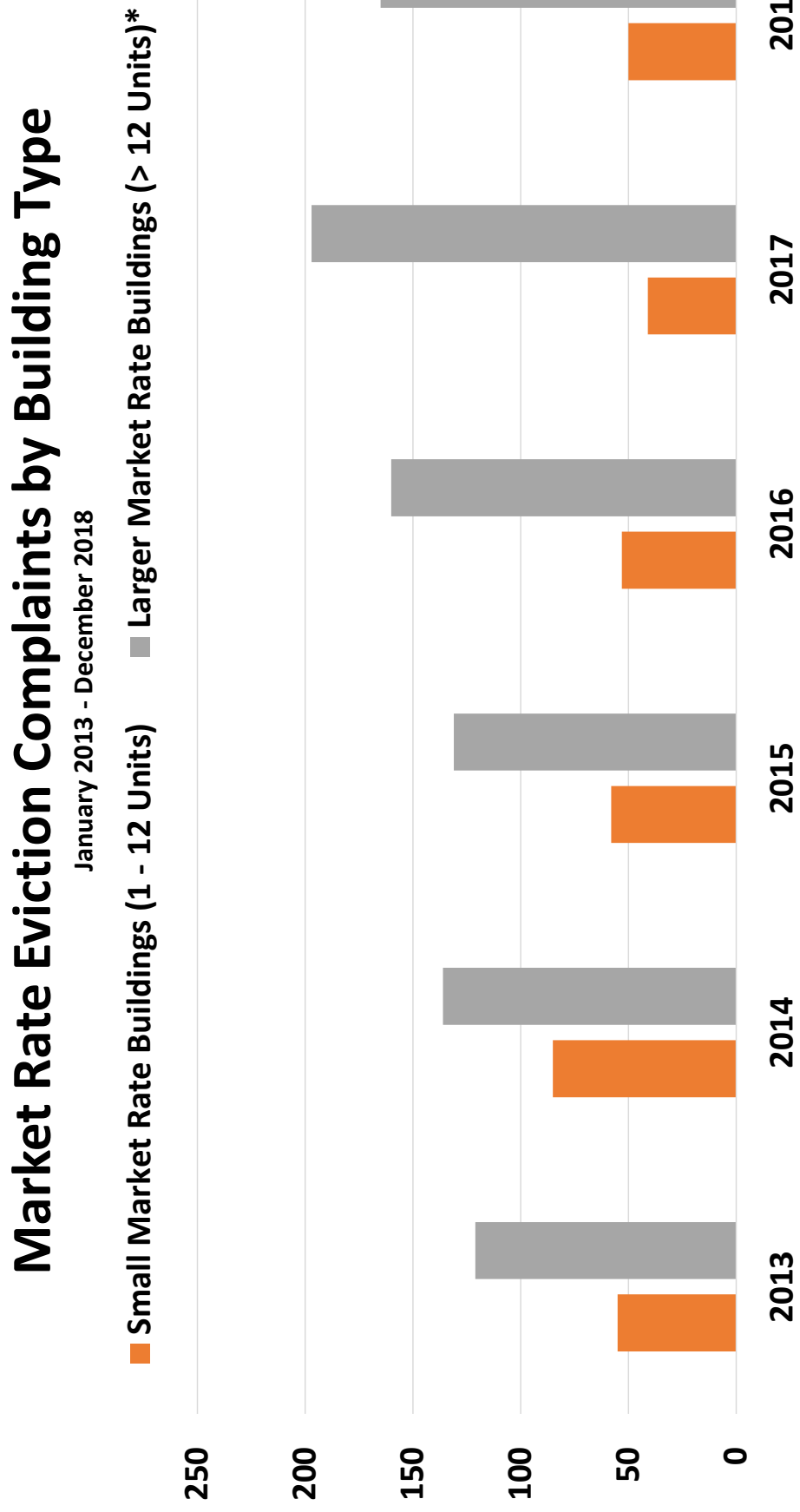
Comparing Eviction Complaints and Defendant Households

January 2013 – December 2018



Note: “Defendant Households” includes both households that have had a single complaint filed against them and those households with two or more complaints filed against them.

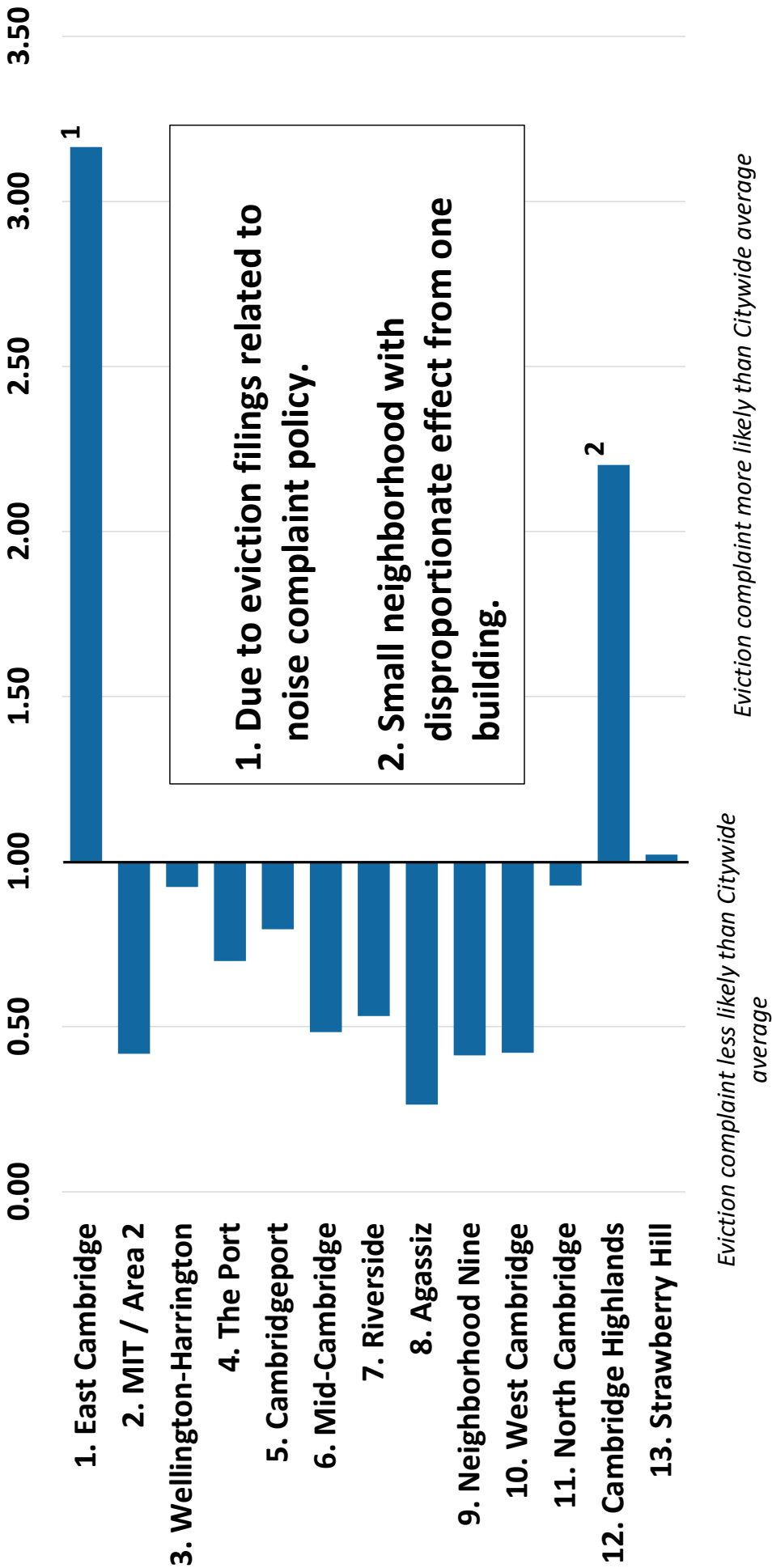




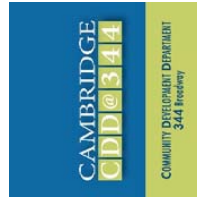
***Note:** The Larger Market Rate Buildings category includes some eviction complaints filed against inclusionary housing units.

Delving into the Data: Understanding Market Rate Eviction Complaints

January 2013 – December 2018



Tenant Displacement Taskforce: Eviction Complaints in Cambridge

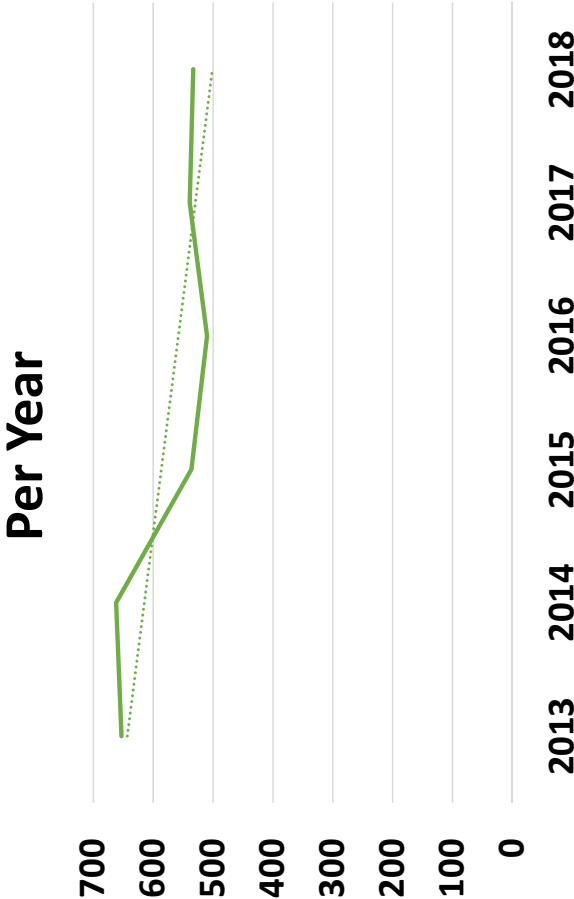
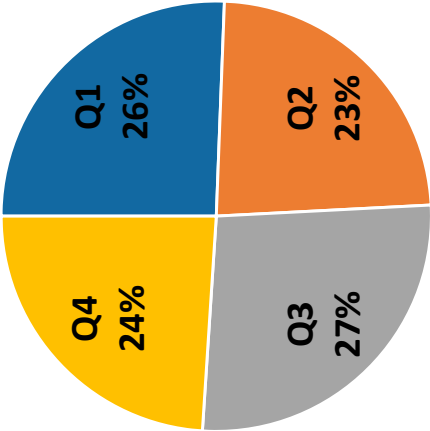


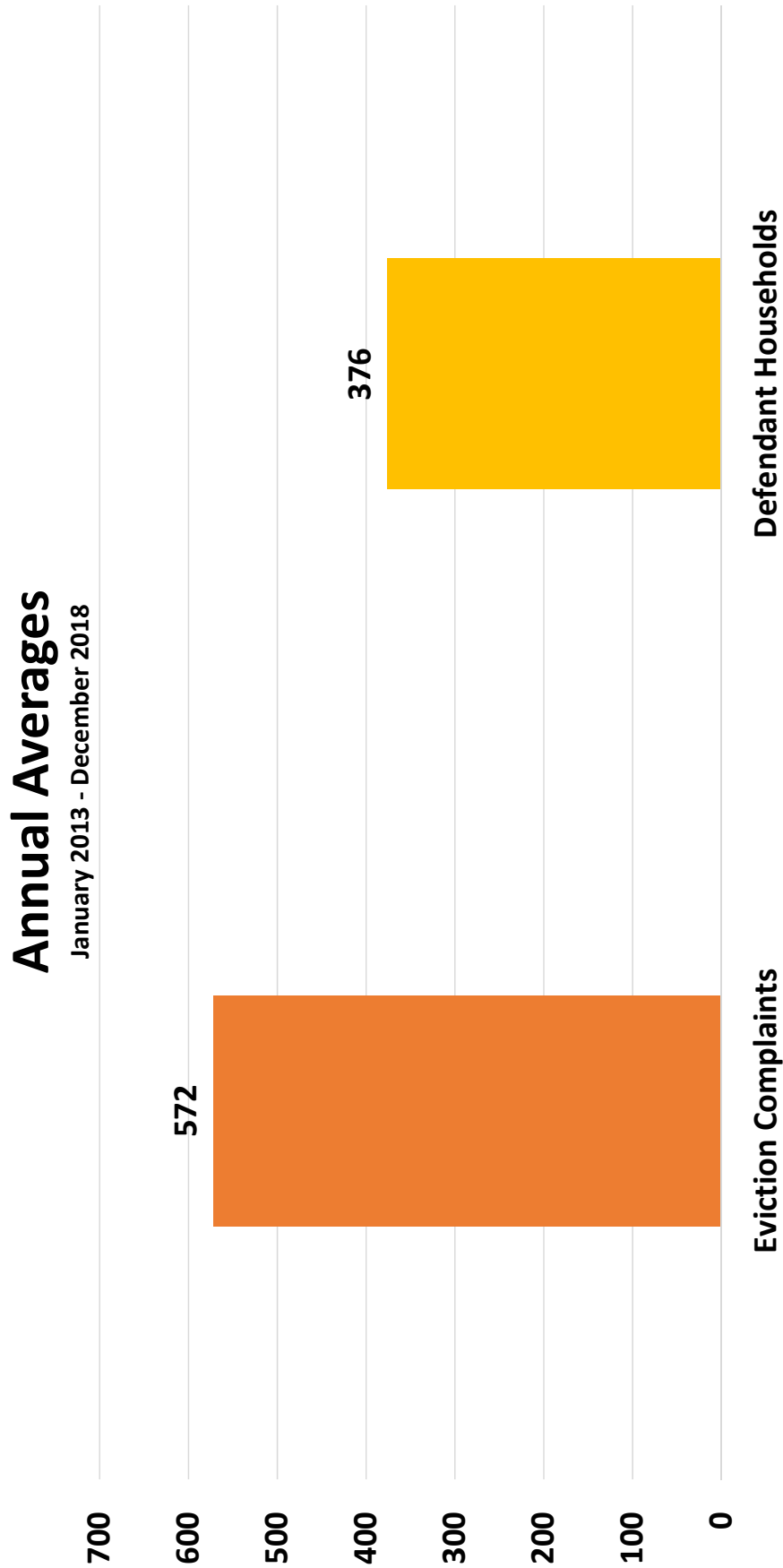
April 23, 2019

Eviction Complaints Over Time

January 2013 - December 2018

Eviction Complaints per Quarter (All years)

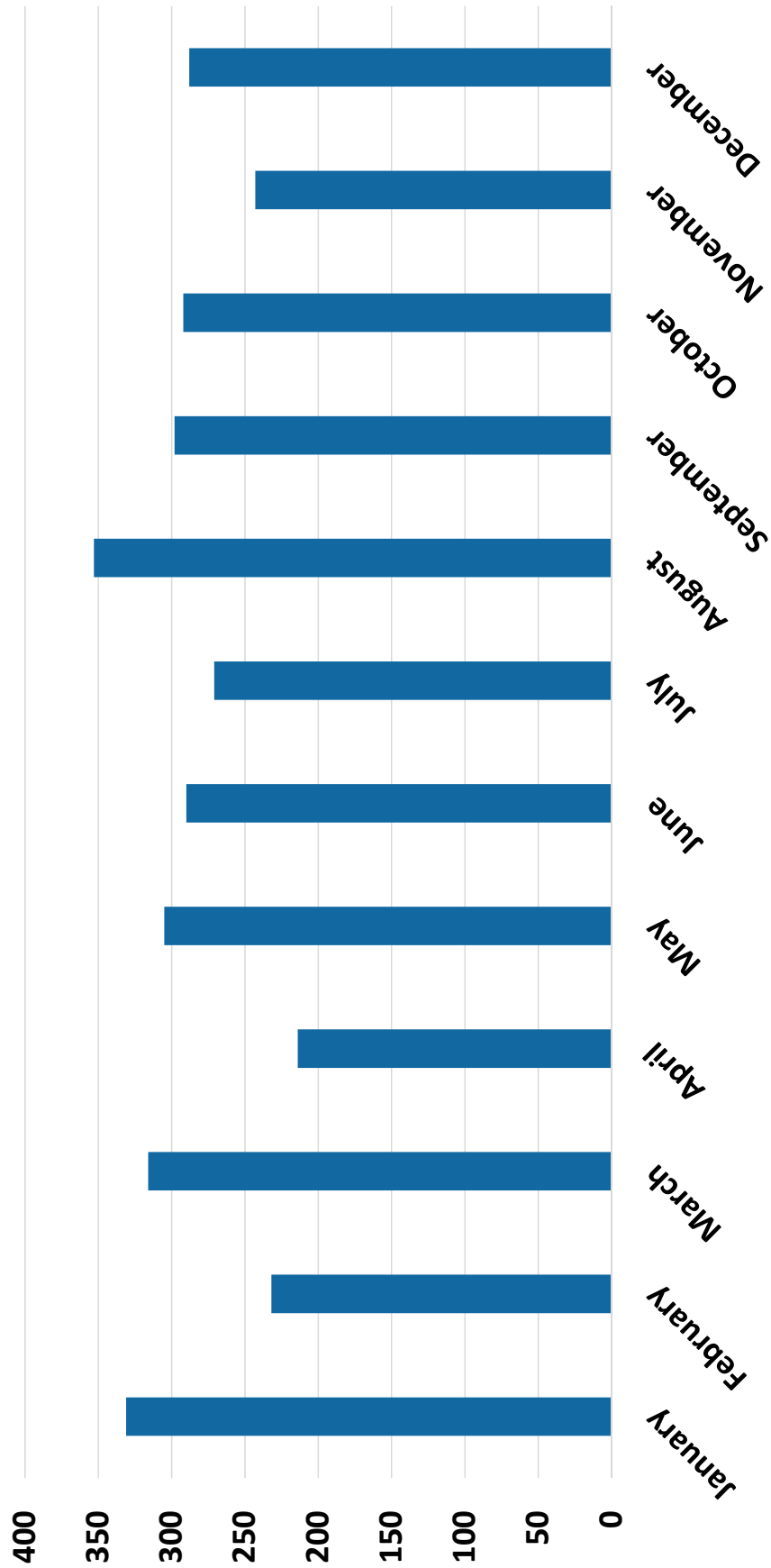




Note: “Defendant Households” includes both households that have had a single complaint filed against them and those households with two or more complaints filed against them.

Eviction Complaints by Month

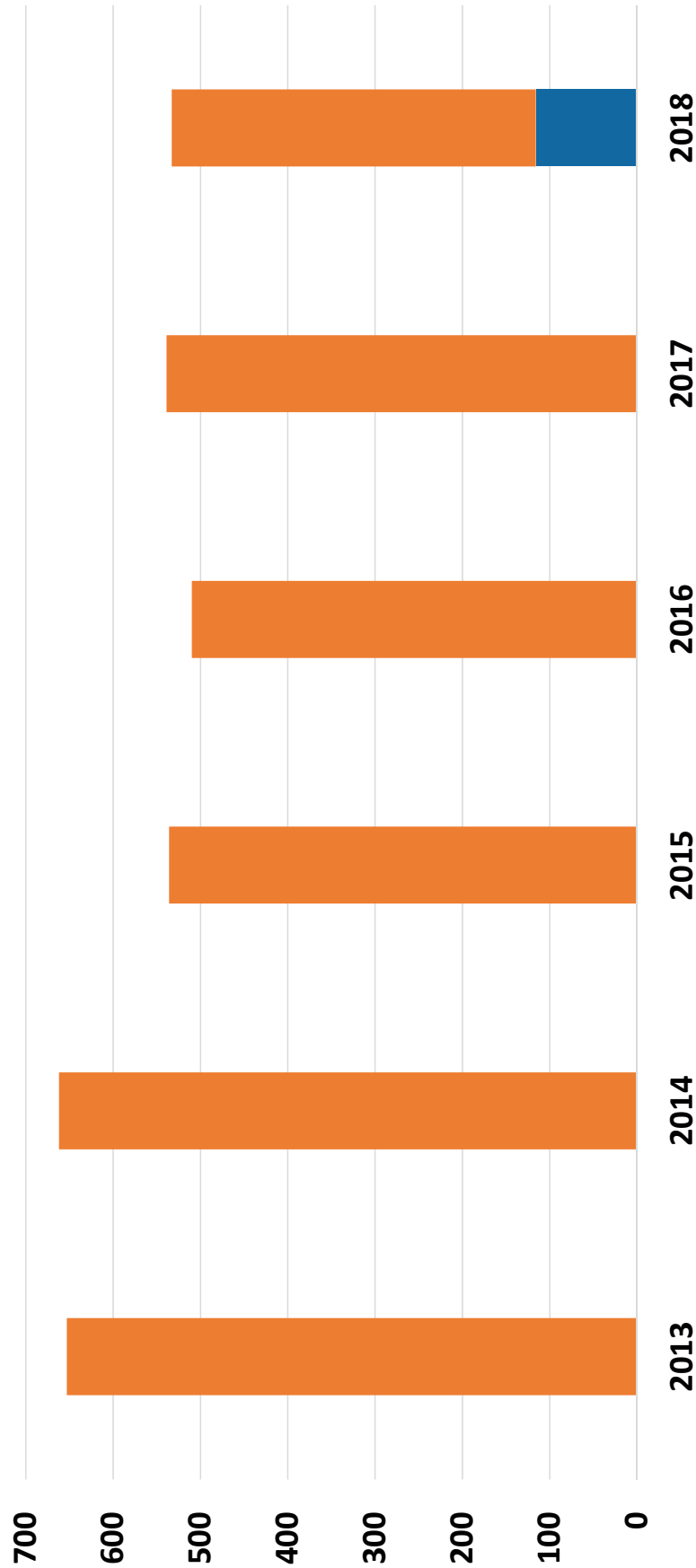
January 2013 - December 2018



Where Eviction Complaints are Filed

January 2013 – December 2018

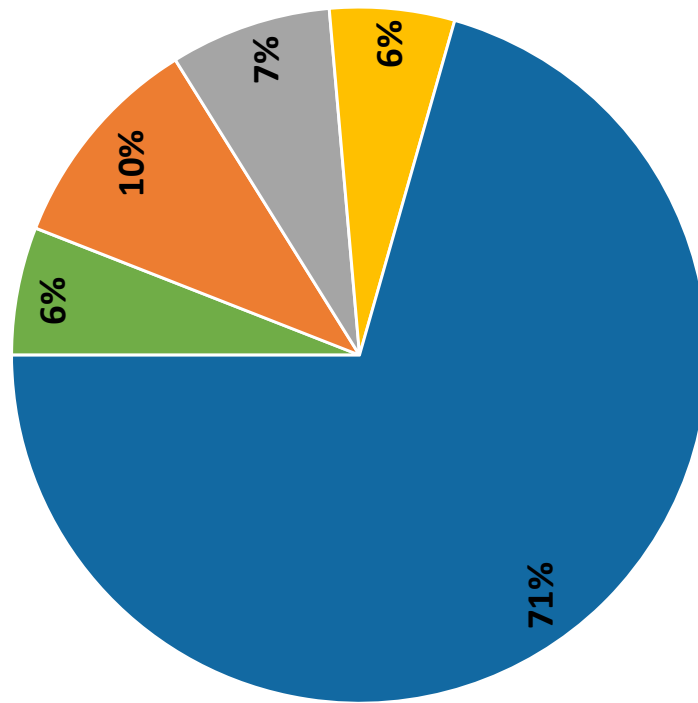
■ Housing Court ■ District Court



Eviction Complaints by Building Size

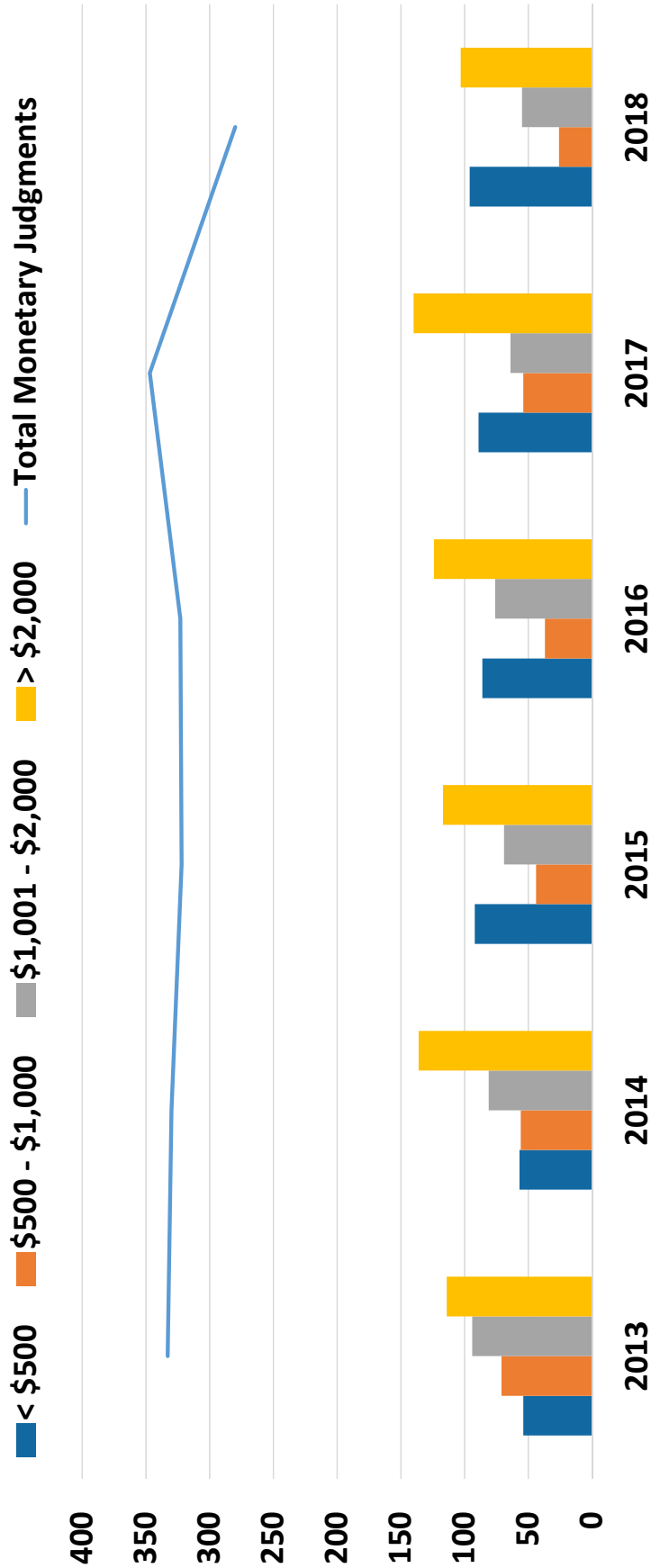
January 2013 – December 2018

■ 1 - 3 units ■ 4 - 12 units ■ 13 - 25 units ■ 26 - 50 units ■ > 50 units

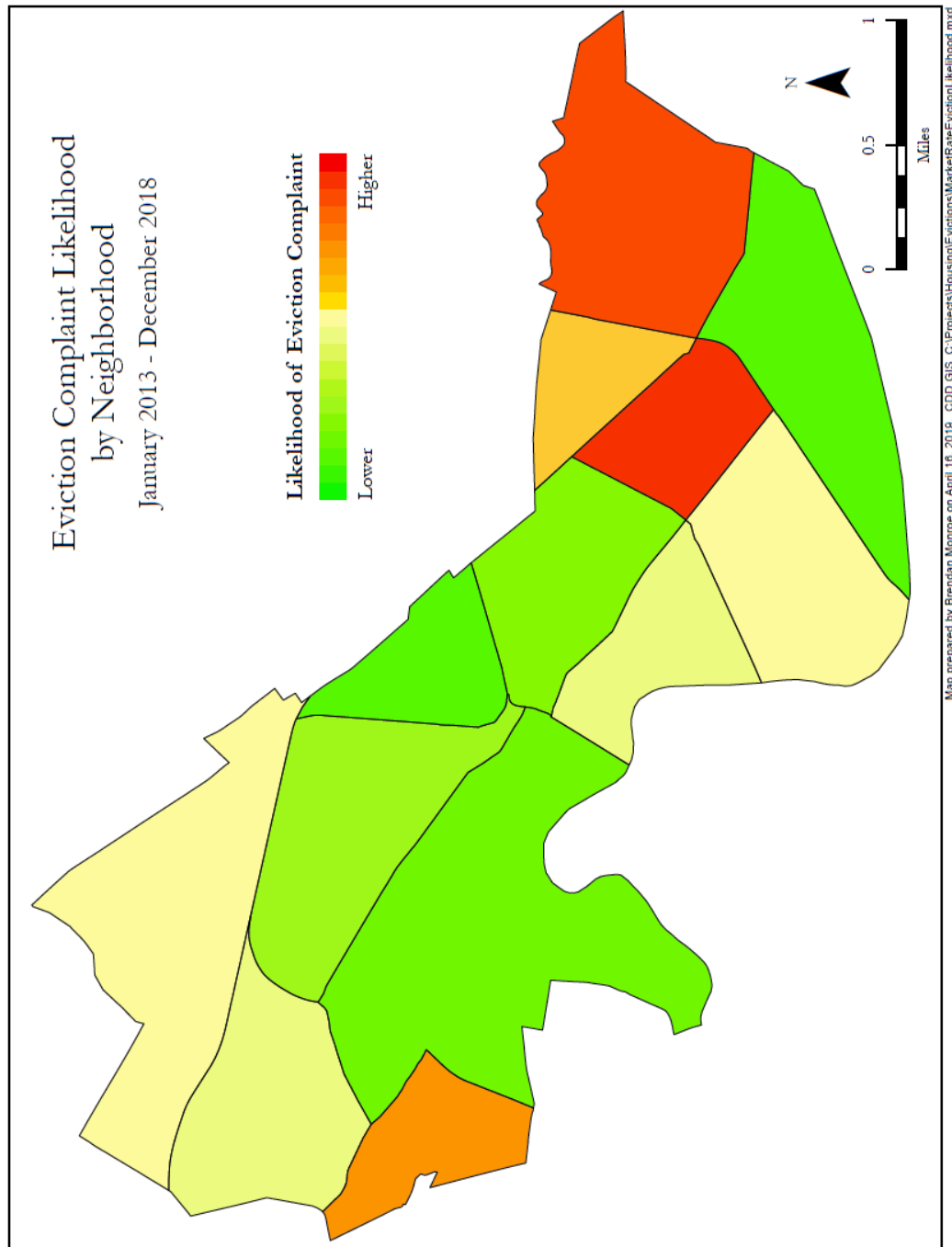


Eviction Complaint Monetary Judgment Trends

January 2013 – December 2018



Note: A significant number of < \$500 judgments likely represent only court fees and do not include an award of damages against a tenant and to a landlord. This chart excludes filings where there was no monetary judgment listed, where the total was \$0, or where a judgement was against the landlord.

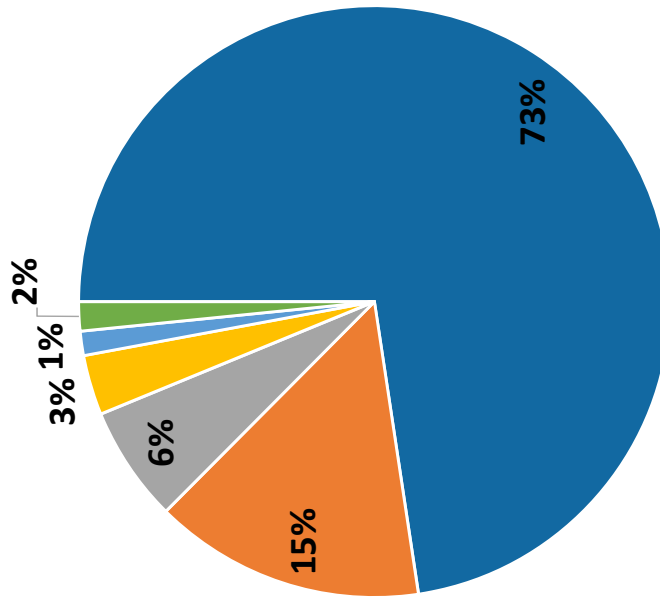


Number of Eviction Complaints per Household by Housing Type

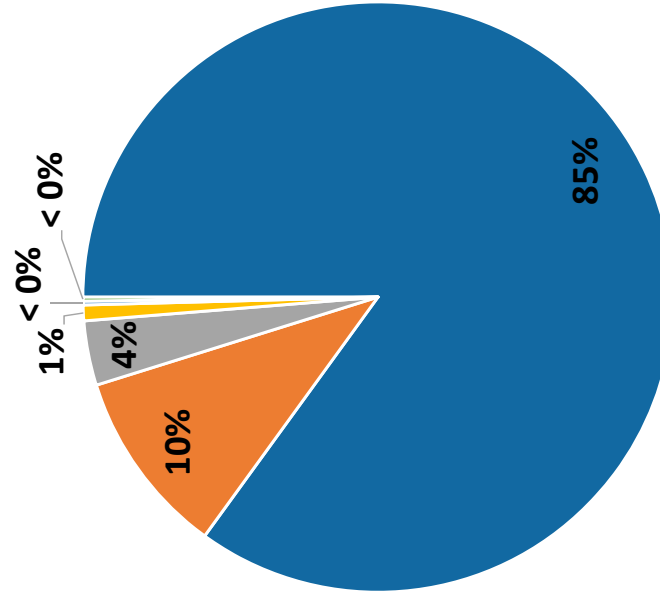
January 2013 – December 2018

1 2 3 4 5 6 or more complaints

All Housing

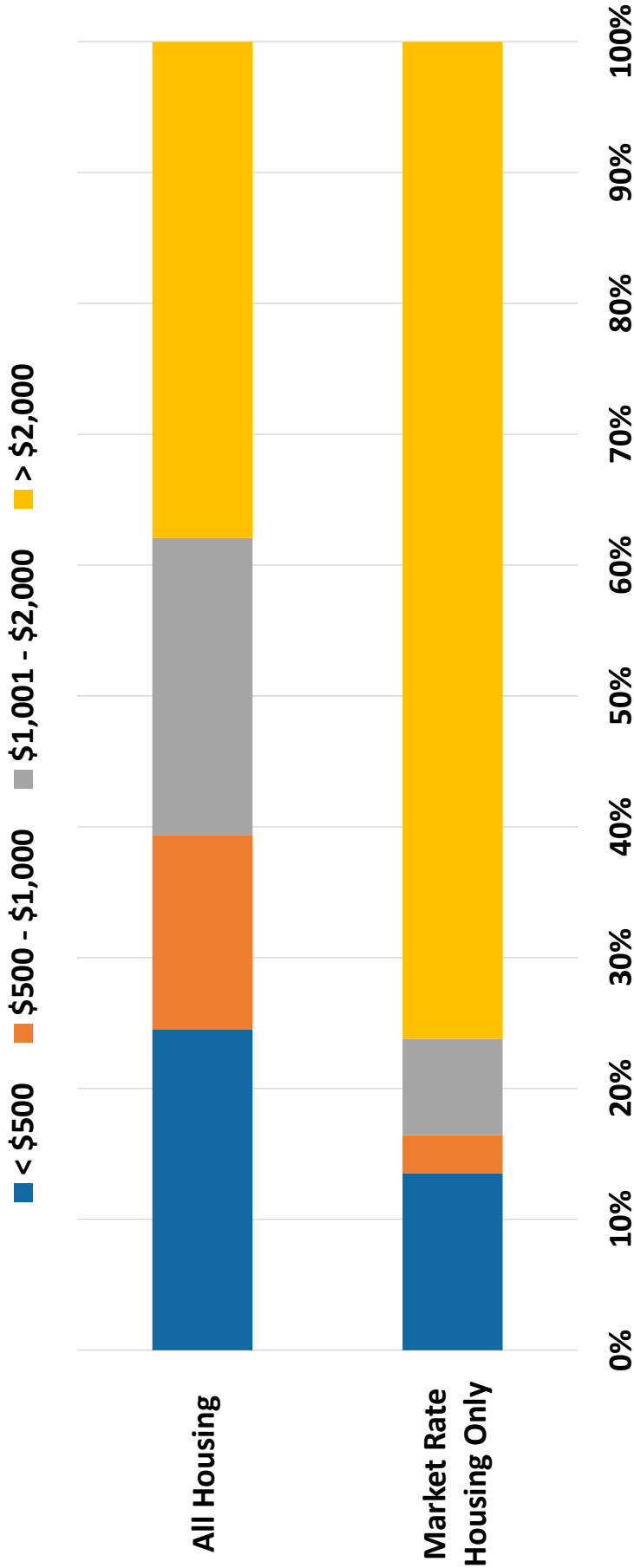


Market Rate Housing Only



Eviction Complaint Monetary Judgment Totals

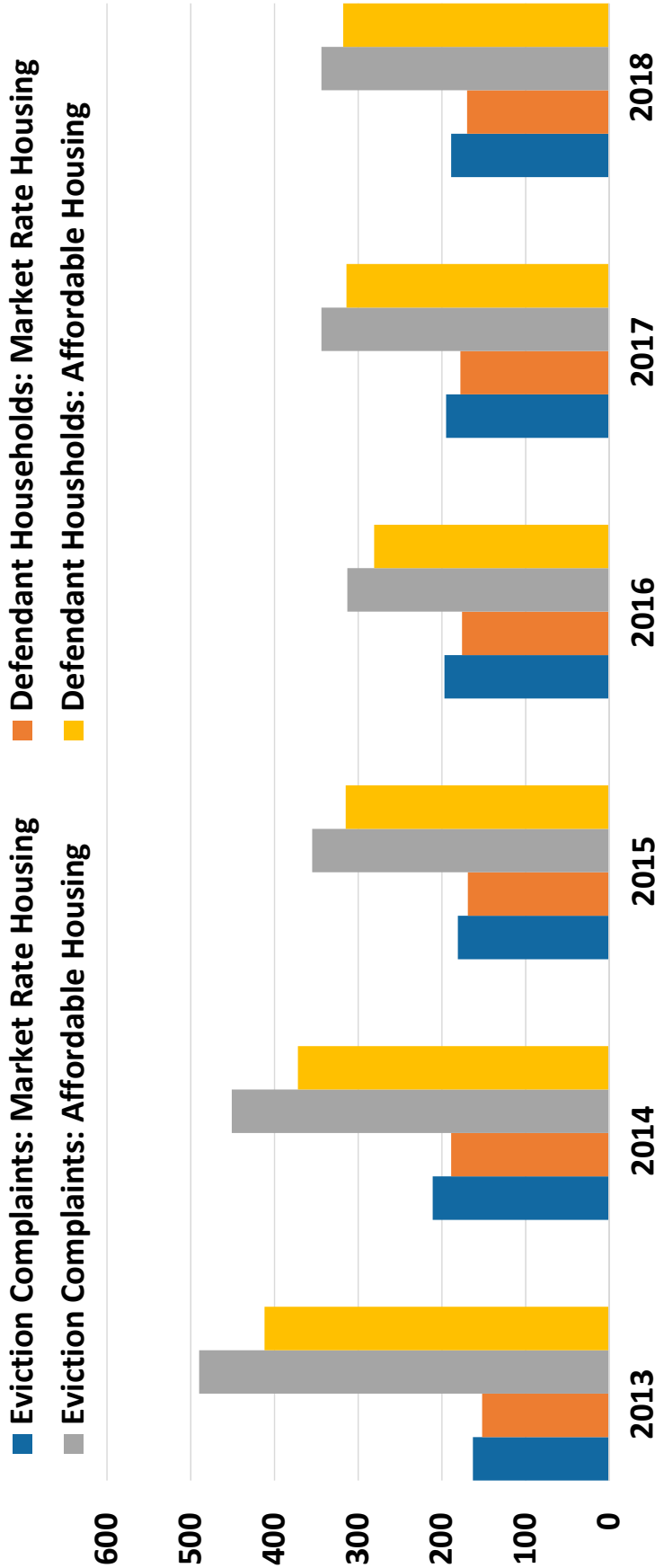
January 2013 – December 2018



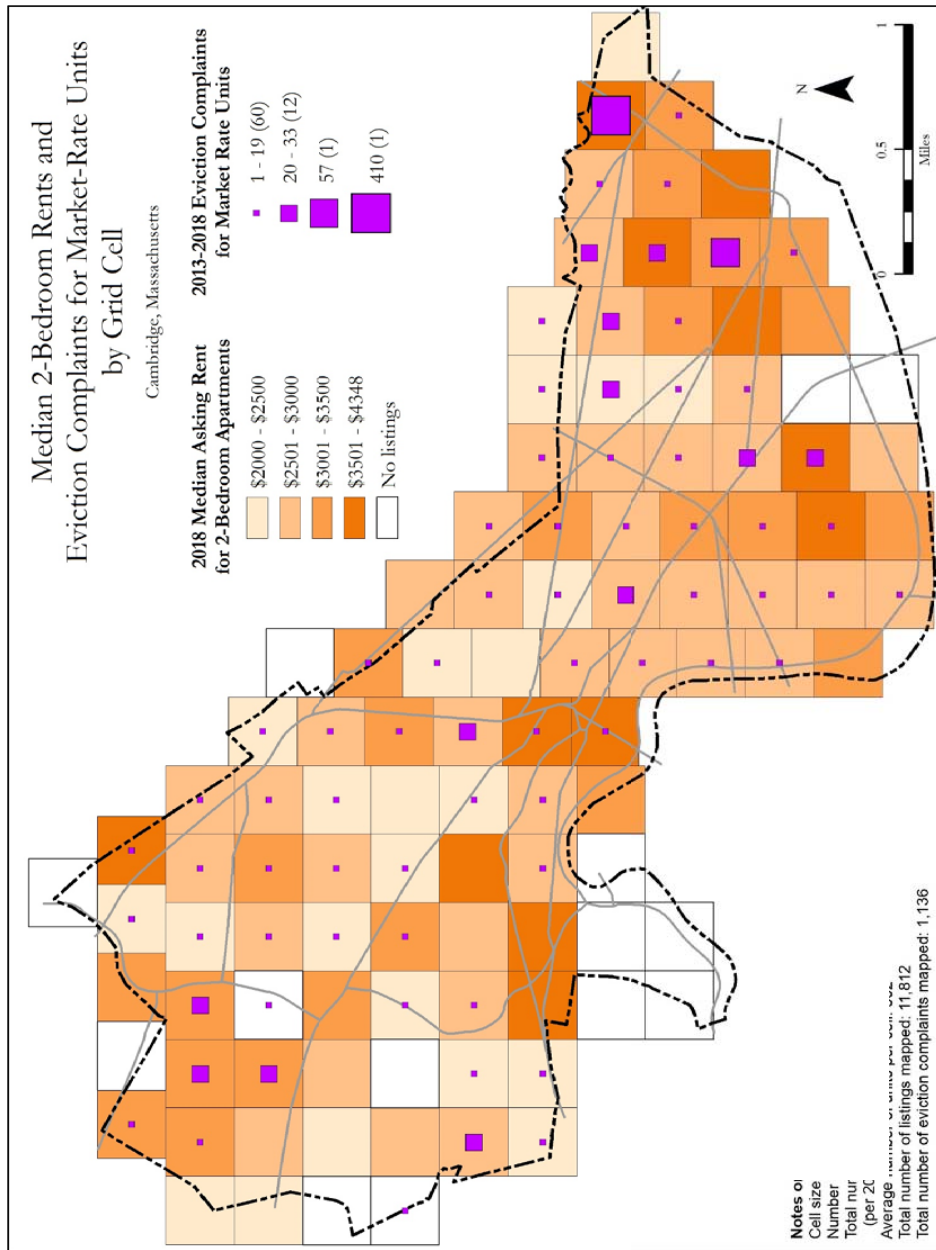
Note: A significant number of < \$500 judgments likely represent only court fees and do not include an award of damages against a tenant and to a landlord. This chart excludes filings where there was no monetary judgment listed, where the total was \$0, or where a judgement was against the landlord.

Comparing Eviction Complaints and Defendant Households

January 2013 – December 2018



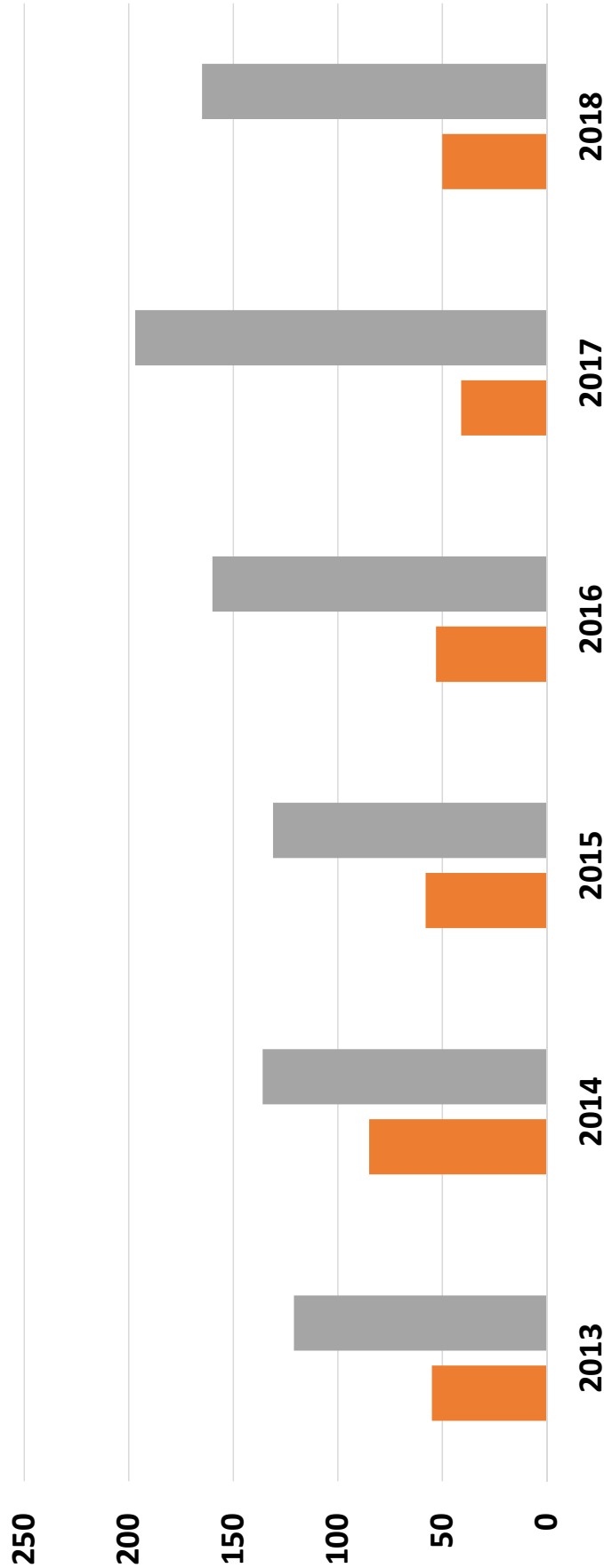
Note: “Defendant Households” includes both households that have had a single complaint filed against them and those households with two or more complaints filed against them.



Market Rate Eviction Complaints by Building Type

January 2013 - December 2018

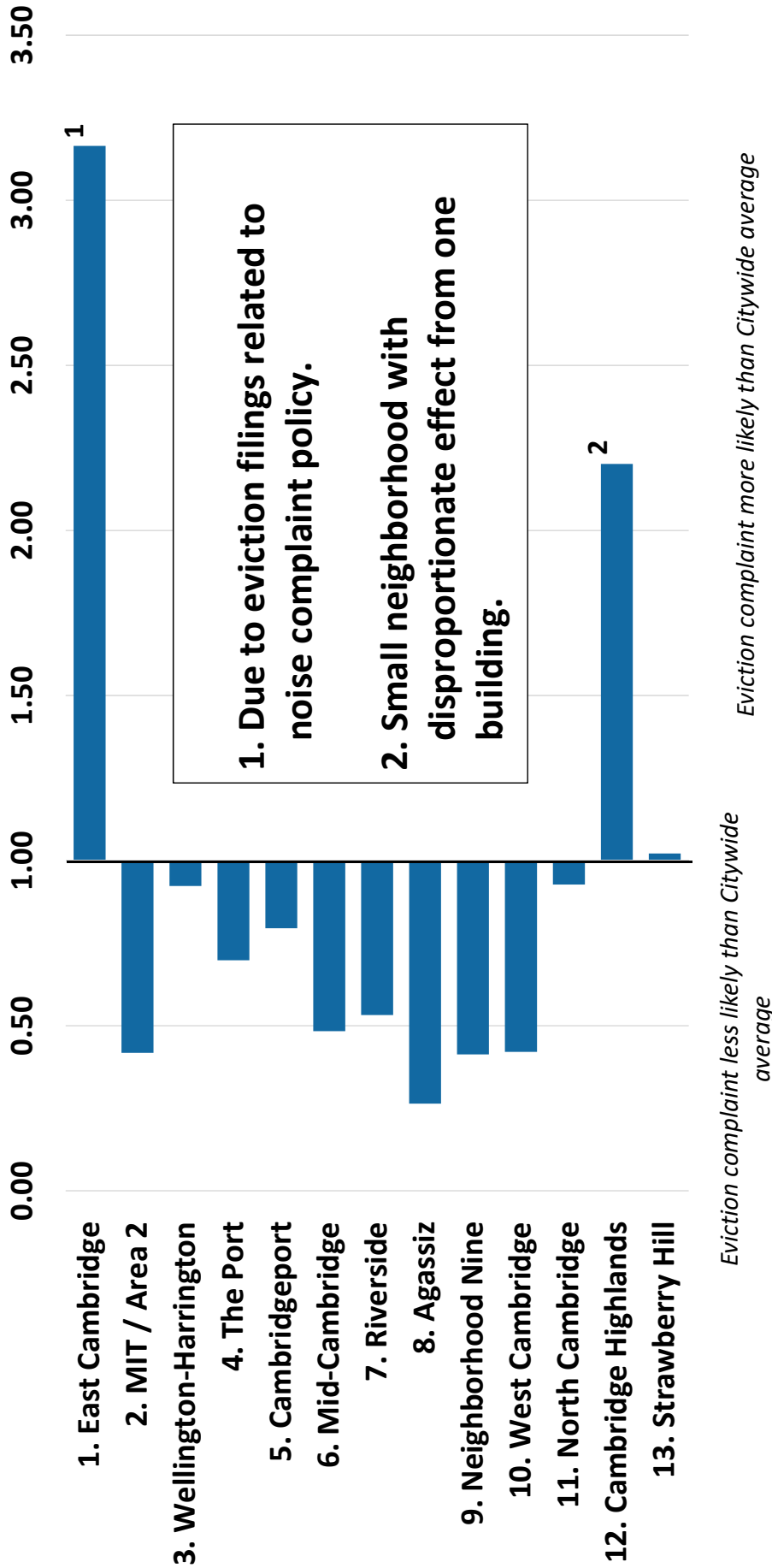
■ Small Market Rate Buildings (1 - 12 Units) ■ Larger Market Rate Buildings (> 12 Units)*



***Note:** The Larger Market Rate Buildings category includes some eviction complaints filed against inclusionary housing units.

Delving into the Data: Understanding Market Rate Eviction Complaints

January 2013 – December 2018





CITY OF CAMBRIDGE

City Hall, 795 Massachusetts Ave., Cambridge, MA 02139
Tel.: 617-349-4343 Fax: 617-349-4357

Assessing Department

Andrew Johnson
Assessor

Walter Pennell
Commercial Assessor

MEMORANDUM

TO: Louis DePasquale, City Manager

FROM: Andrew Johnson, Assessor

SUBJECT: Policy Order- POR 2019 #79 of March 4, 2019
Up-To-Date Condo Conversion Data

DATE: March 14th, 2019

In response to the above-referenced Policy Order, the Assessing Office has compiled the following information with respect to condominium conversions over the period of 2015 through 2018.

- The table below shows the total condo conversion counts per year and average unit count per conversion over the last four years:

Year	Number of Converted Units	Average Unit Count of Converted Properties
2015	65	2.25
2016	85	2.30
2017	110	2.50
2018	90	2.70
Total	350	

- We saw the most units converted in 2017 with 110 as shown above.
- Typical converted condominium units are in former two or three family buildings with an average number of units being between two and three units per conversion, as shown above.

- Below are the median condominium selling prices by bedroom count from 2015 to 2018 using only arm's length transactions.

Bedroom Count	2015-2018 Median Sale Price
0	\$ 430,000
1	\$ 537,500
2	\$ 700,200
3	\$ 990,000
4	\$ 1,250,000

- The Assessing Department does not have direct data on the percentage of converted condominium units that were delivered vacant. However, it is especially common for condominium conversions to be delivered vacant when significant renovation work is done. Using this, one indicator we do have is that in the last year data is available, 2017, just over 80% of converted condominium buildings under went major renovations based on inspectional services records and assessing field review.



City of Cambridge

Executive Department

LOUIS A. DePASQUALE
City Manager

LISA C. PETERSON
Deputy City Manager

October 21, 2019

To the Honorable, the City Council:

I am hereby requesting the appropriation of \$163,707 from Free Cash to the General Fund Human Service Programs Other Ordinary Maintenance account to increase funding for tenant eviction prevention services consistent with the recommendations of the Mayor's Blue Ribbon Task Force on Tenant Displacement. These funds would have been appropriated as part of the FY20 budget but it made sense to wait to match the expenditures to the recommendations of the Task Force. These funds will be included in the FY21 budget.

The funds will enable the Department of Human Service Programs to expand its contract for legal services for the Multi Service Center with Greater Boston Legal Services through the Massachusetts Legal Assistance Corporation (MLAC) by \$65,000. In FY19, the contract was increased from \$130,000 to \$195,000. This current increase will bring the total contract for FY20 to \$260,000.

The funds will also support a contract for \$26,707 through MLAC for continued funding for a part time attorney for DeNovo to continue coordinating the Lawyer for a Day Housing Clinic at the Middlesex Session of the Eastern Housing Court each Friday. The attorney both provides legal advice and assistance and coordinates the services of other attorneys who provide services pro-bono.

This funding will also support a \$2000 contract with the Alliance of Cambridge Tenants for tenant education.

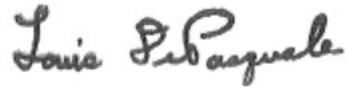
Finally, the funds will also be used to increase by \$70,000, from the current \$145,000, funds through the Multi Service Center for eviction prevention or rental assistance. These funds are used to help tenants avoid eviction by paying a portion of back rent or by helping tenants who are moving to new housing pay for a security deposit and/or moving expenses. The new funding will allow the Multi Service Center to increase its cap on payments from \$1500 to \$2000. Tenants will also be able to request to request assistance 3 times in 5 years rather than 2 times.



The current housing challenges make this increase in funding very useful.

This appropriation request is also in response to Awaiting Reports Numbers 19-90 and 19-99.

Very truly yours,

A handwritten signature in dark ink, reading "Louis DePasquale". The signature is written in a cursive, slightly slanted style.

Louis A. DePasquale
City Manager

LAD/mec

**Task Force on Tenant Displacement
Tenant Education Work Group
Alexandra Markiewicz, Sonia Andujar, Maura Pensak
Work Plan (June 2019)**

Overview

Goal: The goal of our group is to organize a series of workshops and events to support tenant education for all Cambridge renters.

Audience: Each workshop will tailor to a different audience, as the needs for different tenants' differ. These audiences include:

- Inclusionary Tenants
- Privately Owned HRI
- Market Rate Tenants
- Low Income Tenants

Strategy:

1. Gather information about existing educational materials and propose coordinating with other organizing groups in the City.
2. Host a series of workshops to support tenant education. Each workshop could be co-hosted with a different non-profit organization (Metro Housing, CEOC, Cambridge Multi, etc.). Topics could include:
 - a. Fair Housing Discrimination and the Law
 - b. Strategies for grassroots tenant organizing
 - c. Passing inspections for CHA tenants
 - d. Rights and Responsibilities of tenants
 - e. Rights and Responsibilities of landlords
 - f. Housing Code Checklist- conditions landlords must fix in 24 hrs. 30 days, 5 days
 - g. Navigating Evictions
 - h. Legal Help for Tenants
 - i. Affordable Housing 101– Options and where to find them
 - j. Management Harassment
 - k. Your Lease
 - l. Organizations doing Tenant Organizing in Cambridge
3. Create (or work with a non-profit group) and distribute a magnet or educational material about knowing your rights during the September “move-in.”
4. Identify an organization that can start an active collaboration with the Alliance of Cambridge Tenants (ACT) to further an incipient Grassroots Housing Education Module for low-income tenants.
5. Evaluate success of the workshop series and, if successful, work with CDD and local non-profits to institutional as an annual event. A future goal could also be to establish a tenant's organizing group to support renters in market-rate housing.

Partners: CDD, ACT, CEOC, Cambridge Multi, HRI, Just-A-Start, CHA, Others

Outreach: Advertise the series through email, postcards (hand out at T stops, etc.), and social media.

Unknowns:

- Funding for the series and materials
- Willingness + capacity of partners to participate

- Ability for the Task Force to support this type of effort

Action Plan

Completed:

- Presentation from CEOC about their work to conduct tenant education
- Requested update from HRI/Just-A-Start regarding their tenant education activities
- Requested Inclusionary Tenants Association POR 2018 - answer: on hold right now
- Requested copy of City of Cambridge Ordinance supporting tenants organizing- found that the City does not have this type of ordinance
 - The group would like the Task Force to consider a formal recommendation to City Council to develop and adopt an ordinance protecting tenants' right to organize.

April - May

- Compile a list of organizations and associations that currently offer workshops, information sessions and/or organizing opportunities/Begin outreach for meeting.
- Host Meeting with Tenant Organizations and Associations to understand and consolidate information.
- Develop series branding (name of series, graphics, communications)
- Research fundraising opportunities for tenant organizing and education.

June - July

- Host at least two workshop in series of Housing Information Workshops aimed at low-income tenants and inclusionary tenants

August - September

- Host workshop for market-rate tenants (after Sept. 1 move-in)
- Distribute supplemental postcards/magnets for market-rate tenants

October-December:

- Work with ACT to review possibilities of scaling organizing model.
- Repeat workshop series.
- Pilot scale of ACT organizing model to at least one new tenant group.

Legislative Landscape 2019-2020 Session

CITY OF CAMBRIDGE HOUSING & AFFORDABILITY

Category	Title	Lead Sponsor	Summary	Committee	Notes
Protect Tenants from Displacement	An Act Promoting Housing Opportunities and Mobility Through Eviction Sealing (HOMES)	Senator Boncore (S.824)	Would seal eviction records for certain types of no-fault evictions and outcomes.	Judiciary	
Protect Tenants from Displacement	Right to Counsel	Senator Boncore, Rep. Rogers, Mayor Walsh (S. 913/H. 1537); Rep. Tyler (H.3456)	Ensures a tenant's right to counsel in eviction proceedings	Judiciary	
Protect Tenants from Displacement	Tenant Opportunity to Purchase	Senator Crighton, Rep. Cullinane, Mayor Walsh (S. 786/H. 1260) Rep. Boldyga (H.1256)	Local option to provide tenant right of first refusal (or assign to nonprofit) at fair market value (5+ units). Boldyga bill would require all owners to inform tenants of their right to make an offer to purchase.	Housing	
Protect Tenants from Displacement	Tenant Opportunity to Purchase	Senator Jehlen and Rep. Provost (S.801/H.1315)	Local option to provide tenant right of first refusal (or assign to nonprofit) 2 days after acceptance of a third party offer.	Housing	
Protect Tenants from Displacement	Landlord Tax Credit	Senator Boncore and Rep. Honan (S.1603/H.2500)	Tax credit for landlords who offer below market rent in unsubsidized apartments. \$1,500/year	Revenue	
Protect Tenants from Displacement	An Act Providing Tax Relief for Rent-Burdened Individuals and Families	Rep. Honan (H.2499)	Increases tax exemption for rent paid for first time since 2001, limits taxpayers who can claim it to households earning no more than 100% AMI	Revenue	
Protect Tenants from Displacement	An Act Relative to the Just Cause Eviction of Elderly Lessees	Rep. Madaro, Mayor Walsh	Prohibits no-fault evictions and limits rent increases (5%) for persons over 75 years old	Judiciary	
Protect Tenants from Displacement	MRVP Reforms	Senator Eldridge, Rep. Madaro (S.797/H.1305)	Codifies the program in statute and makes program fixes like, increasing FMR to current level, increasing admin fees, require inspections, and improve data collection.	Housing	
Protect Tenants from Displacement	Rent Control	Rep. David Rogers (H. 1316)	Local option limiting rent increases to annual inflation increase or 5%, whichever is less. Only applies to tenant households earning 80% AMI or less.	Housing	
Protect Tenants from Displacement	Tax Relief for Seniors in exchange for municipal ROFR	Sen. Chandler and Rep. Peake (S.1604/H.2587)	Local option property tax relief. Muni gets ROFR and must convert it to deed restricted housing.	Revenue	

3/7/2019

Legislative Landscape 2019-2020 Session

Category	Title	Lead Sponsor	Summary	Committee	Notes
Housing Production	Housing Choices (H.3507)	Governor Baker (S.10)	Re-file of the Housing Committee Redraft	Housing	Stand-alone bills also filed for:
Housing Production	An Act Relative to Housing Reform	Honan (H.1288) and Senator Boncore (S.775)	Housing Choice committee redraft PLUS mandates density around transit, addresses abutter appeals, and sets production goal.	Housing	Multifamily transit mandate Abutter appeals Statewide production goal ADU
Housing Production	An Act Relative to Housing Production	Rep. Honan (H.1290) and Senator Boncore	CHAPA housing production bill, including statewide multifamily mandate	Housing	Stand-alone bills also filed for: 40R simple majority ADU
Housing Production	Prohibit Discriminatory Zoning/Permitting	Senator Chang Diaz (S.781) and Rep. Barber (H.1344)	Adds discriminatory land use practice to state antidiscrimination statute.	Senate bill, Housing; House bill, Judiciary	Cluster zoning (MSGA: Rep. Blais/Sen Cyr, H.1761/S.787)
Housing Production	Leveraging New Resource for LHAs	Senator Crighton and Rep. Rogers	Allows LHAs to borrow against capital funds and retain proceeds from sale of their property.	Housing	
Housing Production	Smart Growth School Cost Reimbursement for Starter Homes	Rep. Honan (H.1284)	Allows starter home districts under 40R to be eligible for 40S.	Housing	
Housing Production	Multifamily Housing Incentive Pilot	Senator Chandler (S.779) and Rep. Garballey (H.1788)	Creates a new MassWorks/Housing Choice type of program to issue grants to cities and towns that zone for multifamily housing.	Housing	
Housing Production	A Roadmap for Housing Solutions	Senator Chandler (S.780)	Housings Choice PLUS board training, local mediation, and subdivision appeal reform. Also includes a housing production task force.	Housing	
State/Local Revenue	Deed Excise Tax	Governor Baker	Increases deed excise tax by 50% and dedicates a portion of the increase to Global Warming Solutions Trust Fund.	Revenue	

3/7/2019

2

Legislative Landscape 2019-2020 Session

Category	Title	Lead Sponsor	Summary	Committee	Notes
State/Local Revenue	Local Option Real Estate Transfer Tax	Senator Boncore, Rep. Connelly (S.773/H.1769); Rep. Maffa (H.2552)	Local option transfer tax (0.5%-2%) and community can provide certain exemptions. Rep. Maffa bill provides that certain conditions based on price be met for the tax to apply.	Revenue; Except Connelly bill went to Municipalities	
State/Local Revenue	Homerule Real Estate Transfer Tax	Somerville and Nantucket (Cambridge and Boston City Councils developing).	Would allow the municipality to tax the transfer price of real estate with certain exemptions.	Revenue	
State/Local Revenue	Sustain CPA Revenue	Rep. Honan (H.2501)	Ensures that in any year where the state match falls below 50% DOR must increase the fee sustain a 50% match. In 2018, the match was 19%.	Revenue. Same as the revenue committee redraft in 2017-18, H.3662.	
State/Local Revenue	Increase deeds fee to fund CPA	Senator Cream and Rep. Ferrante (S.1618/H.2463)	Increases fee to \$75	Revenue	
Neighborhood Stabilization	Neighborhood Stabilization	Senator O'Grady (S.1627) Rep. Cabral (H.177)	Increases annual tax credit authorization for developments that include at least 80% market rate units and other provisions to address blighted property, technical assistance and ways to bring buildings up to code.	Senate bill: Revenue House bill: Community Development and Small Businesses.	
Other	Housing Production and Equity Task Force	Rep. Vargas and Rep. Decker (H.1325)		Housing	
Other	ADUs within single family home	Rep. Hay and Ciccollo, Sen. Cyr (H.1277/S.788)		Housing	
Other	Tiny home foundation		Amends state building code to allow for tiny home foundations	House Bill: Public Safety and Homeland Security Senate Bill: State Administration and Regulatory Oversight	
Other	Improving Housing Opportunities for the MA Economy	Senator Rodriguez (S.96)	Zoning reforms for housing production	Community Development and Small Biz	
Other	Opportunity Zones in Gateway Cities	Rep. McGonagle	No text available.	House Counsel Drafting	
Other	Mandatory Land Use Board Training	Rep. Honan and Rep. O'Day (H.1802)		Municipalities	

3/7/2019

Legislative Landscape 2019-2020 Session

Category	Title	Lead Sponsor	Summary	Committee	Notes
Other	Architectural Access Board Reform	Rep. Barber and Rep. Moran (H.2029)	to conform pre-1991 buildings with ADA requirements	Public Safety and Homeland Security	
Other	Form based zoning	Sen. Crighton and Rep. Ciccone	local option to move to form based code	House bill: Municipalities Senate bill: Housing	
Other	Sustainable development	Senator Collins and Rep. Peake (S.81/H.841)	Requires consideration of climate change risks in licensing, permitting, financing, and capital projects.	House bill: Environment Senate bill: Community Development	

3/7/2019

4

Principles to Guide the Reconciliation of the Right to Counsel Bills

Three Right to Counsel bills have been filed for the 2019-20 Massachusetts legislative session. These bills were drafted several years ago. Since that time, New York City and others have passed similar legislation. Members of the Massachusetts Right to Counsel Coalition have reviewed these bills, considered lessons learned in Massachusetts and NYC, and developed the following principles to advance a legislative campaign for justice in evictions.

Housing Stabilization and Homelessness Prevention

Whereas housing is a basic fundamental human need, access to legal and housing stability services are necessary to prevent homelessness, stem the tide of displacement, and stop unjust evictions.

Fairness in the Legal System

The vast majority of tenants who face eviction are unrepresented. In contrast, most landlords are represented by counsel. The result is a process that can be unbalanced and unfair.

Assistance Can Make a Difference

Access to the right assistance can prevent families from the trauma of eviction and displacement, and create a path to housing stability.

Upstream Solutions

Pre-court eviction help, proactive education and outreach, and housing stabilization are needed to prevent tenants from losing subsidized housing. “Upstreaming” will save landlords, tenants, and courts time and money and better facilitate the resolution of cases.

Community Engagement

Development of an implementation plan must provide a process to allow for input from all stakeholders on the multitude of issues to consider.

Build Upon and Strengthen the Existing Institutions

Implementation must build upon the work of existing organizations with a proven track record of effectiveness in the areas of landlord/tenant legal assistance, homelessness prevention and housing stabilization.

Collaboration

Collaboration is needed among legal services, social services, community organizers, municipalities, courts, educational institutions, and other organizations to create a continuum of impactful assistance.

Funded with New Money

The right must be funded with new money and cannot be effective by reallocating existing legal assistance and housing stabilization resources.

Outcomes

Oversight and assessment of the program should be designed in a way to insure measurable outcomes, data collection, and public reporting.

Tied to Other Systemic Housing Solutions

The right to counsel is one component of a necessary housing stability strategy that must include other initiatives to preserve and expand the supply of affordable housing for low and moderate income people.

Right to Counsel Coalition's Proposal

The Right to Counsel (RTC) Coalition recommends drawing together provisions from all the RTC bills (S. 913, H. 3456, and H. 1537) currently before the State Legislature to create a “hybrid” RTC bill that also builds upon lessons learned by advocates in Massachusetts and from other places that are starting to implement RTC. What follows is the Coalition’s proposal:

- 1. Who is eligible for assistance?** Tenants and occupants facing an eviction who are at or below the 200% of poverty level and owner-occupants of 2-family homes seeking possession who are at or below the 200% of poverty level.
- 2. When does the right attach?** When one receives a notice to quit.
- 3. What kinds of proceedings are covered?** Summary process and similar proceedings. This includes formal public housing grievance hearings requested by public housing tenants facing an eviction (not the first informal conference) and voucher termination hearings. Evictions after foreclosures are also covered.
- 4. What is the right for?** A continuum of legal assistance and housing stability support provided by a designated agency in collaboration with community partners. Different stages call for different levels of legal involvement.
- 5. How do people find out about the right?** A form approved by the Supreme Judicial Court would inform the occupant of the right to counsel. This form should be attached to the first document an occupant receives pertaining to the termination of the tenancy.
- 6. Who can be appointed as counsel?** A “designated agency” that is a non-profit that has the capacity to provide the services. These agencies will be regional entities that will collaborate with existing organizations with proven track records in landlord/tenant legal assistance, homelessness prevention, and housing stabilization to provide the services for a designated region. The Civil Justice Committee will designate the organizations.
- 7. Who creates, implements, and monitors the program?** A Civil Justice Committee with independent authority that will be housed in the Executive Office of Housing and Economic Development, which oversees funding and resources to help people in Massachusetts live affordably and safely.
- 8. Who is on the Civil Justice Committee?** The following: 2 Governor Appointments, Chief Justice of the Housing Court, Chairs of Joint Housing Committee, 2 Access to Justice Commission members, 2 Committee for Public Counsel Services, 3 legal aid organizations selected by Mass. Legal Assistance Corp, Mass. Coalition for the Homeless, Mass Union of Public Housing Tenants, Mass. Chapter National Association of Housing and Redevelopment Officials, Mass. Law Reform, Mass Association of Community Action Programs, and Volunteer Lawyers Project.
- 9. Rules and Regulations.** The Civil Justice Committee will be provided with the authority to promulgate rules and regulations.
- 10. When would RTC take effect?** The Civil Justice Committee must be appointed within 180 days of the bill passing. It will spend the first year developing an implementation plan that considers how to phase-in and prioritize resources, cost of implementation, the role of non-lawyer advocates, community groups, courts, law schools, and others.
- 11. Funding.** The financial support for RTC must come from new and separate funding that does not interfere with existing funding for legal services or collaborations with non-profit organizations.

City of Cambridge

Richard C. Rossi • City Manager



Executive Department

Lisa C. Peterson • Deputy City Manager

January 11, 2016

To the Honorable, the City Council:

Please find attached a response to the City Council's request for a legal opinion on whether the City can act either through ordinance, home rule petition or additional avenues to protect tenants from dramatic rent increases or unfair evictions, and whether the City has the ability to strengthen the tenant protections provided under the state Condominium Conversion Act, received from City Solicitor Nancy E. Glowa.

Very truly yours,

Richard C. Rossi
City Manager

RCR/mec
Attachment(s)

Nancy E. Glowa
City Solicitor

Arthur J. Goldberg
Deputy City Solicitor

Vali Buland
First Assistant City Solicitor



Assistant City Solicitors

Paul S. Kawai
Samuel A. Aylesworth
Keplin K. U. Allwaters
Anne Serman
Sean M. McKendry

CITY OF CAMBRIDGE

Office of the City Solicitor
795 Massachusetts Avenue
Cambridge, Massachusetts 02139

January 11, 2016

Richard C. Rossi
City Manager
City Hall
Cambridge, MA 02139

Re: Report on Legal Protections the City can enact either through Ordinance, Home Rule Petition or Additional Avenues to Protect Tenants from Dramatic Rent Increases and/or Unfair Evictions, and the City's Ability to Strengthen Tenant Protections Provided by the state Condominium Conversion Law.

Dear Mr. Rossi:

This will respond to the City Council's request that the City Manager seek a legal opinion from this office on whether the City can act either through ordinance, home rule petition or additional avenues to protect tenants from dramatic rent increases or unfair evictions, and whether the City has the ability to strengthen the tenant protections provided under the state Condominium Conversion Act.

I. The City's Authority To Regulate Tenant Protections with Regard to Rent Increases and Evictions Absent Home Rule Legislation is Limited

Under Mass. Const. Amend. Art. 2, § 7, (the "Massachusetts Constitution Home Rule Amendment") a city may "exercise any power or function which the general court [the Legislature] has power to confer upon it, which is not inconsistent with the constitution or laws enacted by the general court in conformity with the powers reserved to the general court." However, a city may not "enact private or civil law governing civil relationships except as an incident to an exercise of an independent municipal power." The Supreme Judicial Court (the "SJC") has held that a local legislature enacts "private or civil law" when that legislation creates "new rights or obligations between persons" or if "existing rights or obligations between persons are modified or abolished." See Bloom v. City of Worcester, 363 Mass. 136, 146 (1973). A municipality may enact such legislation relating to these legal relationships only if it could be shown to be "incident to an exercise of an independent municipal power" and that exercise of such power is grounded in more

Telephone (617) 349-4121

Facsimile (617) 349-4134

TTY/TTD (617) 349-4242

than a municipality's broad "police power." See Marshal House v. Brookline, 357 Mass. 709, 718 (1970).

The SJC first interpreted the meaning of the private or civil law clause in Marshal House, where the Court held that a by-law enacting a form of rent control was an impermissible private or civil law governing a civil relationship. The Court concluded that the term private or civil law governing civil relationships "is broad enough to include law controlling ordinary and usual relationships between landlords and tenants." Id. at 716.

In Marshal House, the SJC held that enacting a civil law under the general municipal police power to protect the "general welfare" was not a sufficient enough basis for demonstrating that Brookline had an "independent municipal power" to enact this right to below-market rents. The SJC held that Brookline failed to show a specific power to base its authority on in order to claim that the ordinance was enacted "incident to an exercise of an independent municipal power" and thus excepted from the prohibition on enacting a law that related to a civil relationship. See also Bannerman v. City of Fall River, 391 Mass. 328, 332 (1984). ("Furtherance of the general public welfare is insufficient justification for an ordinance which otherwise violates § 7(5) because such an ordinance would not be based on an "individual component of the [city's] police power." Id. at 332. See also CHR General, Inc., 387 Mass. 351 (1982) (SJC struck down Newton's ordinance which also sought to regulate conversion of residential rental units to condominiums on similar grounds).¹

In 1970 the legislature passed general enabling legislation allowing municipalities to adopt local rent control ordinances. General rent control enabling provisions were contained in St.1970, c. 842, which was enacted in August, 1970 and terminated on April 1, 1976. See the following: City of Boston, St.1969, c. 797 as amended; Brookline, St.1970, c. 843; Cambridge, St.1976, c. 36; and Somerville, St.1976, c. 37. At the state election held on November 8, 1994, however, the voters of the Commonwealth adopted an initiative measure which broadly prohibited rent control in Massachusetts. See M.G.L. c. 40P ("Chapter 40P") known as the "Massachusetts Rent Control Prohibition Act".² Section 5 of Chapter 40P explicitly provides that "[t]his chapter shall preempt, supersede or nullify any inconsistent, contrary or conflicting state or local law. Thus, following a two year phase out period, all forms of rent and eviction control ended in Massachusetts by 1996.

II. In Order to Enact Ordinances Pertaining to Rent Increases and Evictions a Home Rule Petition Would Have to Be Authorized by the Legislature

There is precedent in Massachusetts law for municipalities seeking and obtaining authorization from the Legislature to enact a measure otherwise not within a municipality's

¹ The SJC noted that the City of Newton would likely have the authority to regulate the conversion of residential rental units if the Legislature granted the special act which had been filed during the pendency of that lawsuit. See CHR General, at 358, fn. 8.

² The provisions of Chapter 40P of the General Laws, were added as sections 1-5 of Chapter 400 by St. 1994, 368, Sec. 1, and subsequently re-designated by St. 1997, c. 19, section 10 as Chapter 40P.

Home Rule power. Prior to the enactment of Chapter 40P municipalities had successfully petitioned the Massachusetts Legislature for authority to enact measures relating to 1) rent control; and 2) the power to regulate conversion of residential rental units after the SJC rejected initial efforts by municipalities to enact general legislation regarding those measures. See Marshal House v. Brookline, 357 Mass. 709 (1970) and CHR General, Inc. v. Newton, 387 Mass. 351 (1982). However, with the enactment of Chapter 40P the Legislature might not act favorably on a home rule petition that conflicts with the broad prohibition against rent or eviction control contained therein.

Section 2 of Chapter 40P states that the purpose of the law is “[t]o establish a uniform statewide policy that broadly prohibits any regulatory scheme based upon or implementing rent control...” Section 3, expressly prohibits (a) “[a]ny regulation that in any way requires below market rents for residential properties and (b) any regulation that is part of a regulatory scheme of rent control as defined in clause (a) including the regulation of occupancy, services, evictions, condominium conversions...”³ Section 4 of Chapter 40P permits voluntary rent control provided that the municipality adopting such regulation shall compensate owners of rent control units for the difference between the unit’s fair market rent and the unit’s below market rent controlled rent with such compensation coming from the municipality’s general fund so that the cost is borne by all taxpayers. Furthermore, any such voluntary regulation may not include regulation of evictions or condominium conversion⁴ and may not apply to an entity owning less than ten units or that has a fair market rent exceeding four hundred dollars (\$400.00).

If the City were to submit to the Legislature a home rule petition seeking to regulate rent increases or evictions notwithstanding the preemption provision of Chapter 40P, it might be disfavored by the legislature if it conflicted with the broad provisions of Chapter 40P. This office has been informed that tenant advocates in the City of Boston are currently circulating a so-called “Just Cause Eviction” petition. The petition, if passed, would prohibit a property owner in Boston from evicting a tenant except for certain specified reasons such as non-payment of rent, disorderly conduct, illegal activity, and other cause. Evictions without one of the specified permitted causes would be prohibited. The petition also purportedly requires property owners to participate in mediation with their tenants prior to raising rents. However, to date, Boston has not taken any formal action with respect to this proposal.⁵

As to whether a home rule petition containing “just cause” eviction provisions or similar provisions purporting to regulate rent increases and/or evictions if submitted by the

³ Publicly owned and publically subsidized housing and federally assisted housing and mobile homes are exempt from this prohibition.

⁴ Chapter 40P’s prohibition against regulating condominium conversions in rent control schemes does not supercede the provisions of the Condominium Conversion Act, Chapter 527 of the Acts of 1983; see infra.

⁵ The Massachusetts Legislature on its own initiative could enact statewide tenant protections such as a just cause eviction requirement, notwithstanding the broad prohibitions of Chapter 40P. Recently, the Legislature enacted M.G.L. Chapter 186A, which provides certain protections for tenants who are being evicted as a result of foreclosure action. The Legislature could enact a law that expands those protections to tenants facing eviction for other reasons.

City to and authorized by the Legislature would be deemed “legal” by a Court, it is not possible for me to opine at this time until and unless the Council provides substantive provisions of any proposed home rule petition for my review and analysis.

III. The City Has the Authority to Adopt A Local Condominium Conversion Ordinance that Strengthens Tenant Protections

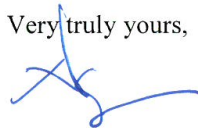
The state Condominium Conversion Act, Chapter 527 of the Acts of 1983 (the “Condominium Conversion Act”), was not repealed by Chapter 40P and it specifically allows cities and towns to adopt by a two thirds vote of their local legislative bodies, local ordinances or by-laws that are stronger than or differ from the statewide law. Currently the statewide law offers certain notice, eviction and rent increase protections for tenants for a specified period of time, generally one year although longer for elderly, disabled and low income tenants. The statewide law also provides monetary relocation assistance for tenants and provides tenants with the right of first refusal. The statewide law does not apply to buildings with less than four residential units.

Cambridge does not have a local ordinance providing different or stronger tenant protections but has the authority to enact such an ordinance pursuant to the Condominium Conversion Act. A number of communities in Massachusetts including Boston have enacted such local ordinances which generally have added tenant protections. For example Boston adopted a condominium conversion ordinance that differs from the statewide law in several respects including a longer notice period (five years) for elderly, disabled and low income tenants and greater monetary relocation assistance.

IV. Conclusion

Based upon the above analysis it is my opinion that enactment of a local ordinance regulating rent increases or evictions would likely be determined by a reviewing court to be an invalid exercise of the City’s municipal power under the Massachusetts Constitution. A home rule petition authorizing the City to regulate rent increases and/or evictions could be submitted to the Legislature by the City Council; however, as more fully discussed herein, the Legislature might not act favorably on a home rule petition that conflicts with the broad prohibition against rent or eviction controls contained in Chapter 40P. Enacting a local ordinance that provides tenant protections that are greater than the protections provided under the state Condominium Conversion Act would be lawfully permitted pursuant to that Act and may be enacted by a two thirds vote of the City Council.

Very truly yours,



Nancy E. Glowa
City Solicitor



City of Cambridge

In the Year One Thousand, Nine Hundred Eighty-Three

AN ORDINANCE

In amendment to an ordinance formerly entitled "The General Ordinances of the City of Cambridge" as revised in 1972 and now designated as "The Code of the City of Cambridge".

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

That Chapter Twenty-Three entitled "Regulations Pertaining to Controlled Rental Housing Units" is hereby amended as follows:

CHAPTER TWENTY-THREE. REGULATIONS PERTAINING TO CONTROLLED RENTAL HOUSING UNITS.

Section 1. Removal of Controlled Rental Units from Market.

(a) Declaration of emergency. A serious public emergency continues to exist in the City of Cambridge with respect to the housing of a substantial number of its citizens, as declared by Chapter 36 of the Acts of 1976, for the reasons stated in the Act. The emergency has worsened since 1976 because of the removal of a substantial number of rental housing units from the market, by condominium conversion, demolition, and other causes. As a result, more than 2,000 or over 10 percent of the controlled rental units in the city have been removed from the housing market since 1970, and the vacancy rate has fallen below one percent. In order to carry out the purposes of the Act, and to continue to provide a sufficient supply of decent, affordable rental housing accommodations especially for families of low and moderate income and for elderly people on fixed incomes, it is necessary for the Cambridge City Council, in the exercise of its powers under section 6 of the Home Rule Amendment and under section 5(c) of the act, to regulate the removal of controlled rental housing units from the market.

City of Cambridge

(b) Definitions. As used in this section:

- (1) "Act" means Chapter 36 of the Acts of 1976, as amended from time to time.
- (2) "Board" means the Rent Control Board established by section 5 of the Act.
- (3) "Controlled rental unit" means any unit included in the definition under section 3(b) of the Act.
- (4) "Removal from the market" as applied to a controlled rental unit, includes but is not limited to:
 - (i) occupy, as an owner of a unit which is a condominium unit, if the most recent occupant was a tenant, even if the prospective owner-occupant is the tenant, unless the prospective owner-occupant is the current tenant of the unit who has continuously occupied it as a tenant since before August 10, 1979 and intends in good faith to occupy it indefinitely as its owner; or
 - (ii) demolish, but no unit has been removed from the market by demolition until its physical destruction has begun; or
 - (iii) rehabilitate, repair or improve, other than as required by the laws of the Commonwealth or the city, in such a way as to prevent residential occupancy during the course of the rehabilitation, repair or improvement. This provision shall not apply to rehabilitation, financed at least in part by Community Development Block Grant funds, of a building owned by a non-profit corporation and intended for owner-occupancy by low and moderate income persons; or
 - (iv) convert to a cooperative, as the term is used in section 3(b) (4) of the Act, all or part of any building which contains any controlled rental unit.

City of Cambridge

- (v) cause a unit, not the primary residence of a legal unit owner, to be vacant for one hundred twenty (120) days or more by refusing to rent or to offer for rent said unit in good faith or, when a unit is cited as unfit for human habitation, by failure to perform repairs required to restore said unit to habitable condition. The existence of a vacancy for one hundred twenty (120) days or more, without a showing of good cause, shall constitute removal from the market.

But, this term "removal from the market" does not include occupancy of a non-condominium unit by the owner of the building in which it is located or by any member of his/her immediate family; or a condominium unit which the owner occupied before the tenant occupied it; or a condominium unit as to which unit it can be shown with respect to its initial sale after the recording of the master deed that a purchase and sale agreement has been entered into prior to August 10, 1979, a cancelled check being conclusive proof of the transaction, or a unit deed recorded in the Middlesex Registry of Deeds prior to August 10, 1979, whether or not the unit was being used for rental housing on August 13, 1979. No condominium unit once legally occupied by the unit owner shall ever again be subject to this section for any reason.

(c) Removal regulated. No owner or other person shall remove from the market any controlled rental unit, unless the board after a hearing grants a permit. The board may issue orders and promulgate regulations to effectuate the purposes of this section, and to prescribe the procedure for applications, notice, hearings, and the granting and withdrawal of permits. A permit to remove from the market a unit in a building converted or proposed to be converted to a condominium may be granted to the owner of the building before the sale of a unit. One year after the date of a notice of ruling, the Board shall review and confirm that the circumstances and conditions which led the Board to grant any removal permit hereunder, except for a condominium unit legally occupied by the unit owner, continue to warrant said permit. If, after a hearing, the Board finds that the circumstances and conditions no longer warrant the permit, the Board shall immediately treat the unit as a controlled rental unit and shall initiate whatever action is permitted and appropriate under this section.

(c) Prohibited acts by developers. After August 1, 1981, no owner of a building for which a condominium master deed has been recorded shall directly or indirectly sell, offer for sale, or agree to sell any controlled rental unit therein, unless the board has granted a removal permit for that unit, or unless the sale or offer is to, or the agreement is with, a current tenant of the unit who holds an exemption certificate. The board shall issue an exemption certificate to any person who files with it an affidavit in a form prescribed by the board, stating that he is a current tenant of the unit, that he occupied it as a tenant before August 10, 1979, and that he intends in good faith to occupy it indefinitely as its owner. No person shall file a false affidavit under this subsection. Nothing in this subsection shall prevent an owner of a building or any

C. C. 108

City of Cambridge

portion thereof from conveying his entire interest in the building in good faith to one purchaser, who shall then be subject to the provisions of this subsection to the same extent as the original owner.

(d) Considerations. In deciding whether to grant a permit under this section, the board shall consider:

- (1) the benefits to the persons sought to be protected by the Act and by this section,
- (2) the hardships imposed on the tenants residing in the unit proposed to be removed, including any mitigating provisions made by the applicant, and
- (3) any aggravation of the shortage of decent rental housing accommodations, especially for families of low and moderate income and elderly people on fixed incomes, which may result from the removal.

(d¹) Limited equity cooperative ownership. As used in this subsection, "administrator" means the Assistant City Manager for Community Development or his or her designee. Notwithstanding the considerations of subsection (d), the board may grant a permit for conversions to limited equity cooperatives only if the administrator files with the board an agreement executed by the administrator and a cooperative housing corporation which shall contain the following provisions:

- (1) All cooperative documents and all amendments or modifications of the cooperative documents shall be valid only if executed by the administrator and the articles of incorporation shall so provide. The cooperative documents include the articles of incorporation, the by-laws, occupancy agreements, transfer agreements, and management plan. Each transfer shall be reported to the administrator and all documents effecting the transfer shall be executed by the administrator. The administrator shall execute documents only if each of the provisions of this subsection is met.
- (2) The resale price of the cooperators' membership which includes the right to occupy the unit shall not exceed the transfer value plus the amount of principal amortized by the corporation on its blanket mortgage attributed to the unit and paid by the member involved, less any amounts due to the corporation under the occupancy agreement and less the cost of all deferred maintenance and repairs deemed necessary by the corporation to put the dwelling in a suitable condition for another occupant.

The transfer value is the sum of:

- 4 -

City of Cambridge

- the share value paid by the former occupant of the unit (not including the amount of any subsidies) adjusted from the date of the stock payment to the Consumer Price Index for Housing for the Boston Standard Metropolitan Statistical Area.
 - the value of improvements approved by the corporation and installed by the member in his unit, including a fair value of labor donated by a member or others as conclusively established by the administrator at the time the labor is donated.
- (3) Residents of at least 80% of the units in the building as of the date of the articles of incorporation shall sign commitments to become resident shareholders of the limited equity housing corporation.

- 5 -

- (4) A majority of the current residents must be low and moderate income persons as defined by the current income limits set forth in regulations of Department of Housing and Urban Development, under Section 235 of the National Housing Act or its successor or comparable index as determined by the administrator.
- (5) Current residents who do not become shareholders shall have the right to remain in their units as tenants of the cooperative corporation. Controlled rental units shall remain subject to the Act and to this section and no permits shall issue for controlled rental units while occupied by non-shareholding tenants. If a controlled rental unit is vacated, that unit may be converted to a cooperative subject to the provisions of this subsection and to the cooperative documents.
- (6) Residents of the City of Cambridge who are low and moderate income persons, as defined in paragraph (4), shall be given priority when turnover or vacant units occur.
- (7) There shall be no discrimination on the basis of race, religion, color, national origin, sex, age, ancestry or marital status with respect to any aspect of the operation of the cooperative.
- (8) Family size per unit shall conform to Chapter II of the State Sanitary Code or other comparable index as determined by the administrator.
- (9) Buildings shall have at least six units.
- (10) In addition to other remedies, the city may recover in damages twice the amount of any net gain on resale which exceeds the amount allowed by paragraph (2), and this provision may not be waived in any manner.

The total number of units for which such permits may be granted shall not exceed 100.

The board shall revoke any permit granted pursuant to this subsection whenever it or the administrator determines that any of the provisions of paragraphs (1), (2), (5), (6), (7), or (9) has been materially violated or invalidated and the unit shall then again be subject to the Act and to this section, notwithstanding the last sentence of paragraph (iv) of subsection (b) or any other provisions.

C. C. 106

City of Cambridge

(e) Effectiveness. This section shall apply to all controlled rental units which had not been removed from the market before August 13, 1979. This section shall take effect immediately, but shall cease to be effective if the board files its certificate with the city clerk that:

- (1) the vacancy rate in the total supply of controlled rental units exceeds four percent, or
- (2) the total number of rental units in the city excluding public housing units, exceeds that number as of January 1, 1970.

If such a certificate ceases to be correct, the board shall withdraw it by filing a new certificate, and this section shall then again be effective until one of the above conditions again prevails.

(f) Penalty. Any person who violates this section shall be punished by a fine of not more than five hundred dollars. The removal of each unit shall constitute a separate violation. Where, after a hearing, the Board finds there are repeated and/or flagrant violations of this section, the Board shall recommend to the Cambridge City Council or to the Cambridge Housing Authority that the public interest can best be served by taking the unit(s) by power of eminent domain in order to restore the unit(s) to service as housing for people with low and moderate incomes.

(g) Equitable relief. The Board or any person aggrieved by a failure to comply with this section may enforce its provisions in a civil action for injunctive or declaratory relief.

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

Chapter Twenty-Three including all of the following amendments:

Ordinance #966 ordained on June 29, 1981
 Ordinance #980 ordained on April 26, 1982
 Ordinance #993 ordained on January 27, 1983
 Ordinance #1001 ordained on August 8, 1983
 Ordinance #1014 ordained on August 15, 1984

Proposal dated 1/6/2000

*Proposed 1/6/2000
Condo Ordinance
For Copy Only*

AN ORDINANCE PROVIDING PROTECTION FOR TENANTS FACING
DISPLACEMENT BY CONDOMINIUM OR COOPERATIVE CONVERSION PURSUANT
TO CITY'S AUTHORITY UNDER ST. 1983, C. 527

Section 1:	Declaration of Emergency
Section 2:	Definitions
Section 3:	Conversion Permits
Section 4:	Notice of Intent to Convert; Right to Purchase
Section 5:	Terms and Conditions of Occupancy; Relocation
Section 6:	Condominium and Cooperative Conversion Evictions
Section 7:	Enforcement
Section 8:	Effective Date; Applicability
Section 9:	Severability

1 Section 1: Declaration of Emergency.

2 WHEREAS, in 1983, the State Legislature adopted Chapter 527 of the Acts of 1983, in
3 which the General Court found and declared that a serious emergency exists within the
4 commonwealth with respect to the housing of a substantial number of the citizens of the
5 Commonwealth. This rental housing emergency created by prolonged increases in housing
6 costs at a rate substantially exceeding increases in personal income, by housing abandonment,
7 and by increased costs of new housing construction and finance has been greatly exacerbated

- 2 -

1 by the effect of conversion of rental housing into condominiums or cooperatives. Currently
2 the combination of a booming housing market with extraordinarily high rental prices and an
3 extremely low vacancy rate makes it extremely difficult for many tenants, including elders,
4 low and moderate income tenants, and tenants with disabilities, to relocate. In order to
5 adequately protect these tenants facing displacement as a result of condominium conversion,
6 they must receive further protection from the consequence of such conversion than the law
7 now affords. The current housing crisis and the threat of displacement as a result of
8 condominium conversion poses a serious threat to the public health, safety, and general
9 welfare of the citizens of the Commonwealth, particularly the elderly, the handicapped, and
10 persons and families of low and moderate income. It is therefore necessary that such
11 emergency be dealt with immediately; and

12 WHEREAS, Section 2 of Chapter 527 of the Acts of 1983 provides that any city or
13 town may, by ordinance or by-law, impose provisions or requirements to regulate for the
14 protection of tenants with respect to the conversion of housing accommodations, as defined
15 therein, to the condominium or cooperative forms of ownership and evictions related thereto
16 which differ from those set forth in Chapter 527, upon a two-thirds vote of the City Council
17 with the approval of the Mayor, and

18 WHEREAS, Section 2 of Chapter 527 of the Acts of 1983 also provides that local
19 legislative action to impose provisions or requirements to regulate for the protection of tenants
20 with respect to the conversion of housing accommodations to the condominium or cooperative
21 forms of ownership and evictions related thereto which differ from those set forth in Chapter

- 3 -

1 527 must be accompanied by a declaration, in the form of findings, that local conditions
2 constitute an acute rental housing emergency requiring local action, on account of the
3 aggravating impact of the facts set forth in Section 1 of Chapter 527; and

4 WHEREAS, prior and subsequent to Chapter 527 of the Acts of 1983, following
5 declarations of emergency by the City Council and the State legislature, the City of Cambridge
6 adopted ordinances for the protection of tenants with respect to the conversion of housing
7 accommodations to the condominium or cooperative forms of ownership and evictions related
8 thereto pursuant to the authority granted to it under its rent and eviction control enabling laws,
9 including Chapter 36 of the Acts of 1976, extending such protections to rent-controlled
10 accommodations; and

11 WHEREAS, during the 1970's over one thousand nine hundred units of rental housing
12 in the City of Cambridge were removed from the rental market due to conversion to the
13 condominium or cooperative form of ownership; and

14 WHEREAS, in August 1979 the City of Cambridge enacted Section 8.44 of the
15 Cambridge Municipal Code which regulated eviction due to condominium conversion; and

16 WHEREAS, as a result of the City's regulation of condominium or cooperative
17 conversion, tenant displacement by reason of condominium or cooperative conversion
18 eviction substantially abated; and

19 WHEREAS, Chapter 282 of the Acts of 1994 provided that rent and eviction
20 protections should continue in effect for certain low-income tenants in rent-controlled units
21 until December 31, 1996; and

- 4 -

1 WHEREAS, Section 3 of Chapter 282 of the Acts of 1994 provides that cities or towns
2 in which rent control authority ended retain their rights under Chapter 527 of the Acts of 1983,
3 to enact local ordinances to provide tenant protections regarding condominium or cooperative
4 conversions and evictions resulting therefrom which may be different from the protections
5 found in Chapter 527 of the Acts of 1983; and

6 WHEREAS, with the adoption of Chapter 282 of the Acts of 1994 and M.G.L. c. 40P
7 eviction protections ended under rent control enabling laws; and

8 WHEREAS, there continues to be a high rate of conversion of rental units to the
9 condominium form of ownership and a sharp escalation in the cost of both rental housing and
10 housing for purchase in the City of Cambridge; and

11 WHEREAS, many of the state and federal housing programs that serve low and
12 moderate income tenants, and elderly and handicapped tenants, are reduced, leaving many
13 households with fewer affordable alternatives if they are displaced; and

14 WHEREAS, the City of Cambridge wishes to adopt legislation which would protect
15 tenants who are in occupancy of units at the time that such units are first converted or
16 individually sold as condominium or cooperative units from displacement due to condominium
17 or cooperative conversion, and provide protections for those tenants while they pursue other
18 housing alternatives; and

19 WHEREAS, the City of Cambridge wishes to insure that future condominium or
20 cooperative conversions comply with all condominium and cooperative conversion laws, that
21 tenants are not constructively evicted from their units because of such conversion, and that

- 5 -

1 where displacement occurs tenants are given proper notice of their rights and options,
2 including the right to purchase their dwelling unit,

3 Now, therefore, the City Council declares, in accordance with Section 2, Paragraph 4
4 of Chapter 527 of the Acts of 1983, that current conditions in the City of Cambridge constitute
5 an acute rental housing emergency requiring action by the City, on account of the aggravating
6 impact of those factors enumerated in Section 1 of Chapter 527 of the Acts of 1983, and
7 because of prolonged increases in housing costs at a rate substantially exceeding increases in
8 personal income, by reductions in state and federal affordable housing programs, and by the
9 effect of conversion of rental housing into condominiums or cooperatives, thus reducing the
10 remaining stock of rental housing and resulting in threats of displacement to existing tenants,
11 particularly those of low- and moderate-income and those who are elderly or who are people
12 with disabilities, and an inability of those tenants to secure comparable replacement housing;

13 The City Council further declares that pursuant to its powers under Section 2 of
14 Chapter 527 of the Acts of 1983, the City of Cambridge hereby establishes certain additional
15 protections for tenants living in housing accommodations which are, or which may in the
16 future be, converted to the condominium or cooperative form of ownership, so as to minimize
17 involuntary displacement as a result of condominium or cooperative conversion and evictions
18 related thereto particularly for those who are elderly, who are people with disabilities, and/or
19 who are of low and moderate income, and the City of Cambridge hereby establishes a
20 regulatory scheme to insure that future conversion of housing accommodations to the
21 condominium or cooperative form of ownership is carried out in compliance with this

- 6 -

1 ordinance, in a manner that avoids constructive or direct tenant displacement except as
2 otherwise authorized by law, and in a manner that gives tenants and designated housing
3 agencies an opportunity to exercise rights to purchase units so as to minimize displacement and
4 to maximize the ability of tenants facing displacement to relocate into suitable replacement
5 housing, that Chapter 8.44 of the Cambridge Municipal Code shall be stricken, and this
6 ordinance shall be adopted in its stead.

7 ***Section 2: Definitions.***

8 When used in this ordinance, unless the context otherwise requires, the following terms
9 shall have the following meanings:

10 (a) *Chapter 527*: The terms "Chapter 527" and "Chapter 527 of the Acts of 1983" shall
11 refer to Chapter 527 of the Acts of 1983, as amended from time to time.

12 (b) *Comparable housing*: Housing of similar size, with similar amenities which would
13 not require a change in school enrollment for minor school age children.

14 (c) *Convert*: The submission of a housing accommodation to the condominium form of
15 ownership by executing and/or recording a master deed or assignment of lease pursuant to
16 chapter 183A of the General Laws; or the act of submitting a housing accommodation to the
17 cooperative form of ownership under articles of organization creating a housing cooperative
18 pursuant to chapter 156B, 157, 157B or any other provisions of the General Laws.

19 (d) *Condominium or Cooperative Conversion Eviction*. An eviction of a tenant for the
20 purpose of removing such tenant from a housing accommodation in order to facilitate the
21 initial bona fide sale and transfer of legal title to that housing accommodation as a

- 7 -

1 condominium or cooperative unit to a prospective purchaser; or an eviction of a tenant by any
 2 other person who has purchased a housing accommodation as a condominium or cooperative
 3 unit where the tenant whose eviction is sought was a resident of the housing accommodation at
 4 the time the notice of intent to convert is given or should have been given as provided in
 5 Section 4 below.

6 For purposes of this ordinance, the word "eviction" shall include, without limitation,
 7 any action by an owner of a housing accommodation which causes substantial deprivation of a
 8 tenant's beneficial use of such housing accommodation, materially impairs such tenant's
 9 beneficial enjoyment of such housing accommodation, or is intended to compel such tenant to
 10 vacate or to be constructively evicted from such housing accommodation.

11 *(e) Condominium or Cooperative Unit:* A unit in a housing condominium as that term is
 12 defined in chapter 183A of the General laws, or a unit in a housing cooperative which has
 13 been organized under the provisions of chapter 156B, 157, or 157B of the General Laws, or
 14 any other provision of the General Laws.

15 *(f) Department:* the Department of Community Development of the City of Cambridge.

16 *(g) Conversion Permit:* A document issued by the Department, pursuant to this
 17 ordinance, which authorizes conversion of housing accommodations to the condominium or
 18 cooperative form of ownership.

19 *(h) Elderly Tenant:* A tenant or tenant household in which at least one member is at
 20 least sixty years of age as of the date of receipt of any Notice of Intent to Convert required by

- 8 -

1 Section 4, or, if no such notice is delivered, the date the tenant exercises any right under this
2 ordinance.

3 (i) *Tenant with Disabilities:* A tenant or tenant household in which at least one member
4 is physically handicapped as defined by Section 13A of Chapter 22 of the General Laws of the
5 Commonwealth of Massachusetts or physically, emotionally or mentally handicapped as
6 defined by 29 U.S.C. Section 706(7)(b), as of the date of receipt of any Notice of Intent to
7 Convert required by Section 4, or, if no such notice is delivered, the date the tenant exercises
8 any right under this ordinance.

9 (j) *Housing Accommodation:* Any building, structure or part thereof or land
10 appurtenant thereto or any other real or personal property rented or offered for rent for living
11 or dwelling purposes, within the City, including without limitation, houses, apartments,
12 condominium units, cooperative units, rooming or boarding house units, and other properties
13 used for living or dwelling purposes, together with all services connected with the use or
14 occupancy of such property, but not including:

15 (i) Housing accommodations which the United States or the Commonwealth of
16 Massachusetts or any authority created under the laws thereof either owns or operates;

17 (ii) Housing accommodations in any hospital, convent, monastery, asylum, public
18 institution, or college or school dormitory operated exclusively for charitable or educational
19 purposes, or in any nursing or rest home for the aged;

20 (iii) Buildings or structures containing fewer than three residential units, except that
21 housing accommodations which together consist of two or more adjacent, adjoining, or

- 9 -

1 contiguous buildings under common legal or beneficial ownership which are used in whole or
2 in part for residential purposes, and which contain three or more units shall constitute a single
3 structure for the purposes of this ordinance; or

4 (iv) Housing accommodations in hotels, motels, inns, tourist homes, and rooming and
5 boarding houses which are occupied by transient guests staying for a period of fewer than
6 fourteen consecutive calendar days.

7 Provided further, that the following housing accommodations shall remain within the
8 meaning of the term "housing accommodation", as defined by Chapter 527 of the Acts of
9 1983, shall be subject to the provisions of Chapter 527, and shall not be subject to the
10 additional provisions or requirements of this ordinance:

11 (i) Housing accommodations constructed, or created by conversion from a non-housing
12 to a housing use, on or after November 30, 1983,

13 (ii) housing accommodations which were constructed or substantially rehabilitated
14 pursuant to any federal mortgage insurance program, without any interest subsidy or tenant
15 subsidy attached thereto; and

16 (iii) housing accommodations financed through the Massachusetts Housing Finance
17 Agency, with an interest subsidy attached thereto, so long as such properties remain subject to
18 such financing.

19 (k) *Housing Services:* Services and facilities provided by an owner or required by law
20 or by the terms of a rental housing agreement to be provided by an owner to a tenant in
21 connection with the use and occupancy of any housing accommodation, including without

- 10 -

1 limitation, services, furniture, furnishings, and equipment; repairs, decorating, and
 2 maintenance; provisions of light, heat, hot water, cold water, telephone and elevator service;
 3 kitchen, bath, and laundry facilities and privileges; use of halls, corridors, stairs, common
 4 rooms, yards and other common areas; maid service, linen service, janitorial service, removal
 5 of refuse, parking facilities, and any other benefit, privilege, or facility connected with the use
 6 or occupancy of any housing accommodation. Housing services to a housing accommodation
 7 shall include a proportionate share of the services provided to common facilities of the
 8 building in which the housing accommodation is located.

9 (l) *Intent to Convert*: The intent to make the initial sale and transfer of title to a housing
 10 accommodation as one or more condominium or cooperative units pursuant to an individual
 11 unit deed or deeds, or, in the case of a cooperative, a proprietary lease. Factors which shall
 12 be considered in determining whether an owner has the intent to convert shall include, but not
 13 be limited to the following:

- 14 (i) the owner has applied for a conversion permit pursuant to Section 4;
- 15 (ii) a master deed or articles of organization has been prepared or recorded;
- 16 (iii) the owner has prepared, or is preparing a purchase and sale agreement for the sale
 17 of any unit in a housing accommodation as a condominium or cooperative unit;
- 18 (iv) the owner has advertised for sale any unit in the housing accommodation as a
 19 condominium or cooperative unit;
- 20 (v) the owner has shown to any prospective purchaser any unit in the housing
 21 accommodation for sale as a condominium or cooperative unit;

- 11 -

1 (vi) the owner has made any communication, written or oral, to any person residing in
 2 the housing accommodation, or to any other person, expressly indicating an intent to sell any
 3 unit as a condominium or cooperative unit;

4 (vii) the owner has had any unit in the housing accommodation measured or inspected
 5 to facilitate the sale of the unit as a condominium or cooperative unit;

6 (viii) the owner has had the land surveyed, an engineering study performed or
 7 architectural plans prepared for the purpose of converting such housing accommodation into
 8 one or more condominium or cooperative units;

9 (ix) the owner has sought rent increases, or proposed rent increases, for the housing
 10 accommodation, in excess of ten percent for the twelve month period prior to the termination
 11 of the tenancy or the commencement of the eviction;

12 (x) an excessive number of evictions, terminations of tenancies, or other deprivations
 13 of use by tenants in the twelve month period prior to the termination of the tenancy or the
 14 eviction; and

15 (xi) the owner is holding units vacant in the housing accommodation with the intent of
 16 facilitating the sale of said units as condominium or cooperative units; provided, however, that
 17 vacancies due to tenant turn-over, or to permit repairs in the ordinary course of business shall
 18 not by themselves be considered as a factor in determining whether an owner has the intent to
 19 convert.

20 (m) *Owner*: The individual who holds title to any housing accommodation in any
 21 manner, including without limitation a partnership, limited partnership, corporation or trust.

- 12 -

1 For purposes of this ordinance, the rights and duties of the owner hereunder shall also be the
2 obligation of anyone who manages, controls, or customarily accepts rent on behalf of the
3 owner.

4 (n) *Low Income Tenant*: A tenant or group of tenants, all of whom occupy the same
5 dwelling unit, whose total income for the twelve months immediately preceding the date of any
6 notice or the exercising of any rights, whichever may occur later, is not more than fifty
7 percent of the adjusted median income for the area as determined by regulations promulgated
8 by the United States Department of Housing and Urban Development pursuant to Section 8 of
9 the Housing Act of 1937, as amended, and calculated pursuant to said regulations.

10 (o) *Moderate Income Tenant*: A tenant or group of tenants, all of whom occupy the
11 same dwelling unit, whose total income for the twelve months immediately preceding the date
12 of any notice or the exercising of any rights, whichever may occur later, is not more than
13 eighty percent of the adjusted median income for the area as determined by regulations
14 promulgated by the United States Department of Housing and Urban Development pursuant to
15 Section 8 of the Housing Act of 1937, as amended, and calculated pursuant to said regulations.

16 (p) *Rent*: The consideration, including without limitation, all bonuses, benefits,
17 gratuities, or charges contingent or otherwise, demanded or received for, or in connection
18 with, the use or occupancy of a housing accommodation, for housing services, or for the
19 transfer of a lease of a housing accommodation.

- 13 -

1 (g) *Rental Housing Agreement*: An agreement, oral, written, or implied, between an
2 owner and a tenant for the use and occupancy of a housing accommodation and for housing
3 services.

4 (r) *Tenant*: A tenant, subtenant, lessee, sublessee, or other person lawfully occupying
5 the housing accommodation.

6 *Section 3: Conversion Permits.*

7 (a) *Applicability*. The provisions of this section shall be in effect until such time as the
8 Department determines that the vacancy rate for housing accommodations in the City of
9 Cambridge exceeds five percent per annum.

10 (b) *Conversion Permit Required*. It shall be unlawful for any owner or other person to
11 convert any housing accommodation to the condominium or cooperative form of ownership,
12 and no such conversion shall be effective, unless the Department has granted a conversion
13 permit. In the event that a unit which the owner seeks to convert is not occupied at the time
14 the permit is sought, the permit review process shall be limited to a determination of whether
15 the landlord engaged in condominium or cooperative eviction pursuant to Section 3(d)(iii)
16 without proper adherence to the requirements of this Ordinance. The Department may
17 promulgate such regulations as are necessary to effectuate the purposes of this section and
18 prescribe, consistent with this section, the procedure for applications, notice, and the grant and
19 review of conversion permits. Issuance of a conversion permit does not relieve any person of
20 compliance with this ordinance or other laws.

- 14 -

1 (c) *Application for and Issuance of Conversion Permits.* Upon submission of an
 2 application that meets the criteria of this section, including a determination that the landlord
 3 did not engage in condominium or cooperative conversion eviction in violation of this
 4 Ordinance, the Department shall issue a conversion permit for each housing accommodation.
 5 The application and a copy of the conversion permit shall be kept on file at the Department
 6 and certified copies shall be available upon payment of a reasonable fee. Such copies shall be
 7 made available without fee to low and moderate income individuals.

8 (d) *Criteria for Approval of Conversion Permits.* An application shall be approved if:

9 (i) The application contains a complete description of the housing accommodations and
 10 the land on which the housing accommodations are located, including:

11 (1) A description of each building, stating the address, the number of stories, and the
 12 number of units;

13 (2) The unit designation of each unit, and a statement of its location, approximate area,
 14 number of rooms and immediate common area to which it has access, and any other
 15 information necessary for its proper identification;

16 (3) A description of the common areas and facilities, and the proportionate interest of
 17 each unit therein;

18 (4) A set of floor plans of the building or buildings, showing the layout, location, unit
 19 numbers and dimensions of the units;

20 (5) A statement of the purposes for which the building and each of the units are
 21 intended and the restrictions, if any, as to their use; and

- 15 -

1 (6) The name, address and telephone number of the owner or lessor, and the name
 2 address and telephone number of any corporation, trust, association or other entity which will
 3 manage the condominium or cooperative upon conversion;

4 (ii) The application contains a list of the names, addresses and telephone numbers of
 5 the tenants in residence in the housing accommodation at the time of the application;

6 (iii) the owner has not, during the twelve month period prior to the date of the
 7 application for a conversion permit, engaged in condominium or cooperative conversion
 8 evictions; and

9 (iv) The owner certifies that he has complied or will comply with the notice, eviction,
 10 rent increase, relocation, right to purchase and other provisions of this Ordinance. Such
 11 certification shall include copies of all notices required to be delivered to tenants of housing
 12 accommodations pursuant to this ordinance.

13 (e) *Information from Tenants.* The Department shall request additional information
 14 from the tenants residing in the housing accommodation subject to an application sufficient to
 15 determine that the owner has complied with the criteria for approval of a conversion permit, as
 16 provided in this section.

17 (f) *Notice of Application for a Conversion Permit:* The owner shall notify each tenant of
 18 a housing accommodation subject to an application that the owner has applied for a conversion
 19 permit, and that the application may be viewed at the offices of the Department during regular
 20 business hours.

- 16 -

1 (g) *Issuance of Conversion Permit; Notice to Tenants:* Upon issuance of a conversion
 2 permit to an owner by the Department, the owner shall deliver to each tenant of all housing
 3 accommodations subject to the permit a notice of issuance of the permit, on a form provided
 4 by the Department. The notice shall state in clear and conspicuous language:

5 (i) that a conversion permit has been granted;

6 (ii) that any tenant residing in the housing accommodation on the date the permit is
 7 issued shall have a period of time which shall be stated in the Notice of Intent to Seek
 8 Possession as provided in Section 5 before which the tenant can be evicted in order to facilitate
 9 sale or occupancy of the unit;

10 (iii) that any tenant residing in the housing accommodation on the date the permit is
 11 issued shall have a right to purchase the accommodation, as provided in Section 4 of this
 12 ordinance; and

13 (iv) a statement of the rights and obligations specified in Sections 5 and 6 of this
 14 ordinance.

15 ***Section 4: Notice of Intent to Convert; Right to Purchase.***

16 (a) *Notice of Intent to Convert.* In addition to any other notice required by this
 17 ordinance, an owner of a housing accommodation must provide a tenant with a Notice of
 18 Intent to Convert prior to the offering of such unit for sale as a condominium or cooperative
 19 unit. Such notice shall state in clear and conspicuous language:

20 (i) that the owner has converted or is seeking to convert the accommodation to a
 21 condominium or cooperative form of ownership;

- 17 -

1 (ii) that any tenant residing in the housing accommodation shall have a right to
 2 purchase the accommodation, as provided in this section; and

3 (iii) that the tenant shall have a right to purchase the housing accommodation on terms
 4 and conditions described in the notice. Said terms and conditions shall be substantially the
 5 same as or more favorable than those which the owner extends to the public generally for the
 6 ninety days following the expiration of the tenant's right to purchase.

7 This notice may be served simultaneously with the notice of permit issuance required in
 8 3(g) above.

9 (b) *Right to Purchase.* (i) *Initial right to purchase.* The tenant may exercise the right
 10 to purchase the accommodation by requesting a purchase and sale agreement from the owner
 11 prior to the expiration of ninety days after the date of receipt of the Notice of Intent to
 12 Convert. The tenant's initial right to purchase shall expire at the end of said ninety days, or
 13 thirty days after receiving a copy of a proposed purchase and sale agreement properly executed
 14 by the owner, whichever is later.

15 (ii) *Second right of purchase.* For any housing accommodation where a tenant does not
 16 exercise the initial right to purchase, the owner shall give written notice to the tenant of any
 17 bona fide offer from a third party to purchase the accommodation which the owner accepts or
 18 is willing to accept. Said notice shall include a proposed purchase and sale agreement stating
 19 the terms and conditions of said offer, and shall notify the tenant of the right to purchase the
 20 accommodation, provided that any purchase by the tenant shall meet or exceed the terms and
 21 conditions of the third party offer. Failure of the tenant to execute the purchase and sale

- 18 -

1 agreement with the owner within fourteen days of receipt of said notice shall terminate all
2 rights of purchase by the tenant. At the request of the owner, the Department, or on the
3 tenant's own initiative, the tenant may voluntarily waive in writing the second right of
4 purchase provided herein, at any time prior to the expiration of the fourteen days. The owner
5 need not comply with the terms of this Section if the price accepted by the owner exceeds the
6 price offered to the tenant under the initial right to purchase.

7 (c) *Notice to the Department of Community Development.* The owner of the housing
8 accommodation shall provide a copy of all notices required by this section to the Department
9 at the time said notices are delivered to the tenant of the housing accommodation. In the event
10 that the tenant does not exercise the initial right to purchase the accommodation, the
11 Department, the Cambridge Housing Authority ("Authority") and any not-for-profit designee
12 of the Department or the Authority, shall have an additional thirty days to purchase the
13 accommodation on the same terms and conditions stated in the Notice of Intent to Convert. In
14 the event that the tenant waives the second right to purchase, as provided herein, the
15 Department may exercise the tenant's second right to purchase and shall have the right to
16 purchase the accommodation on terms and conditions that meet or exceed the third party offer.
17 The provisions in this Section are designed to better enable tenants in residency of a housing
18 accommodation at the time the owner serves or should have served the tenants with a notice of
19 intent to convert to remain in their units through the encouragement of non-profit ownership.
20 (d) *Notice to Subsequent Tenants.* If a tenant who is entitled to receive a Notice of
21 Intent to Convert pursuant to this section vacates the housing accommodation before the initial

- 19 -

1 offer of such accommodation for sale, then the owner shall give each prospective tenant of the
 2 accommodation written notice, prior to the inception of the tenancy, which informs the
 3 prospective tenant that the accommodation is a condominium or cooperative unit, and, if
 4 applicable, that the unit is currently being offered for sale or will be offered for sale within
 5 ninety days of the inception of the tenancy.

6 (e) The owner shall not commence any condominium or cooperative conversion
 7 eviction prior to the expiration of the tenant's initial right to purchase.

8 *Section 5: Notice of Termination of Tenancy for the Purpose of Sale as a Condominium or*
 9 *Cooperative unit; Terms and Conditions of Occupancy; Relocation.*

10 (a) *Notice of Termination of Tenancy:* Prior to the commencement of a condominium
 11 or cooperative conversion eviction, the owner shall provide the tenant with a Notice of
 12 Termination of Tenancy for sale as a condominium or cooperative unit pursuant to Cambridge
 13 Municipal Code ____ (this Ordinance as codified). This notice must inform the tenant of his
 14 or her rights under this Section and shall be served simultaneously with or after the service of
 15 any Notice of Intent to Convert required by Section 4 above.

16 (b) *Period of Notice.* The period of this notice shall not be less than the expiration of
 17 any written agreement between the owner and the tenant, or two years, whichever is greater;
 18 provided however, that for any housing accommodation occupied by a tenant with disabilities,
 19 an elderly tenant, or a low or moderate income tenant, the period of notice shall not be less
 20 than four years.

- 20 -

1 (c) *Terms of tenancy.* During the period of notice required by this section, the existing
2 terms of the tenancy between the owner and the tenant shall remain in effect and shall not be
3 modified except by voluntary written agreement of the parties; provided, that during the period
4 of notice an owner may seek a rental increase in an amount that shall not exceed ten percent
5 per year; provided further that nothing in this section shall limit the right of an owner to any
6 amounts which may be due under a valid tax escalation clause.

7 (d) *Relocation payment.* Any tenant who is entitled to receive notice pursuant to this
8 section, who does not purchase the housing accommodation in which the tenant lives shall,
9 within ten days of vacating said unit, so long as it is within the period of notice specified in
10 this section, be paid by the owner \$1,000 for moving and relocation expenses and \$2,000 for
11 moving and relocation expenses if the tenant is a tenant with disabilities, an elderly tenant or
12 a low or moderate income tenant; provided, however, that upon request of the tenant, the
13 owner shall make such payment in advance of the tenant vacating the housing, to third parties
14 for the purpose of relocating the tenant, in an amount not to exceed the amounts provided in
15 this paragraph.

16 (e) *Housing search assistance.* Where an elderly tenant, a tenant with disabilities, or a
17 low or moderate income tenant is entitled to receive notice pursuant to this section, the owner
18 shall assist the tenant to locate comparable rental housing within the City of Cambridge for a
19 rent which is equal to or less than the rent which such tenant had been paying for the housing
20 accommodation at the time of receipt of the notice, and with a term of occupancy that is no
21 less than the period of notice remaining at the time the tenant receives the offer to rent the

- 21 -

1 comparable rental housing. The refusal of the tenant to accept a reasonable, bona fide offer to
 2 rent comparable rental housing shall terminate the owner's obligation to provide housing
 3 search assistance under this Section.

4 ***Section 6: Condominium and Cooperative Conversion Evictions.***

1 (a) *General Provisions.* No person shall seek or conduct a condominium or
 2 cooperative conversion eviction until the expiration of the periods of time for notice required
 3 by section 5(b) of this ordinance.

4 (b) *Termination of Tenancy and Eviction for Cause During the two to four year notice*
 5 *period.* Notwithstanding the provisions of subsection (a) above, any owner, landlord or other
 6 party in interest may terminate the tenancy of a tenant and may otherwise seek to evict a tenant
 7 of any dwelling subject to the provisions of this ordinance during the time period set forth in
 8 Sections 5(b) and 6(a) above for: (i) non-payment of such rent as may be lawfully imposed
 9 pursuant to section 5; (ii) serious or repeated violations of material terms and conditions of
 10 any rental agreement between the owner and the tenant; and (iii) substantial violation of any
 11 law that imposes obligations on the tenant in connection with the occupancy or use of the
 12 premises.

13 (c) *Notice of Termination of Tenancy for Cause.* No tenancy may be terminated under
 14 the provisions of Section 6(b) above except by such written notice as is otherwise required by
 15 law, or by the terms of a written rental housing agreement between the owner and the tenant.
 16 The notice shall state the grounds for termination of the tenancy with sufficient specificity to

- 22 -

1 enable the tenant to prepare a defense. Any notice of termination shall be delivered to the
2 Department at the time it is delivered to the tenant.

3 *(d) Defenses to Eviction; Presumptions.*

4 (i) Failure to give any notice required by this ordinance, and any other substantial
5 violation of this Ordinance shall be a defense to an action for summary process.

6 (ii) Any action to recover possession of a housing accommodation of a tenant in
7 occupancy at the time of conversion of the property to the condominium or cooperative form
8 or ownership, or at the time of initial bona fide sale of the unit as an individual condominium
9 or cooperative unit, shall be presumed to be a condominium or cooperative eviction where any
10 one or more of the following has occurred:

11 (a) Any dwelling unit in any building or structure in which the housing
12 accommodation is located has been sold as a condominium or cooperative unit;

13 (b) A master deed or articles of organization for the building or structure in
14 which the housing accommodation is located has been duly recorded pursuant to
15 the provisions of Chapters 156B, 157, 157B, or 183A of the General Laws;

16 (c) A master deed or articles of organization for the building or structure in
17 which the housing accommodation is located has been duly recorded pursuant to
18 the provisions of Chapters 156B, 157, 157B, or 183A of the General Laws, or
19 the landlord gives notice of conversion or planned conversion pursuant to this
20 Ordinance within twelve months after an action is brought to recover possession
21 or action is taken to increase the tenant's rent; or

- 23 -

1 (d) In any unit converted to a condominium or cooperative, the landlord has
2 increased or is seeking to increase the tenant's rent beyond the increases
3 authorized by this section unless the landlord establishes his intent is not to
4 facilitate the sale or transfer of the housing accommodation to a prospective
5 buyer.

6 (iii) Additionally, an eviction shall be presumed to be a condominium or cooperative
7 conversion eviction if the owner has the intent to convert as defined herein.

8 (iv) Where a presumption of a condominium or cooperative conversion eviction exists,
9 such presumption may be rebutted by the owner only through clear and convincing evidence
10 that the eviction was not a condominium or cooperative conversion eviction and that the owner
11 had sufficient independent justification for seeking possession or taking other action and
12 would have in fact taken such action, in the same manner and at the same time whether or not
13 the owner intended to sell the unit as a condominium or cooperative. Where the owner is
14 unable to rebut the presumption provided for in this Section, the owner cannot regain
15 possession of the housing accommodation.

16 *(e) Tenant's Petition for a Determination.*

17 Any tenant of a housing accommodation may seek a written determination from the
18 Department that an owner has the intent to convert and seeks to dispossess the tenant in order
19 to facilitate the sale of the unit as a condominium or cooperative. Upon issuance of a
20 determination favorable to the tenant, the owner shall comply with the provisions of this
21 Ordinance. In addition, any rent increases in excess of ten percent paid by the tenant during

- 24 -

1 the six month period prior to the tenant's request for a determination shall be returned to the
2 tenant by the owner.

3 (f) *Intervention by the Department of Community Development.* At the request of a
4 tenant of a housing accommodation, or on its own, the Department may intervene in a
5 summary process action brought by the owner to recover possession of a housing
6 accommodation. Reasons for such intervention could include, but not be limited to, a request
7 for dismissal of the landlord's claim for possession based on findings made by the Department,
8 or a request to stay the summary process proceedings to allow the Department to initiate or
9 conclude administrative procedures which would establish the relative rights and
10 responsibilities of the parties under this Ordinance.

11 ***Section 7: Enforcement.***

12 (a) The Department shall have the authority to promulgate regulations as needed to
13 effectuate this Ordinance.

14 (b) Any owner who willfully violates any provision of this ordinance shall be punished
15 to the maximum extent allowable under St. 1983, c. 527, §5. Each violation of this ordinance
16 shall constitute a separate offense.

17 (c) Any violation of this ordinance by an owner shall not affect the validity of a
18 conveyance of a condominium unit or interest in a cooperative to a purchaser for value who
19 has no knowledge of such violation.

- 25 -

1 (d) the District and Superior Court shall have concurrent jurisdiction over an action
2 arising from any violation of this ordinance, and shall have jurisdiction in equity to restrain
3 any such violation.

4 ***Section 8: Effective Date; Applicability.***

5 (a) Except as provided herein, this ordinance shall be effective upon enactment.

6 (b) Any condominium conversion notices properly issued in accordance with the
7 requirements of St. 1983, c. 527, Section 4 after the expiration of Chapter 36 of the Acts of
8 1976 and prior to the enactment of this Ordinance shall remain in effect and shall not be
9 subject to the provisions of this Ordinance.

10 (c) Where a housing accommodation was first converted to the condominium or
11 cooperative form of ownership prior to the lapse of rent control enabling authority, and as of
12 the effective date of this Ordinance there are elderly, handicapped or low or moderate income
13 tenants remaining in occupancy who resided there at the time of conversion or initial bona fide
14 sale of the housing accommodation as an individual condominium or cooperative unit, such
15 tenants shall be entitled to the benefits of this Ordinance except those set forth in Section 3.

16 (d) The requirements of section 3 shall not be applicable to any housing
17 accommodation converted to the condominium or cooperative forms of ownership on or before
18 the enactment of this ordinance.

19

- 26 -

1 ***Section 9: Severability.***

2 If any provision of this ordinance or the application of such provision to any person or
3 circumstance is held invalid, the validity of the remainder of this ordinance, and the
4 applicability of such provision to other persons or circumstances shall not be affected thereby.
5

Committee Report #3

Committee Report from Vice Mayor David Maher and Councillor Kathleen L. Born, Co-Chairs of the Ordinance Committee for a meeting held on October 18, 2000 regarding the continuing discussion about a proposed ordinance to provide additional protection for tenants in buildings being converted to condominiums.

In City Council November 20, 2000

Placed on the
Table on the motion
of Councillor
Born

In City Council
December 18, 2000
Report accepted. Placed on file
until 7/02
to record reading
4-5-0

C. C. 106

City of Cambridge

MASSACHUSETTS

In City Council 12/18, 2000

Tabled Item #6

YEA	NAY	ABSENT	PRESENT	
				Ms. Kathleen L. Born
✓				Mr. James Braude
✓				Ms. Henrietta Davis
✓				Ms. Marjorie C. Decker
✓				Vice Mayor David P. Maher
	✓			Mr. Kenneth E. Reeves
	✓			Mr. Michael A. Sullivan
	✓			Mr. Timothy J. Toomey, Jr.
	✓			Mayor Anthony D. Galluccio

*4
mailed*

C. C. 106

City of Cambridge

In City Council November 20, 2000

ORDINANCE COMMITTEE MEMBERS

Councillor Kathleen L. Born, Co-Chair
 Vice Mayor David P. Maher, Co-Chair
 Councillor Jim Braude
 Councillor Henrietta Davis
 Councillor Marjorie C. Decker
 Councillor Kenneth E. Reeves
 Councillor Michael A. Sullivan
 Councillor Timothy J. Toomey, Jr.
 Mayor Anthony D. Galluccio

The Ordinance Committee held a public meeting on October 18, 2000, beginning at 4:40 p.m. in the Sullivan Chamber for the purpose of continuing discussion about a proposed ordinance to provide additional protection for tenants in buildings being converted to condominiums.

Present at the meeting were Vice Mayor David Maher and Councillor Kathleen L. Born, Co-Chairs of the Committee, Councillor Jim Braude, Councillor Henrietta Davis, Councillor Marjorie C. Decker, Councillor Kenneth E. Reeves, Councillor Michael A. Sullivan, Councillor Timothy J. Toomey and City Clerk D. Margaret Drury. Also present were Vali Buland, Legal Counsel for the City of Cambridge and John Woods, Housing Division, Community Development Department.

Councillor Born convened the hearing and explained the purpose. She invited a presentation from the proponents.

Dean Johnson, 30 Agassiz Street, began the presentation on behalf of the Laity and Clergy for Affordable Housing and the Greater Boston Interfaith Organization. He emphasized the housing crisis in Cambridge. The current state law provides protections for existing state law, but they are not well enforced. The biggest advantage to the proposed ordinance is local enforcement. In addition, the proposal strengthens the protections where needed.

Ellen Schacter, Cambridge resident and attorney for the Eviction Free Zone, urged members of the committee to voice any concerns about the draft ordinance to enable the issues to be addressed. She noted two important features:

1. The ordinance gives the tenants time; and
2. The ordinance gives the city a right of first refusal to acquire units at market rate to maintain them as affordable housing.

The bill adds no rent protection; nor is it a bill that discourages home ownership. Attorney Schacter then outlined the differences between the proposed ordinance and the current state law. (Attachment A.) She noted that there is room for discussion about the provision that includes rent increases of over 10% as evidence for intention to convert.

Councillor Born then invited a presentation from the opponents.

Skip Schloming, 102 Inman Street, spoke on behalf of the Small Property Owners Association and submitted his testimony in writing (Attachment B). He disagreed with Attorney Schacter's summary of the differences between the state law and the present proposal. The restrictions are so harsh that the proposal is essentially a ban on condo conversion and will drive up the costs of condominiums past what a working family in Cambridge can afford. Penalties for violation are greater than what the present state law provides. The proposal contains a presumption that a rent increase over the cost of inflation is an intent to convert. The proposal goes in the exact opposite direction from that advocated in Cardinal Law's recent report, which recognized that regulations and restrictions all increase the cost of rental housing and thus rents.

Councillor Born invited questions and comments from members of the committee.

Councillor Decker asked if the ordinance prevents condo conversion. Attorney Schacter answered in the negative. The city must issue a permit if the owner has complied with the law.

Councillor Decker then asked what the penalties are under state law. Attorney Schacter said they are meant to be the same penalties as the current state law provides. If there is a difference, the proponents are willing to discuss changes in the proposal.

Councillor Decker said that she has received e-mail from owners who believe this is an outright ban on condo conversion. Skip Schloming stated that the proposed ordinance is a "constructive ban."

Councillor Decker asked what provisions the opponents object to. Mr. Schloming listed the following:

1. Any rent increase over 10% or the rate of inflation, whichever is less, can be evidence of an intent to convert.
2. The ordinance establishes an administrative agency to review any tenant complaint of illegal conversion.

3. The ordinance has ten notice requirements and twenty times the penalties of the state law.

Councillor Decker noted that there are points of agreement - all agree that the state law is important.

Councillor Decker requested that Mr. Schloming provide a written description of where in the ordinance the ten required notices are set out.

Attorney Schacter said that her clients are willing to sit down and have good faith discussions about these issues but they are not willing to waste their time if the opponents intend to oppose any ordinance.

Councillor Born asked Attorney Buland to comment on the differences between the state law and this proposal. Attorney Vali Buland said that the CASL comparison of the differences between the state statute and the proposed ordinance are accurate. However, she noted that the permit system does not exist at all in state law.

Councillor Decker asked what access tenants have to legal representation to enforce the state law rights. Attorney Schacter said that most people in the community have no knowledge that these protections exist. Also, 95% of tenants go to court without representation. The law is so complicated that without an administrative body to assist them to understand, it is very difficult for tenants to utilize the protections of the law.

Mr. Schloming said that he agrees that there is a great need for education of landlords and tenants of what the law requires. He said that the state law sets the burden of proof as preponderance of evidence. However, the proposed ordinance shifts the burden by creating a presumption of intention to convert if there is a rent increase of more than 10%. Attorney Schacter disagreed with Mr. Schloming's interpretation.

Councillor Decker stated that she is convinced that there is a possibility for an agreement on this ordinance. Both sides support the state law. The opponents have stated that several of the changes made by the ordinance are acceptable, for example, decreasing the age of where senior protection begins, including mental disabilities among the list of disabilities that can qualify a tenant for more protection, and increasing the amount of moving and relocation expenses. She also noted the problems with the court system, especially the backlog and lack of representation for lower income people. She said that we all have a local responsibility to preserve the community. She urged continued discussion without inflammatory language.

Councillor Davis said the amount of ignorance about state law is staggering. She urged the Co-Chairs to move beyond presentations to working meetings. She also noted her concern with the administrative structure set up in the ordinance. The City Manager has expressed doubts that the City can administer the ordinance as proposed.

Councillor Davis also expressed her concern with moving to regulate three family buildings which were not regulated under rent control. At the very best, owners of these properties would need to be informed. She urged SPOA to not exaggerate, use inflammatory language or create unnecessary fear.

Skip Schloming said that he is willing to sit down for a rational discussion any time.

Councillor Reeves said that he is more than aware of the numbers of people who have been frightened by SPOA's claims about the proposed ordinance, and the number of people who have been forced out of Cambridge. He said that he is ready for a new conversation in a rational way. He said that he implores the advocates to involve City Councillors to try to reach more agreement.

Councillor Braude asked whether SPOA would support the proposal or be neutral if X, Y and Z are accommodated.

Mr. Schloming said that if his concerns are addressed, he would support the proposal.

Councillor Born moved to public comment.

Bob Tobin, Christ Church, stated that he is a founder and the Chair of Laity and Clergy for Affordable Housing and a member of GBIO task force. He said that he is encouraged by the testimony that there is hope for achieving meaningful protections. He urged support for the ordinance.

Rodney Farnsworth, 590 Putnam Avenue, stated that he is terrified by the proposal. It is much worse than rent control. It covers three family buildings. He said that the city and tenants can buy at market rate any time. They just need to look at the MLS listings. They really want to buy these properties at below-market prices. He also said that he has no problem with a 10% cap on rent increases but the proposal should not be complicated by a CPI clause, etc. The problem with the state law is that it is very complicated and hard to understand. Fix the state law.

Louise Dunlop, 24 McTiernan Street, stated that she is a homeowner, as part of a limited equity cooperative. She expressed her distress at the amount of fear. In the five years this ordinance has been pending, the cost of housing has gone up 50%. She urged the committee to work as quickly as possible. On behalf of the Eviction Free Zone, she expressed willingness to sit down and talk about possible changes.

Dori Kalthoper, 19 Norman Street, said that tenants and the city need time to see if they can find financing to buy the units. She also suggested condensing the number of notices.

Louise Dunlop, 24 McTiernan Street, stated that she is a homeowner, as part of a limited equity cooperative. She expressed her distress at the amount of fear. In the five years this ordinance has been pending, the cost of housing has gone up 50%. She urged the committee to work as quickly as possible. On behalf of the Eviction Free Zone, she expressed willingness to sit down and talk about possible changes.

Dori Kalthoper, 19 Norman Street, said that tenants and the city need time to see if they can find financing to buy the units. She also suggested condensing the number of notices,

Kevin Bradley, 324 Franklin Street, member of the Eviction Free Zone, stated that as a tenant he has found the property owners' testimony insulting.

Washington Taylor, 7 R.C. Kelly Street, stated that he has been a resident for thirty years and is a homeowner. He expressed his strong support of the proposed ordinance.

Alex Steinbergh, 3 Clinton Street, 30-year resident of Cambridge, a property owner, stated that he has a problem with this ordinance and also has a problem with the state law. The primary failure of this ordinance is the permit system. It will cause as much harm as the Rent Control Act. It has aspects of rent control and eviction control. The ordinance provides that the Community Development Department can intervene in nonpayment cases. He said that he would personally prefer an outright condo ban. The city does not have a good track record for regulating property owners. From 1970 to 1994, property owners had no rights.

Mary Leno, 55 Magazine Street, stated that she would like to see a ban on condo conversions. She lives with fear and uncertainty.

Dave Slaney, 237 Norfolk Street, wished that the City Council well in coming up with a consensus. City government should be judged by how it comes to the aid of the most needy, powerless and vulnerable. It is very difficult for tenants to stay in Cambridge in the present real estate market.

Lee Ferris, 269 Norfolk Street, spoke in support of the ordinance. She owns a two-family house and is not afraid of this ordinance. Cambridge needs stability in housing. If you have to choose between tenants and more powerful interests, you have to come down on the side of the tenants.

Councillor Born stated that she and Vice Mayor Maher would like to meet less formally with opponents and proponents to see if more agreement is possible. She summarized the differences she has noted:

1. 10% rent increase as intent to condo conversion;

2. Covering three unit buildings; and
3. Concerns about the permitting process, the ten notifications, the bureaucratic structure.

Vice Mayor Maher thanked all those present for their attendance and participation.

Vice Mayor Maher moved referral of the ordinance to the full City Council while keeping the issue in committee for more discussion if necessary.

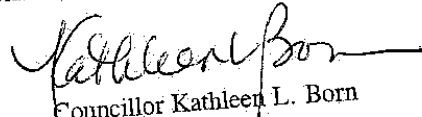
The motion passed on a voice vote without objection.

The meeting was adjourned at 6:27 p.m.

For the Committee,



Vice Mayor David Maher
Co-Chair



Councillor Kathleen L. Born
Co-Chair

001018.OrdinanceCommitteeReport

A

COMPARISON OF EXISTING AND PROPOSED CONDOMINIUM CONVERSION PROTECTIONS

Comparison of condo bills

State Law St. 1983, c. 527

Cambridge Ordinance

Relocation payment	<p>\$750 for tenants over 80% of median income</p> <p>\$1,000 for low income, elderly and disabled</p> <p>Payment in form of reimbursement only</p>	<p>\$1,000 for tenants over 80% of median income</p> <p>\$2,000 for low income, elderly and disabled</p> <p>Monies can be paid in advance if tenant needs funds to move</p>
Rent increases	CPI or 10% per year, whichever is less during notice period only	Should be the same. By mistake currently reads as CPI or 10% whichever is greater
Notice prior to eviction	<p>1 year for tenants over 80% of median income</p> <p>2-4 years for low income, elderly and disabled</p> <p>Evictions only for cause during this period</p>	<p>2 years for over 80% of median income</p> <p>4 years for low income, elderly and disabled</p> <p>Evictions only for cause during this period</p>
Right of first refusal for purchase	Tenant gets right of first refusal for ninety days and landlord cannot sell to others for lower price for following ninety days	<p>Tenant gets right of first refusal for ninety days and landlord cannot sell to others for lower price for following ninety days</p> <p>City, CHA and designated non-profits get a thirty day right of first refusal to purchase if tenant opts not to purchase</p>

Definition of condominium eviction	An eviction of a tenant for the purpose of removing tenant to facilitate sale as condo - includes acts meant to constructively evict a tenant	The same except for clarification that initial sale must be bona-fide
Definition of "intent to convert"	<p>The intent to make the initial sale and transfer of title to a housing accommodation as one or more condominium units....</p> <p>The law then lists seven factors to be looked at when determining intent to convert</p>	<p>Same initial text</p> <p>The Ordinance adds a few additional factors to be looked at when making a determination about intent to convert. These are:</p> <ul style="list-style-type: none"> -owner has applied for a conversion permit -owner sought rent increases in excess of 10% over twelve months prior to termination of tenancy -excessive number of evictions in preceding twelve months -holding units open for purpose of converting to condos

Prepared by Cambridge and Somerville Legal Services on 5/22/00 as a brief overview of existing and proposed condominium conversion protections.

Right of second refusal	None	Tenant, City, CHA or designated non-profit have right to match offer by third-party if lower than the price offered to the tenant under his/her right of first refusal
Permit requirements	None	Permit required for new conversions only. Permit shall be granted so long as landlord complies with the law and submits requested documents
Oversight/Enforcement	None except for individual litigation brought by tenant	Administrative entity which can make administrative determinations regarding tenant protections under the bill and which can assist with enforcement of the Ordinance
Penalties	Fine for violation not less than \$1,000 or imprisonment not less than 60 days	Same
Scope of the law	Applies to buildings of four or more units only when there is the intent to convert or actual conversion	Applies to buildings of three or more units only when there is the intent to convert or actual conversion
Definition of elder	62 yrs of age	60 yrs of age
Definition of tenant with disabilities	includes only physical impairments	includes physical, mental and emotional impairments

B

Small Property Owners Association

SPEAKING FOR THE FAMILIES WHO PROVIDE 75% OF ALL RENTAL HOUSING
P.O. Box 398115 Cambridge, MA 02139 617-354-2358

18 October 2000

To the Ordinance Committee of the Cambridge City Council:

and

To all City Councilors:

RE: Proposed Condominium Conversion Ordinance for Cambridge

1. The proposed ordinance will drive up the cost of Cambridge's most affordable homeownership option. The ordinance's harsh restrictions effectively ban condo conversion. Many working families will be deprived of the chance to own their own home in Cambridge. Only the rich will be able to own their own homes in Cambridge.

2. The proposed ordinance effectively imposes a harsh rent control system, administered by a city agency, on all three-family and larger rental properties in Cambridge. A rent increase greater than the rate of inflation is automatically deemed to be evidence of "intent to condo" and imposes rent control and eviction protection until the issue is adjudicated by the new rent board. The owner is presumed guilty and has the burden of proving that he or she had no "intent to condo." Every eviction will have to first go through the new rent board before going to court. Every rent increase over inflation will require a hearing and determination by the rent board. This is a broader rent control system than Cambridge had before.

3. The current boom in new rental housing construction in Cambridge will be stopped. According to the Assessors Office, since rent control ended, about 600 new apartments have been built or are being built, in projects like Museum Towers, Worthington Place, the two high-rise projects near Lechmere, Bay Street, etc. Ending rent control favored new rental housing construction, not condo construction. With rent control reimposed, this new rental construction will stop, and the availability of apartments for tenants will only be made worse.

4. Regulation is unnecessary because very little condo conversion is occurring in Cambridge. According to the Assessors Office, only 1.7% of multi-family buildings were condoed in the past year, half that amount the previous year, and still less before that. The purpose of the proposed ordinance is to reimpose rent control, not to improve the supply of rental housing or affordable homeownership options in Cambridge.

5. The proposed ordinance will lead to discrimination in rental housing against the elderly, against families, and against low-income tenants. One reason for discrimination against these classes is that they are given the most costly “protections” under the proposed ordinance. But the rent control aspects of the proposal will cause even stronger discrimination against them. To preserve their ability to raise rents on turnover, owners will prefer the most transient tenants possible. Finally, the harsh condo requirements of the proposal are also completely avoided if units are frequently vacated. All these factors introduced by the proposal conspire to cause discrimination against these more vulnerable tenants.

6. Rental vacancies will increase under the proposal. To avoid rent control and/or to keep one’s condo options open, many owners will simply keep rental units vacant. Thus, the proposal, if enacted, would further reduce the supply of rental housing.

7. An existing state law already gives tenants facing condo conversion virtually the same protections in the proposed Cambridge ordinance. When a real condo conversion is occurring, there is very little difference between state law and this condo proposal. The real difference between them lies in the Cambridge proposal’s creation of a city agency as a rent board to adjudicate all claims even where no real intent to condo exists. The state law should be preferred, and tenants and owners should be educated about it.

8. What’s next if this ordinance is enacted? Two-families will be added under its strict regulation. That’s where most condo conversion currently is occurring. That is the next logical step if City Councilors take an anti-ownership stance. And what about condominium owners? Their owner-occupancy rights will also likely become restricted, just as they were under the old rent control system.

Every one of the many housing reports on the current “housing crunch,” including Cardinal Bernard Law’s recent report through Northeastern University, has urged reducing restrictions on rental housing and encouraging the construction of new multi-family housing. This condo proposal goes in the opposite direction.

SPOA will make every effort to educate the citizens of Cambridge on the negative impact this proposed ordinance would have.

We strongly urge the Ordinance Committee and all City Councilors to reject the proposed condo conversion ordinance as a backward step and bad housing policy for the city.

Sincerely,



Lenore Schloming
President

Attachments

A state condo conversion law already exists, with very similar protections for tenants facing real condo conversion.

The principal difference from the state law is that the Cambridge proposal covers three-family properties and establishes a city agency to adjudicate every tenant complaint of "intent to condo," granting rent control and eviction protection throughout the adjudication process.

COMPARISON of the state law and the Cambridge proposal:

Who. The state condo conversion law applies to four-unit buildings and larger. The Cambridge proposal applies to three-unit buildings and larger.

When. The state law requires one complete notice to tenants. The Cambridge proposal requires 10 separate notices to tenants.

Why. The state law defines "intent to convert to condos" very broadly. The Cambridge proposal adds a few more grounds for charging "intent to condo."

Intent to condo. Under the Cambridge proposal, is evidenced by any one of the following: filing a master deed; applying for a conversion permit; preparing a purchase and sale agreement; advertising a unit for sale; showing a unit to a prospective buyer; any communication, written or oral, to any person, expressing indicating an intent to condo; having a unit measured or inspected; having land surveyed, an engineering study performed or architectural plans drawn up; having an annual rent increase over 10% or the Consumer Price Index, whichever is less; having "excessive" evictions, terminations of tenancies, or "other deprivations of use"; holding units vacant. Many of these are also included under the state law.

Tenant rights of action. Under the state law, the tenant must file suit in court if the tenant believes the owner has violated the state law. Under the Cambridge proposal, the tenant can assert "intent to condo" to a city agency, the Community Development Department, charged with enforcing the ordinance. A hearing then ensues during which the tenant gets rent control and eviction protection until the dispute is fully adjudicated by the city, even if the tenant's assertion is wrong.

Rent increases. A rent increase greater than the rate of inflation is automatically deemed as "intent to condo" if the tenant merely brings the case to the city agency. The rent increase cannot go forward until the owner proves NO intent to condo.

Burden of proof. The state law uses the customary standard of "preponderance of the evidence." The Cambridge proposal "assumes guilt" when a tenant accuses an owner of "intent to condo" and places the burden of proof on the owner to prove NO intent to condo. The owner must prove this twice to achieve an eviction order, first before the Cambridge Community Development Department (just as the old rent control board ruled first on evictions). Only if the owner succeeds at the city agency can the case be brought to court, where the owner must once again carry the burden of proof that he or she had NO intent to condo.

Eviction. The state law defines the law-triggering eviction simply as evicting a tenant in order to facilitate sale of a unit as a condo. The Cambridge proposal is much broader. Besides a regular eviction with formal notice to quit, any action an owner does that shows "intent to condo" or that could be interpreted as forcing the tenant to move by some indirect means is presumed to be a "constructive" eviction. Thus, raising a rent over the inflation rate is automatically considered a "constructive" eviction prohibited under the Cambridge proposal, as well as other actions.

Administration. The state law is enforced through the courts, by the tenant filing suit. The Cambridge ordinance would be enforced at all points through the Cambridge Community Development Department (equivalent in power and scope to the old rent control board), by the tenant coming to the city agency with a complaint.

Penalties. The Cambridge proposal is about 20 times more punitive against owners who violate the ordinance. The fines and jail time remain the same, BUT a violation is defined differently. In the state law, a violation is each unit illegally converted. In the Cambridge proposal, a violation is each infraction of the very complex proposed Cambridge ordinance. Thus, if an owner is judged to have made a condo conversion and failed to give the 10 notices required throughout the condo conversion process, that alone imposes a *minimum* of 600 days in jail or \$10,000 fine. There would be other infractions besides failing to give the many required notices.

Permission. The Cambridge proposal requires a conversion permit from a city agency. The state law does not.

Time to move. If there really is a condo conversion occurring, tenants over 80% of median income get one year to move under the state law and two years to move under the Cambridge proposal. Tenants under 80% of median income or elderly or disabled get four years to move under both state law and the proposal. State law is thus fully protective of the most vulnerable tenants. The Cambridge proposal gives one extra year for those tenants who need it least.

Relocation payments. If there really is a condo conversion occurring, relocation payments differ in small ways. Tenants over 80% median income get \$750 under state law, \$1,000 under the Cambridge proposal. Tenants under 80% median income or elderly or disabled get \$1,000 under state law and \$2,000 under the Cambridge proposal.

Housing search assistance. If a condo conversion is really occurring, both state law and the Cambridge proposal require the owner to help find comparable housing in Cambridge for tenants under 80% median income or elderly or disabled. The Cambridge proposal stipulates a minor further requirement: the new housing must be in the same school district if children are involved.

Right to purchase. If a condo conversion is really occurring, the tenant gets one 90-day period in which to buy the condo under state law. Under the Cambridge proposal, the tenant gets a second, 14-day period to buy it. A minor change.

We say “if a condo conversion is really occurring,” because among all tenancies in Cambridge, very little condo conversion is occurring. The largest impact of the proposed ordinance is not when a real condo conversion is occurring. The impact is whenever any tenant files a claim (true or false) that the owner has an “intent to condo” so that the tenant can stop a rent increase or stop an eviction. The ordinance is not about condo conversions. It’s about bringing back rent control on even more properties than the old rent control system affected.

Affected owners are a large group

The old rent control covered about 1,000 buildings and the families who owned them. These larger rental properties had many tenants and relatively few owners.

By dramatically expanding the law to include three-family properties, this condo proposal would cover 2,600 buildings. It about TRIPLES the number of owner families affected. BUT the number of tenants affected in these smaller buildings is few.

With most condo conversion taking place in two-family properties, these two-family owners are quite correct in assuming that they will be next if the City Councilors take an anti-ownership position.

Including two-family properties, the number of properties actually or potentially affected by this condo proposal is over 5,700 buildings and at least twice as many affected owners and adult family members. This large group of owners is six times bigger than the small group of owners who got rid of the old rent control system.

And SPOA will let this large number of owners know exactly who votes for and against this proposed ordinance.

From the Cambridge Assessors Office, current data as of 1-1-2000:

<u>PROPERTY SIZE / CLASS</u>	<u>No. of PARCELS</u> (equals no. of owners <i>proportionately</i>)
Condominiums	8,194
Single-family homes	3,550
Two-family homes	3,120
Three-family homes	1,623
4-to-8 unit buildings	740
9-or-more unit buildings	226
Rooming houses	40

1999 ASSESSORS DATA on condo conversions

The following data is based on computer printouts by City Assessor Sally Powers for condo conversions in 1999, the last full year for which there is complete data.

<u>Building size</u>	<u>No. converted to condos</u>
2-family	39
3-family	32
4-to-8 units	22
9+ units	<u>11</u>
TOTAL BLDGS CONVERTED	104
TOTAL MULTI-FAMILY BLDGS IN CAMBRIDGE	5,813
PERCENT OF BLDGS CONVERTED IN 1999	1.7%
BLDGS CONVERTED 1998	about 50 (approx. estimate by Sally Powers)
PERCENT OF BLDGS CONVERTED IN 1998	0.8%±

Conclusions:

Most condo conversion can be stopped or "protected" only if two- and three-family properties are included under the proposal. These owners, large in number, will simply not tolerate the proposed rent-control-like system.

But very little condo conversion is actually happening. So why regulate it? According to Sally Powers' informal assessment of recent history, very little condo conversion occurred after rent control ended. Developers chose instead to build larger rental apartment complexes, and some 600 new apartments are coming on line now and in the past few years (Museum Towers, Worthington Place, two high-rise projects near Lechmere, Bay Street, etc.). Only in 1998 did a noticeable rise in condo conversions occur, and it still constituted less than 1% of all multi-family buildings. Another upward rise occurred in 1999. But the economy is hot, and once the boom ends, condo conversion will end. Other cities and towns that did not have rent control experienced a surge of condo conversion during the 1980s and then a leveling off of the market. Cambridge can expect the same decline in demand, once basic demand is met. It is foolish to regulate something that will largely slow down by itself, that is already regulated by state law, and that provides the lowest-cost form of homeownership – unless your goal is to return to rent control, hostile anti-ownership policies, and a divided city such as Cambridge once was.

The fine print.

Here are critical excerpts from the latest proposed condo ordinance:

Intent to convert or condo creates presumption. Sec. 6(d)(iii): "...an eviction shall be presumed to be a condominium or cooperative conversion eviction if the owner has the intent to convert as defined herein."

Owner must rebut 'intent to condo' with clear and convincing evidence. Sec. 6(d)(iv): "Where a presumption of a condominium or cooperative conversion eviction exists, such presumption may be rebutted by the owner only through clear and convincing evidence that the eviction was not a condominium or cooperative conversion eviction and that the owner had sufficient independent justification for seeking possession or taking other action and would have in fact taken such action, in the same manner and at the same time whether or not the owner intended to sell the unit as a condominium or cooperative. Where the owner is unable to rebut the presumption provided for in this Section, the owner cannot regain possession of the housing accommodation."

Eviction defined broadly. Sec. 2(d): "For purposes of this ordinance, the word 'eviction' shall include, without limitation, any action by an owner of a housing accommodation which causes substantial deprivation of a tenant's beneficial use of such housing accommodation, materially impairs such tenant's beneficial enjoyment of such housing accommodation, or is intended to compel such tenant to vacate or to be constructively evicted from such housing unit."

Three-family properties included. No owner-occupancy exemption. Sec. 2(j): "Definitions." "**Housing Accommodation:** Any building, structure or part thereof...rented or offered for rent for living or dwelling purposes,...including without limitation, houses, apartments, condominium units, cooperative units, rooming or boarding house units, and other properties used for living or dwelling units,...**but not including:** ... (iii) **Buildings or structures containing fewer than three residential units**, except that housing accommodations which together consist of two or more adjacent, adjoining, or contiguous buildings under common legal or beneficial ownership which are used in whole or in part for residential purposes, and which contain three or more units shall constitute a single structure for the purposes of this ordinance..." [emphasis added]

Intent to convert or condo. Sec. 2(l): "Definitions." "**Intent to Convert:** ...Factors which shall be considered in determining whether an owner has the intent to convert shall include, but not be limited to the following:

- (i) the owner has applied for a conversion permit [as required by this ordinance];
- (ii) a master deed or articles of organization has [sic] been prepared or recorded;
- (iii) the owner has prepared, or is preparing a purchase and sale agreement...
- (iv) the owner has advertised for sale any unit...as a condominium or cooperative unit;
- (v) the owner has shown to any prospective purchaser any unit...for sale as a condominium or cooperative unit;
- (vi) the owner has made any communication, written or oral, to any person residing in the housing accommodation, or to any other person, expressly indicating an intent to sell any unit as a condominium or cooperative unit;
- (vii) the owner has had any unit...measured or inspected to facilitate the sale of the unit as a condominium or cooperative unit;
- (viii) the owner has had the land surveyed, an engineering study performed or architectural plans prepared for the purpose of converting such housing accommodation into one or more condominium or cooperative units;
- (ix) the owner has sought rent increases, or proposed rent increases, for the housing accommodation, in excess of ten percent or the Consumer Price Index, whichever is less, for the twelve month period prior to the termination of the tenancy or the commencement of the eviction;
- (x) an excessive number of evictions, terminations of tenancies, or other deprivations of use by tenants in the twelve month period prior to the termination of the tenancy or the eviction; and
- (xi) the owner is holding units vacant in the housing accommodation with the intent of facilitating the sale of said units as condominium or cooperative units; provided, however, that vacancies due to tenant turn-over, or to permit repairs in the ordinary course of business shall not by themselves be considered as a factor in determining whether an owner has the intent to convert."

Email messages from concerned condo owners

From AVDC21@aol.com Wed Oct 18 11:37:48 2000
 Date: Mon, 9 Oct 2000 16:56:20 EDT
 From: AVDC21@aol.com
 To: agalluccio@ci.cambridge.ma.us
 Cc: newsletter@spoa.com
 Subject: Condo Conversion /all city councilors

Anthony Galluccio,
 Honorable Mayor:

During my 15 years of living in a rent controlled apartment, I saved enough money to put down on my own house. I have been looking in my neighborhood and found the prices too high for me to buy a 2 or 3 unit house. The only thing that I can afford is a condo for my family. I ask all the members of the Cambridge City Council to allow condo conversions process to go on and simplify the process even further. The more condos we have on the market, the lower the prices will remain.

Further, it is true that there are people that need assistance with shelter, food, health insurance, etc. That is the reason why we have Government and we all pay all kinds of taxes. That is the Government's function, to help people in need, with public funds, to which every citizen should contribute in the form of taxes. To deprive small landlords of their legitimate property rights and uses, such as condo conversion, is not only wrong, but also immoral. In the end, we all lose, owners and prospective buyers. Please, leave condo conversions alone so that people, who want to remain in Cambridge, are allowed to do so by allowing them to buy their own condos. The more condos available, the lower the prices.

Sincerely,

Tony Costa

From Avdcn@cs.com Wed Oct 18 11:38:26 2000
 Date: Mon, 9 Oct 2000 17:34:47 EDT
 From: Avdcn@cs.com
 To: newsletter@spoa.com
 Subject: Condo Conversion / all councilors

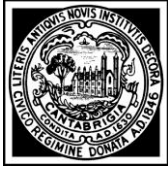
Dear Kathleen:

I have recently bought a new condo, in Cambridge, and I thank God for condo conversions. This is the only way I could afford to buy my own residence, for prices of 2-3 properties are so high.

I strongly believe that there is enough legislation in place to give tenants the protection that they need. Too many regulations handicap many tenants because they make tenants very dependent on government's protection. Those tenants don't save enough money to buy their own home nor do they plan for the future. The new, proposed legislation is unbalanced and unfair to landlords and makes it harder for new owners to buy their own homes for themselves and their families. Please, leave things the way they are and keep bureaucrats out of condo conversion. They usually screw up everything for everybody.

Thank you, for your respectful consideration.

Manuel Fonseca



CITY OF CAMBRIDGE

Community Development Department

BRIAN P. MURPHY

Assistant City Manager for
Community Development

To: Richard C. Rossi, City Manager
From: Brian Murphy, Assistant City Manager for Community Development
Date: July 15, 2014
Re: Policy Order #8 dated June 2, 2014, regarding limited equity cooperative housing

A housing cooperative is a legal structure for housing ownership where multiple units are collectively owned by a corporation. The corporation is made up solely of resident households who own shares in the corporation, and enter into an occupancy agreement that grants them the right to live in their unit. The corporation arranges for management, maintenance, insurance, and common utilities, and obtains any needed mortgage financing under the terms of each corporation's by-laws. Coop residents pay a monthly "carrying charge", similar to rent or a condominium fee. The carrying charge generally includes costs of all common expenses and payments on any bank mortgages on the property.

Limited equity cooperatives are coops in which resident shareholders are subject to share price appreciation limits as well as requirements that shares can only be transferred to income-qualified households. There are currently eight limited-equity cooperatives in Cambridge which include a total of 102 units. Seven of the coops received some financial or technical assistance from the City and now have some oversight by the City. These seven coops contain a total of 46 units. In most cases, City involvement is limited to a requirement that the Community Development Department approve by-law changes and approve transfers of shares to new shareholders. Coop by-laws contain limited equity provisions and restrictions on the sale of the building, while the City also holds additional affordability restrictions on some buildings.

City-assisted limited equity coops

CDD staff work with City-assisted coops when units become available. These limited equity coops see very little turnover. In the past seven years, only five units have turned over. When a unit becomes vacant, the coop selects a new shareholder according to its by-laws which specify marketing and selection requirements. CDD generally assists coops with a vacancy by sending out materials to potential applicants on the City's affordable housing mailing list and publicizing the opportunity.

344 Broadway
Cambridge, MA 02139
Voice: 617 349-4600
Fax: 617 349-4669
TTY: 617 349-4621
www.cambridgema.gov

When a new shareholder has been selected by the coop, CDD reviews the applicant's eligibility based on each coop's specific selection requirements, and signs off on the share transfer. There is a "buy-in price" for each new shareholder. This price is determined by a process outlined in each coop's by-laws. The specifics differ for each coop. Recent share transfer prices have been between \$20,000 and \$33,000.

Financing for Share Transfer "Buy-In"

A share loan for a coop is different than a mortgage loan on a condominium in that there is no real estate pledged as collateral to secure the repayment of the loan. While loans made to assist buyers purchasing condominium units are secured by mortgages, loans to assist shareholders buying into a cooperative typically have only the member's share as collateral.

Coops are therefore very different than condominiums for lenders. In the case of a loan default, a lender would have to look to the value of shares that are often difficult to sell quickly and may require approval from other shareholders. Therefore, banks do not offer loans similar to traditional home mortgages that are secured by coop shares. New shareholders can get a personal loan, which is unsecured and generally has a higher interest rate than a secured mortgage loan.

In some cases, the cooperative corporation may have access to a bank line of credit that allows them to provide loans for a portion of the share buy-in price. The shareholder then makes monthly payments to the coop to both repay the share loan and cover regular carrying charges. This has been the most effective mechanism to finance share purchases in recent years.

The Community Development Department has discussed share loans with lenders and some limited equity coops where shareholders have wanted to offer share loans through the coop. We will remain available to work with coops and lenders to explore how best to assist new shareholders in buying into limited equity coops.

Creation of New Limited Equity Cooperatives

Existing limited equity coops were created using different mechanisms, with most created during the 1980's as a means of allowing tenants to purchase their buildings in compliance with rent controls requirements which made condominium conversion difficult. That was the rationale for using the cooperative ownership structure as a strategy to create affordable resident-controlled housing during rent control. Since the end of rent control, City affordable housing programs have focused on creating affordable

homeownership units in limited equity condominiums instead of limited equity cooperatives. There are several reasons for this.

While the monthly carrying charges for existing limited equity coop units are very low, this is mainly due to the low cost of creating these coops. Property values were much lower when these coops were created, and in some cases were created without the need for subsidy funding. Carrying charges include the payment on shared mortgages, which are also now very low for many coops as they approach 30 years of age.

Developing new limited equity coops today would require a combination of subsidy funding and mortgage debt held by the coop. Overall development costs would be similar to current costs for the creation of other new affordable ownership and rental housing. In ownership projects, the proceeds from the sale of the units are used to cover a significant portion of the costs to create the affordable units. In a new coop with a modest buy-in price, sales proceeds would need to be replaced by a significant mortgage held by the corporation, which would be then be repaid over time through monthly carrying charge payments.

A mortgage carried by a multi-family coop building is more costly than a mortgage loan a first-time condominium buyer would receive. A cooperative corporation might receive a commercial loan with a 20- or 25-year term at approximately 5.5% today. Income-eligible first time homebuyers have access to many special loan products, most notably the state's OneMortgage program, which provides a below-market interest rate, currently approximately 3.75%. Further, while the share transfer buy-in can be prohibitive for new shareholders, the buyers of limited equity condominium units are generally required to put down a minimum of 3% of the purchase price, which is less than \$10,000.

To assist the comparison between developing new limited equity coops vs. new limited equity condominiums, we compared the estimated costs of owning a new limited equity coop versus a new limited equity condominium using costs from a recently completed affordable condominium development. This comparison assumes both the coop and condominium are newly constructed buildings containing ten units with identical development costs. It also assumes that both buildings receive identical amounts of public subsidy. In this model, the condominiums sell for \$180,000 and each coop shareholder makes a \$10,000 "buy-in" contribution:

	Condominium	Cooperative
Total Development Cost	\$4,500,000	\$4,500,000
Public Subsidy Sources	\$2,500,000	\$2,500,000

Unit Sales Proceeds	\$2,000,000	\$0
Coop “Buy In” Proceeds	\$0	\$ 100,000
Permanent Mortgage	\$0	\$1,900,000

As you can see, the coop is carrying a \$1,900,000 mortgage that will require monthly payments. In the condominium, each unit owner will be also have a mortgage. This comparison assumes that each condominium owner makes the minimum down payment of 3%. With these assumptions, the monthly costs can be compared:

	Condominium	Cooperative
Monthly Mortgage	\$898.00	\$0
Monthly Coop Mortgage	\$0	\$1,167.00
Condo Fee/Carrying Charge (excluding mortgage)/ Taxes	\$312.00	\$ 400.00
Total Monthly Cost	\$1,210.00	\$1,567.00

With these monthly costs, an income of approximately \$48,400, or 57% AMI for a family of three, is needed to afford the condominium. An income of approximately \$62,700, or 74% AMI is needed to afford the coop unit. When developing new housing, coops would require more subsidy to create the same affordability as condominiums. It is also not clear if a new cooperative development would be able to obtain subsidy funds; we have not seen new limited equity cooperative developments funded with subsidy funds in many years.

Limited equity resident-controlled housing

The Community Development Department works with residents in limited equity coops and in affordable homeownership units. We assist coop shareholders with calculating share values, marketing units, shareholder selection, assessing and undertaking rehab, and referral to other available programs and assistance. We will continue to support these units to ensure their successful operation and long-term affordability.

The creation of limited equity coops was an important strategy to create affordable resident-controlled housing under rent control, and the existing limited equity coop units are an important component of the City’s affordable housing stock. These coops were created in an environment where rent-controlled multi-family buildings were sold at prices well below the current market for similar buildings. Because these buildings were removed from the private market before the significant market increases in the 1990s and 2000s, they remain a uniquely affordable option in the city.

As market prices have escalated and costs to create new affordable communities have increased significantly, the financial burden for shareholders in any new coops would also have to increase, decreasing the affordability of the units. The limited equity cooperative model is not the best strategy to create new resident-controlled affordable housing in today's environment. New coop units, if feasible to finance and create, would be significantly more costly for shareholders than older, existing units.

We appreciate the City Council's interest in limited equity coops and desire to expand the stock of limited equity affordable housing. We will continue to work with existing cooperatives and residents, and will pay particular attention to financing issues encountered by new shareholders. CDD will also continue to explore opportunities for new affordable housing, however given the advantages of the limited equity condominium model, we recommend we continue to use this strategy for expanding the stock of resident-owned affordable housing.

Boston Tenant Organizing Program

Notice of Funding Availability

January 2017

Community Economic Development Assistance Corporation (CEDAC) is pleased to announce the availability of approximately \$75,000 in funding for the Boston Tenant Organizing Program (BTOP). This program, administered on behalf of the City of Boston's Department of Neighborhood Development, supports tenant organizing activities in privately owned multifamily rental projects located in the City of Boston.

Eligibility Criteria

1. The projects to be supported must contain at least five units of rental housing, be non-owner occupied, and have some low and moderate-income tenants.
2. Applicants must demonstrate in writing that they have the support of the tenants in the property they propose to organize within three months of the award.
3. The property cannot be owned, even in part, by the applicant (or any of its affiliates).
4. The applicant must be a Massachusetts Chapter 180 non-profit organization.
5. Projects that were awarded BTOP funding in FY 2016 are eligible to re-apply for additional funding in FY 2017.

Eligible Uses of Funds Grant funds may only be used to pay for staff costs of the tenant organizing staff. These staff costs must be incurred during FY 2017 (July 1, 2016 through June 30, 2017).

FY 2017 Priority Categories Although the eligible activities are unchanged from previous years, for the current fiscal year, there will be two priorities for BTOP funding:

1. Applicants proposing to conduct organizing in at-risk projects with expiring Section 236 or 13A mortgages.
2. Tenant organizing efforts in buildings located in downtown neighborhoods, like Chinatown, experiencing high levels of potential displacement of low income tenant or conversion to market rate housing.

Application Deadline Complete applications are due by **February 17, 2017**. Rolling applications will be accepted after that date for any unallocated funds.

Maximum Funding Award Funding awards will not exceed \$8,000 per housing project. In addition each applicant may apply for no more than \$35,000 in BTOP funding in FY 2017.

More information about the BTOP program as well as the required application is available on CEDAC's website: <https://cedac.org/housing/about/application-forms-guidelines/>

Residents facing short-term housing crisis get place to turn: Aid fund honoring Rossi

By [Marc Levy](#)

Tuesday, March 7, 2017



Former city manager Richard C. Rossi returns Monday to City Hall for the creation of a housing aid fund in his honor. City councillor David Maher is at right. (Photo: John Hawkinson)

People facing a sudden money crunch that might leave them homeless have a friend at City Hall – at least, he was Monday, as former city manager Richard C. Rossi stopped in for the creation of a housing aid fund in his honor.

With the Richard C. Rossi Housing Assistance Fund in effect, the city's housing director and director of the city's Multi-Service Center will be able to refer for help any case of looming eviction or trouble getting housing when there's a head of a household out of a job but actively looking for work. In addition to rent and security deposits, or mortgage or condominium fees, the fund could step in with help repairing

credit, according to documents released by the City Manager's Office.

Trustees would be able to release funds in flexible amounts, and there is no call in the documents for repayment.

"This is a really needed pot of money in this community. So many times over so many years, I had been in the middle of ... trying to help individuals who were really stuck on housing issues where smaller amounts of money would be of great value to them," Rossi said to councillors during his trip to City Hall to see the fund become a reality. "As you've heard me say many times, I don't think there's anything worse than going home at night worrying about whether you can continue to live in the house you've become accustomed to."

"I hope it serves Cambridge residents who need this kind of service for many, many years," Rossi said of the fund.

Rossi was Cambridge's city manager for a little over three years, but before that had been deputy city manager since 1981. Upon his retirement in the fall, a group called the Friends of Richard Rossi donated the fund's starting amount of \$35,641. The City Council allocated the funds officially Monday, hearing from Assistant

City Manager Lisa Peterson that further injections of money were expected to come from private donations.

“My expectation is that the fund will continue to grow,” said councillor David Maher, who is also president of the Cambridge Chamber of Commerce.

Councillors said they were glad to do their part to get the fund started.

“There are a lot of people in our community living on the edge, week by week, paycheck by paycheck,” councillor Tim Toomey said.

With real estate costs surging regularly, even people who seem like high earners are at risk, vice mayor Marc McGovern said. In a [2015 online survey about income insecurity](#), most made more than \$100,000 annually – and yet half reported having no money to save at the end of the month.

“You have a lot of people that you would think, oh, they make \$125,000 a year – that’s great money if you live in certain communities, but in Cambridge they can’t save anything,” McGovern said. “There are so many more people than we would think who are one paycheck away from being in a very, very different situation. This will go a long way toward helping folks.”



City of Cambridge

Executive Department

LOUIS A. DePASQUALE
City Manager

LISA C. PETERSON
Deputy City Manager

March 6, 2017

To the Honorable, the City Council:

I would like to request that the City Council establish the Richard C. Rossi Housing Assistance Fund (the "Fund"), and that \$35,641.46 in donations received be appropriated into this Fund. The proposed Fund is attached hereto for the City Council's review and approval, together with the proposed Procedures and Guidelines for the Fund.

With the retirement of City Manager Richard Rossi, the Housing Assistance Fund in his name was established through the Friends of Richard Rossi, and donations were received for this fund during the fall of 2016.

The purpose of this Fund is to provide limited emergency financial assistance to residents experiencing difficulty remaining housed Cambridge. Pending availability, the Fund will be used to assist Cambridge residents primarily in the following areas:

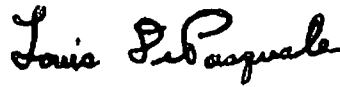
- First month's rent (and, where required, last month's) and security deposit for households needing these funds in order to lease a new unit (e.g. for an inclusionary unit) - funds could supplement funds offered through other sources including the Multi-Service Center;
- Funds for families at risk of foreclosure due to mortgage and/or condo fee arrearages - there are currently no funds available for this which can be a significant issue for lower income homeowners as fees and legal costs can quickly add significantly when an owner falls behind in payments.
- Credit repair - credit can be a big barrier to accessing housing, especially for lower income applicants with poor credit. Access to funds to address (with some limit) credit issues to repair credit could help some applicants who are now denied based on credit; and
- Funds for families at risk of homelessness due to rent arrearages - funds could supplement funds offered through other and/or be offered to households who are not eligible for other funds.

I am very pleased to be recommending the creation of this Fund and I respectfully request that the City Council approve the creation of the Fund in the form attached hereto. As City Manager and Deputy City Manager, Richard Rossi was dedicated to the creation and preservation of affordable housing and



improving access to affordable housing in Cambridge. The Richard C. Rossi Housing Assistance Fund will, in Mr. Rossi's name, continue this commitment by helping residents access new housing and assisting in efforts to keep residents with housing risks suitably housed in Cambridge.

Very truly yours,

A handwritten signature in black ink, reading "Louis DePasquale". The signature is written in a cursive, flowing style.

Louis A. DePasquale
City Manager

LAD/mec
Attachment(s)

City of Cambridge
Richard C. Rossi Housing Assistance Fund

- I. **Establishment of Fund.** There is hereby established a fund to be known as the “Richard C. Rossi Housing Assistance Fund,” which is established in accordance with Massachusetts General Laws Chapter 44, Section 53A, with the approval of the City Manager and the City Council (the “Fund”).

- II. **Purpose and Use of Fund.** The public purpose of the Fund is to provide limited emergency financial assistance to Cambridge residents and households (collectively hereafter “Households”) experiencing difficulty in obtaining housing or remaining housed in Cambridge. Pending availability, the Fund will be used to assist Households, primarily in the following areas:
 - a) First month’s (and, where required, last month’s) rent and security deposit for Households needing funds in order to lease a new unit (e.g. for affordable housing units); such funds could supplement funds offered to Households by or through other sources;
 - b) Funds for use by Households at risk of foreclosure due to mortgage and/or condominium fee arrearages;
 - c) Credit repair for Households with poor credit seeking access to affordable housing units;
 - d) Funds for Households at risk of homelessness due to rent arrearages; such funds could supplement funds offered to Households by or through other sources.

- III. **Governance of the Fund.** The Fund shall be governed by a Board of Trustees, which shall consist of three (3) Ex Officio Trustees: the City’s Assistant City Manager for Community Development, the City’s Assistant City Manager for Human Services and the City’s Budget Director.

- IV. **Distribution and Use of Principal and Income.**
 - a) The principal and income of all contributions received and accepted by the Trustees shall be held by the Trustees and their successors in an account to be established for the Fund (the “Fund Account”) until such time as the Fund may be dissolved, at which time all remaining funds in the Fund Account may be transferred to an established charitable tax exempt organization (with a federal 501 (C)(3) designation under the Internal Revenue Code) that includes housing assistance to low income Cambridge Households as one of its purposes.
 - b) All amounts received by or for the Fund will be deposited with the City Treasurer, who shall have the authority to invest the principal and income of the Fund as he/she deems proper and in accordance with Massachusetts laws.
 - c) The Trustees may from time to time distribute such portion or portions of funds in the Fund Account, be it principal or income, as the Trustees deem to be appropriate and consistent with the purposes enumerated in Section II above;

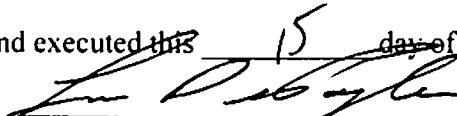
- d) Each award of funds from the Fund Account shall require the favorable vote of at least two (2) members of the Board of Trustees;
- e) The maximum award amount shall be established by a favorable vote of at least two (2) members of the Board of Trustees based upon the amount available in the Fund Account. In no event will the sum of funds awarded from the Fund Account exceed the balance available in the Fund Account.

V. Powers and Operation of the Board of Trustees.

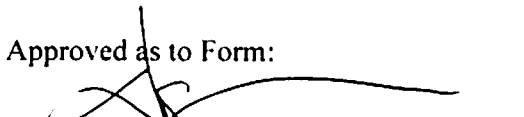
- a) The Chairperson shall be the Assistant City Manager for Community Development, who shall be responsible for convening and conducting Board of Trustees' meetings;
- b) The Board of Trustees shall meet on dates determined by the Chairperson of the Board of Trustees;
- c) A quorum of the Board of Trustees shall be present at each meeting of the Board of Trustees if at least two (2) of the members of the Board of Trustees are present in person;
- d) Except as otherwise herein provided, the Board of Trustees shall act by majority vote of the members of the Board of Trustees present at the meeting. Any action required or permitted to be taken by the Board of Trustees may be taken without a meeting if all members of the Board of Trustees entitled to vote consent in writing to the taking of such action without a meeting. Such written consent shall be treated for all purposes as a vote by the Board of Trustees at a meeting, and shall become part of the records of the Board of Trustees;
- e) The Board of Trustees will establish and at least annually review and periodically revise written rules and regulations for the operation of the Fund and for the Board of Trustees, which may include eligibility requirements for Households assisted by the Fund, amounts of assistance made available to Households, and rules for evaluating and assessing each individual case.

VI. Amendments. Any amendments to this document must be in writing, signed by a majority of the members of the Board of Trustees, and approved by the City Manager and by the City Council.

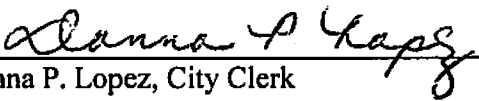
In witness hereof, this document is made and executed this 15 day of March, 2017.

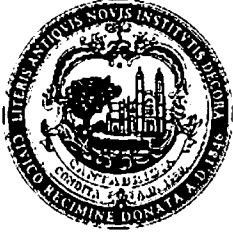

Louis A. DePasquale, City Manager

Approved as to Form:


Nancy E. Glowa, City Solicitor

Approved by vote of City Council on MARCH 6, 2017, certified copy of vote attached hereto:

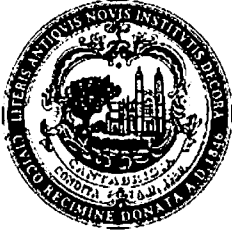

Donna P. Lopez, City Clerk



City of Cambridge

**AGENDA ITEM 2B
IN CITY COUNCIL
MARCH 6, 2017**

ORDERED: That the City council go on record appropriating the donations in the sum of \$35,641.46 to the Richard C. Rossi Housing Assistance Fund.



City of Cambridge

**AGENDA ITEM 2
IN CITY COUNCIL
MARCH 6, 2017**

- WHEREAS:** Former City Manager Richard C. Rossi was a tireless champion for Cambridge residents in need of affordable housing; and
- WHEREAS:** Generous private individuals and organizations in the Cambridge community have in the past and will in the future want to contribute financial support to Cambridge residents who in cases of financial emergency are having difficulty remaining affordably housed in Cambridge; and
- WHEREAS:** The City of Cambridge is authorized by Massachusetts General Laws Chapter 44, Section 53A to accept grants and gifts of funds and to expend those funds with the approval of the City Council and the City Manager for the purposes of the grants and gifts without further appropriation; now therefore be it hereby
- ORDERED:** That the City Council go on record voting to create the Richard C. Rossi Housing Assistance Fund; the purpose of which is to provide limited emergency financial assistance to residents experiencing difficulty remaining housed in Cambridge.

In City Council March 6, 2017.
Adopted by a yea and nay vote:-
Yeas 8; Nays 0; Absent 1.
Attest:- Donna P. Lopez, City Clerk
A true copy:
ATTEST:-

Donna P. Lopez
City Clerk

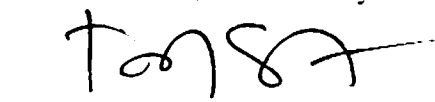
Procedures and Guidelines for Distribution of Funds for Housing Assistance from the
City of Cambridge Richard C. Rossi Housing Assistance Fund

1. Purpose. The purpose of the Richard C. Rossi Housing Assistance Fund (the “Fund”) is to provide limited financial assistance to Cambridge residents and households (collectively “Households”) who are at risk of losing housing in Cambridge. The situation of each Household that may be awarded funds from the Fund will be different and, therefore, these procedures and guidelines are hereby established by the Fund’s Trustees to assist their review and approval of requests for the distribution of these funds.
2. Procedures:
 - a) The City’s Housing Director (“Housing Director”) and the Director of the City’s Multi-Service Center (“Multi-Service Director”) (collectively the “Directors”) shall coordinate the intake and assessment of requests for assistance from Households.
 - b) Using the guidelines below, the Directors shall forward any applications they have reviewed and approved to the Fund’s Board of Trustees pursuant to Section III of the Fund for approval and disbursement.
 - c) The Board of Trustees will discuss the merits and circumstances of any such request and the pending availability of funds, and will take a vote to approve or deny the request. An approval requires a written vote of 2/3rds of the members of the Board of Trustees or better.
 - d) The Directors and the Board of Trustees shall use the following guidelines when conducting their determinations.
3. Guidelines:
 - a) The Household must have the ability to share in the costs of continuing residency in Cambridge;
 - b) The disbursement to any Household from the Fund will be limited so that the Fund’s assets can be used to assist multiple Households;
 - c) The disbursements will be paid directly to the Household’s landlord, credit repair agency, lender, condominium association or other service providers, as may be appropriate and as determined by the Board of Trustees;
 - d) When considering requests for assistance, the Board of Trustees will consider the income, assets and other resources available to the Household.
 - e) Households shall be eligible for assistance no more than twice in a five-year period, or such other period as determined by the Board of Trustees.

These Procedures and Guidelines were approved by a vote of the Board of Trustees on May 23, 2017.


Iram Farooq, Assistant City Manager for Community Development


Ellen Semonoff, Assistant City Manager for Human Services


David Kale, Acting Budget Director



CITY OF CAMBRIDGE • EXECUTIVE DEPARTMENT

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

795 Massachusetts Avenue, Cambridge, Massachusetts 02139

Voice: 617.349.4300 Fax: 617.349.4307 TTY: 617.349.4242 Web: www.cambridgema.gov

December 6, 2004

To the Honorable, the City Council:

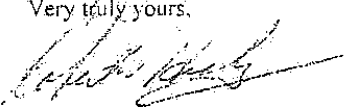
I am extremely pleased to transmit a copy of the first ever written PILOT agreement between the Massachusetts Institute of Technology (MIT) and the City of Cambridge. The agreement is the result of many months of negotiations and cooperation by all parties.

Most importantly, the agreement provides a Revenue Protection component which protects the City's tax base into the middle of this century. As the City Council is aware, MIT is the City's largest taxpayer, paying in excess of ten percent of the commercial taxes levied in the City. The potential for those now taxable properties to be converted to tax exempt was a very serious concern not only to the City, but also to MIT. They have made investments in Cambridge real estate a significant portion of their investment portfolio. The well-being of the City's fiscal health is important to the Institute. This agreement provides for a complicated set of revenue protections so that conversions to tax exempt status would not dramatically impact that fiscal health.

While MIT has made Voluntary PILOT payments for many years, this is the first time that this important commitment has been entered into in writing. President Vest and I signed this agreement at 4:00 pm last Friday, in one of President Vest's last official acts. It is certainly a testimony to the President's commitment to Cambridge. In one of his earliest community benefit actions, President Vest agreed to the site and construction of the building that houses CASPAR's Emergency Services Center. On Friday, he concluded his successful tenure at MIT with the signing of this milestone agreement.

The Massachusetts Institute of Technology should be highly commended for their willingness to commit to the future financial well-being of this great City that they are proudly such an important part of.

Very truly yours,


 Robert W. Healy
 City Manager

 RWH/mec
 Attachment

1. President Vest Letter
2. Executive Summary
3. Executed Agreement



CHARLES M. VEST, PRESIDENT

ROOM 3-208
77 MASSACHUSETTS AVENUE
CAMBRIDGE, MASSACHUSETTS 02139-4307
617-253-0148

December 3, 2004

Honorable Members of the
Cambridge City Council
795 Massachusetts Avenue
Cambridge, MA 02139

Dear Mayor Sullivan, Vice Mayor Decker, and Councillors Davis, Galluccio, Maher, Murphy, Reeves, Simmons, and Toomey:

I am pleased to enclose MIT's new tax protection agreement with the City of Cambridge. As you know, City Manager Bob Healy wrote to me in 2001 after MIT purchased the Technology Square property and made clear his concern about the possibility of MIT one day taking this large parcel off the tax rolls to be used for academic purposes.

In my reply to Bob, I pledged that MIT would develop a mutually satisfactory methodology to help mitigate the financial impact to the City incurred by MIT's legal removal of any property from the tax rolls. Further, I promised that this methodology would be embodied in a new written PILOT agreement.

The City/MIT negotiations leading to the final agreement were complex and took longer than any of us expected. However, the finished product delivers exactly what Bob had asked MIT to provide. The agreement ensures long-term tax protection for the City of Cambridge and includes a 20-percent increase in MIT's annual voluntary PILOT contribution.

In signing the agreement with Bob on the last day of my presidency, I thanked him for his strong stewardship of this wonderful City. I told him how pleased I was that MIT could provide the City with an enhanced ability to manage its budget because of the predictability inherent in the agreement. I am happy to have been able to complete this important effort before the end of my tenure.

I would like to thank all of you for your keen focus on the City's financial health and your direct message to the Institute that this topic must be addressed. I would also like to thank you for our productive work together over these last 14 years. I deeply respect your commitment to this vibrant City and am grateful for the opportunity that I have had to see you in action as you strive to represent all citizens of Cambridge.

With best wishes to all of you,

Sincerely yours,

A handwritten signature in cursive script that reads "Charles M. Vest".

Charles M. Vest

Enclosure

Background Facts for PILOT Announcement**MIT's New PILOT Agreement**

The new 40-year agreement provides long-term tax protection for the City of Cambridge and includes a 20% increase in MIT's base payment in lieu of tax contribution, as well as an annual 2.5% escalator (see attached terms).

In the course of the 40-year agreement, MIT will pay the City a minimum of \$101.4 million in PILOT contributions.

The City will have an enhanced ability to manage its finances because of the predictability inherent in the agreement.

MIT's Financial Contributions to the City of Cambridge

MIT's FY 2004 real estate tax payment to Cambridge was \$23,487,606 (see attached charts of top ten taxpayers in Cambridge, and PILOT and real estate taxes 1995-2004).

Factoring in voluntary PILOT contributions and city fees and permits, MIT paid a total amount of \$30,699,692 to the City in FY 2004 (see attached chart of payments to the City of Cambridge).

MIT's "Cambridge First" purchasing policy resulted in the purchase of \$39,519,046 in goods and services from City-based vendors in FY 2004.

MIT is involved in several major public improvement projects within the City. The Institute's contributions to these public projects add up to over \$18.9 million since 2000 (see attached chart of Public Benefit Contributions).

MIT's Impact on the Cambridge Economy

There are at least 74 biotech firms located within a mile of the MIT campus. These companies have chosen to be near MIT in large part to have access to MIT's community of researchers and academicians.

MIT is the second largest employer in Cambridge with 7114 employees (see attached chart of 25 Cambridge employers).

When MIT invests in property for commercial purposes, the real estate tax payments increase as the institute enhances the property for tenants. For example, the 2001 taxes paid by MIT on Technology Square, One Broadway, 640 Memorial Drive, and 28 Osborn Street was \$3,272,156. After tenant improvements, these same properties paid \$8,779,539 in taxes in 2004 (a 37 % increase). See attached summary of MIT real estate taxes 2000-2004.

MIT owns 157 tax-exempt acres that are used for educational purposes. This represents 4.66 % of the City's total land area. In total, the Institute owns 241 acres of land.

**Massachusetts Institute of Technology, Office of the Senior Counsel
Attorney-Client Privileged Communication**

**FINAL MIT-Cambridge PILOT Agreement
Key Business Terms
December 2, 2004 Executive Committee Meeting**

1. An up to 40-year Term (in 10 year increments, automatically extending unless MIT notifies the City of non-extension).
2. During the Term, an annual base payment in lieu of taxes for existing exempt property. In FY05, the base payment is \$1,254,000 (the FY04 voluntary payment plus 2.5%) and a permanent base payment increase of \$250,000, for a total base payment of \$1,504,000.
3. An escalation of the base payment of 2.5% per year each year during the Term, beginning in FY06.
4. A tax protection period of 40 years for each taxable property converted to a tax exempt property during the Term. The 40 year tax protection period begins in the year when a property first becomes exempt from taxes and continues (even beyond the Term) for 39 additional years. Each property has its own tax protection period.
5. Protection in the form of an additional payment in lieu of taxes made annually during the tax protection period for each taxable property that is converted from taxable to tax exempt during the Term. The additional payment is equal to the regular tax payment owed on the property in the year of the property's conversion from taxable to tax exempt ("conversion year taxes"). The payment is made in the first year when the exemption becomes effective and escalates thereafter at 3% per year.
6. The additional payment may be offset and eliminated or reduced under the following allowances:
 - a. Subject to a phase-in period (see 6.b below), taxable properties collectively representing 2.5% of the City's total tax levy may be converted to tax exempt property during the Term (including extension periods) without additional payments being owed;
 - b. During each of the first three years of a four year phase-in period, a portion of the conversion year taxes is owed for property as if the 2.5% allowance did not exist (i.e., 100% of the conversion year taxes are owed in the first year, 66.67% in the second year, 33.33% in the third year, and, in the fourth year, the full allowance is applied and can eliminate the additional payment entirely or reduce it, depending on how much of the allowance remains);

- c. Properties converted from taxable to tax exempt in any given year cannot represent taxes exceeding 0.5% of City's total tax levy for that year.
- 7. Credit (increase of the then existing allowance) when exempt property is converted to taxable property, allowing conversions to taxable property to offset conversions to tax-exempt property with no additional payments, provided there is no net adverse effect on the City's tax base.
- 8. Credit for early advance notice on properties to be removed from tax rolls (shorter or no transition payment period, depending on timing of notice).
- 9. Tax relief for a portion of any taxable property on which student housing or public open space is created, with the qualification for and amount of the relief to be equitably agreed upon by MIT and the City Manager.
- 10. Credit (increase of the then existing allowance) for public improvements above and beyond those typically required of other development projects in the City to be agreed upon by MIT and the City Manager.
- 11. Mutual termination rights for specified causes, with agreement or dispute resolution determining whether cause exists.
- 12. Disputes to be resolved by mediation and, if that fails, by litigation or, at either party's option prior to the close of evidence, by binding arbitration.
- 13. The City agrees to use best reasonable efforts to defend any third-party challenge of the agreement's validity against the City. MIT similarly agrees if a third party challenge is filed against MIT.

CITY OF CAMBRIDGE
10 LARGEST TAXPAYERS
Fiscal Year 2004 (1)

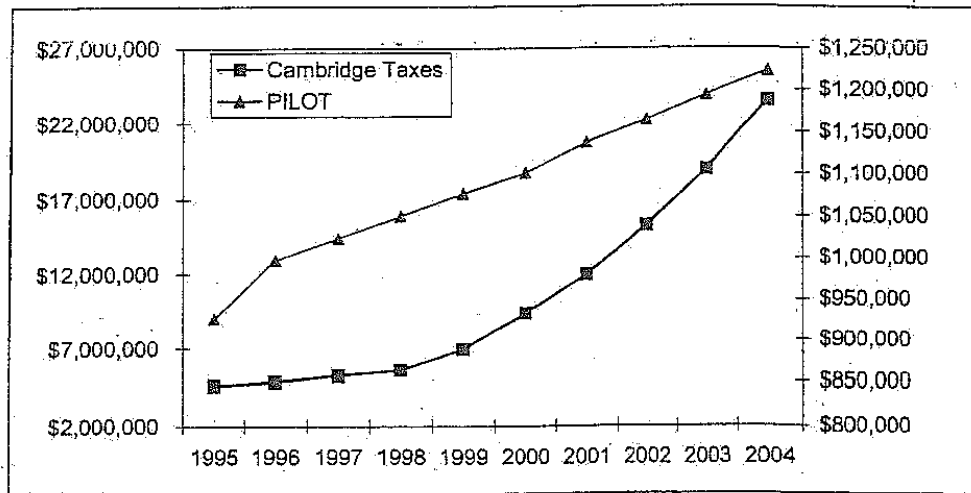
Owner	Nature of	Assessed Valuation	Amount of Taxes	% of Total Tax Levy
Mass. Institute of Technology.....	Business Educational	\$1,221,886,000	\$22,209,847 (1)	10.60%
Boston Properties.....	Commercial	374,520,900	7,145,859	3.41%
Lyme Properties.....	Commercial	303,850,700	5,703,775	2.72%
Equity Partners.....	Commercial	221,228,500	4,221,040	2.01%
One Kendall Square LLC.....	Commercial	198,930,100	3,768,474	1.80%
Riverfront LLC.....	Commercial	191,337,400	3,665,718	1.75%
Presidents and Fellows of				
Harvard College.....	Educational	260,220,900	3,127,956 (2)	1.49%
The Bulfinch Company.....	Commercial	149,250,600	2,847,701	1.36%
New England Development.....	Commercial	142,429,600	2,717,557	1.30%
G. E. Capital Investment Advisors.....	Commercial	114,271,000	2,180,291	1.04%
Total.....		3,177,925,700	57,588,218	27.48%

(1) As of January 1, 2003.

(2) Excludes in lieu payments on exempt property.

Source: City Department of Finance.

	Cambridge Taxes	PILOT
1995	\$4,564,082	\$926,479
1996	\$4,788,740	\$996,571
1997	\$5,155,707	\$1,023,571
1998	\$5,486,564	\$1,049,571
1999	\$6,911,353	\$1,076,571
2000	\$9,372,095	\$1,100,571
2001	\$11,927,466	\$1,137,000
2002	\$15,229,701	\$1,164,000
2003	\$18,930,865	\$1,193,000
2004	\$23,487,606	\$1,223,000



*2004 Annual Town Gown Report***F. PAYMENTS TO CITY OF CAMBRIDGE:¹⁶**

	FY 01	FY 02	FY 03	FY 04
Real Estate Taxes Paid ¹⁷ :	\$11,927,466	\$15,229,701	\$18,930,865	\$23,487,606
Payment in Lieu of Taxes (PILOT):	\$1,137,000	\$1,164,000	\$1,193,000	\$1,223,000
Water & Sewer Fees Paid:	\$3,649,629	\$3,715,171	\$4,739,167	\$4,235,501
Other Fees & Permits Paid:	\$2,501,324	\$3,829,294	\$2,909,611	\$1,753,585
TOTAL PAYMENTS	\$19,215,419	\$23,938,166	\$27,772,643	\$30,699,692

Cambridge First Purchasing Policy	\$37,890,431	\$41,387,889	\$34,940,041	\$39,519,046
-----------------------------------	--------------	--------------	--------------	--------------

¹⁶ Fiscal Years for the City of Cambridge begin on July 1 and end on June 30 of the following year.

¹⁷ Includes real estate taxes paid on MIT-owned property, taxes paid on MIT-owned property by University Park and 100 Memorial Drive, and real estate taxes generated by Independent Living Groups.


Revised 1-Dec-04

MIT Public Benefit Contributions 2000-2004

Cambridgeport Roadways	\$	3,000,000	
Storm Drain Agreement	\$	3,000,000	
Vassar Street East	\$	11,050,000	
Memorial Drive Traffic Signals			
Wadsworth Street and Endicott Street	\$	1,200,000	
Massachusetts Ave./Memorial Drive			
Cash Contribution	\$	565,000	
In-kind Contribution	\$	100,000	
Total	\$	18,915,000	
Vassar Street West	\$	15,915,000	Planned for 2005 start

2004 Top 25 Employers - Cambridge Massachusetts

http://www.cambridgema.gov/~CDD/data/labor/top25/top25_2004

Home City Council Mayor's Office Departments Payroll Jobs Calendar City Home Search GO				
 The Department of CAMBRIDGE COMMUNITY DEVELOPMENT				
Divisions & Programs Department Home Page Community Planning Economic Development Environmental and Transportation Planning Housing Community Development Block Grant Lead Safe Cambridge				
Top Links About the Department Popular Services Community Calendar Contact Us Demographics Housing Services Planning Board Agenda Publications Zoning Ordinance and Map Site Map About This Web Site				
Top 25 Cambridge Employers: 2004 Select an employer's name and you will go to the careers page on that organizations website.				
2004 Rank	NAME OF EMPLOYER	BUSINESS	2003 Rank	EMPLOYEES ¹
1	HARVARD UNIVERSITY	HIGHER EDUCATION	1	10,142
2	MASSACHUSETTS INSTITUTE OF TECHNOLOGY	HIGHER EDUCATION	2	7,314
3	CITY OF CAMBRIDGE ²	GOVERNMENT	3	3,196
4	CAMBRIDGE HEALTH ALLIANCE	MEDICAL	4	1,766
5	MELROSBURN HOSPITAL	MEDICAL	7	1,760
6	FEDERAL GOVERNMENT	GOVERNMENT	5	1,614
7	BIODEN IDEC	BIOTECHNOLOGY	6	1,597
8	MILLENNIUM PHARMACEUTICALS	BIOTECHNOLOGY	8	1,475
9	GENZYME CORPORATION	BIOTECHNOLOGY	9	1,100
10	DRAPER LABORATORY	RESEARCH and DEVELOPMENT	10	970
11	WYETH CAMBRIDGE	BIOTECHNOLOGY	11	748
12	GUEST DIAGNOSTICS	CLINICAL TESTING SERVICES	16	741
13	COMMONWEALTH OF MASSACHUSETTS	GOVERNMENT	13	620
14	NOVARTIS INSTITUTE FOR BIOMEDICAL RESEARCH ³	BIOTECHNOLOGY	NA	593
15	CAMP, DRESSER, and MCKEE	ENGINEERING CONSULTANTS	14	582
16	AKAMAI TECHNOLOGIES ³	INTERNET	31	589
17	LESLEY UNIVERSITY	HIGHER EDUCATION	15	541
18	WHOLE FOODS/ BREAD and CIRCUS	RETAIL SUPERMARKET	19	515
19	SHAW'S SUPERMARKETS/ STAR MARKET	RETAIL SUPERMARKET	20	510
20	WHITEHEAD INSTITUTE	RESEARCH and DEVELOPMENT	12	500
21	VERTEX PHARMACEUTICALS	BIOTECHNOLOGY	18	491
22	EF INTERNATIONAL	TRAVEL and EXCHANGE PROGRAMS	21	475
23	GRACE CONSTRUCTION	CONSTRUCTION PRODUCTS	17	424
24	ART ASSOCIATES	MANAGEMENT CONSULTING	22	415
25	MONITOR GROUP	MANAGEMENT CONSULTING	24	413
TOTAL:				38,961
¹ All figures collected between 7/04 and 10/04. All figures reflect employment within the City of Cambridge. Whenever possible, totals are based on Full Time Equivalents (FTEs). Part time workers were counted as 0.5 FTEs, unless otherwise indicated by employer response. ² City of Cambridge figures include School Department employees. ³ Not on 2003 Top 25 list. Akamai Technologies was among the Top 25 Employers at various times in the past. Novartis is new to the list, having relocated its research and development headquarters to Cambridge within the past two years. ⁴ Employers dropped from list since 2003 include Youville Hospital and Marriott. Source: Cambridge Community Development Department and cited employers, 2004.				

MIT Cambridge Real Estate Taxes

	2000	2001	2002	2003	2004
Direct Payments					
Technology Square	-	1,405,007	3,190,990	4,292,670	5,825,160
28 Osborn Street	169,168	180,859	157,992	416,414	1,192,048
One Broadway	791,715	846,421	993,510	1,015,699	934,204
640 Memorial Drive	785,925	839,869	906,900	900,149	828,127
Other Cambridge Properties	3,265,870	3,526,099	3,596,377	3,934,005	4,187,272
Total Direct Payments	5,012,678	6,798,255	8,845,769	10,558,938	12,966,811
Indirect Payments					
University Park Payments	4,345,026	5,070,955	5,968,301	8,035,106	10,520,795
Total Indirect Payments	4,345,026	5,070,955	5,968,301	8,035,106	10,520,795
Grand Total Real Estate Taxes	9,357,704	11,869,210	14,814,070	18,594,044	23,487,606

AGREEMENT

This Agreement ("Agreement") is made and entered into as of July 1, 2004 ("Effective Date") by and between the Massachusetts Institute of Technology, a Massachusetts not-for-profit corporation ("MIT"), and the City of Cambridge, a municipal corporation organized under the laws of The Commonwealth of Massachusetts ("City"). Capitalized terms not otherwise defined in this Agreement shall have the meanings given them in Exhibit A, which is attached to and incorporated in this Agreement.

PREAMBLE

WHEREAS, the City and MIT have many interests in common, and, consequently, they seek to achieve shared goals for their mutual benefit;

WHEREAS, the City represents an economically, ethnically, racially, technologically, and intellectually diverse and culturally rich community with many important needs; and the City provides valuable services and leadership to all of its citizens;

WHEREAS, MIT is one of the City's major institutional citizens, and takes the responsibilities of its citizenship seriously, even beyond its legal obligations;

WHEREAS, the presence of MIT in the City contributes materially to the City's quality of life and economic vitality, because MIT is a world renowned institute of higher education and scientific research, a major employer, and a catalyst and resource for business, cultural, educational, charitable, commercial, and research activities and advancement;

WHEREAS, in addition to its other contributions, MIT has been making certain voluntary payments to the City in connection with MIT's tax-exempt properties for many years;

WHEREAS, it is in the best interests of the City's residents and MIT's employees and students – a large number of whom are City residents – that the City and MIT continue to work together closely on matters of mutual interest and concern;

WHEREAS, the City and MIT seek to confirm their shared commitment to the present and future well-being of both the City and MIT; and MIT seeks to continue to appropriately contribute to the quality of life in Cambridge; and

WHEREAS, for the reasons stated above, and pursuant to the terms of this Agreement, the City and MIT have agreed that MIT will increase its voluntary direct financial support of the City in circumstances in which MIT would not otherwise be obligated to pay real property taxes to the City under applicable law, which direct financial support, in addition to other economic enhancements provided by MIT as summarized above, will help protect the City's existing property tax revenue base;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, MIT and the City agree as follows:

Execution Copy – December 1, 2004

1. **MIT Commitment to Increased Annual Contribution to the City.** In each fiscal tax year during the periods set forth in this Section, MIT shall make a direct financial contribution to the City (the "**Annual Contribution**"), and the City shall accept the Annual Contribution in full satisfaction of MIT's obligations to make payments to the City under this Agreement and/or applicable law (whether now in effect or, subject to Section 4, hereafter amended or adopted) on account of real property used for Exempt Purposes. During the Term, the **Annual Contribution** shall consist of the sum of (i) the "**Base Contribution**" more particularly described in Section 2 below, and (ii) any "**Additional Annual Contribution**" more particularly described in Section 3 below; and after the Term during the balance of any Tax Protection Period(s) defined in Section 3 below, the Annual Contribution shall consist of any Additional Annual Contribution. MIT, in connection with the payment to the City of each Annual Contribution, shall submit a signed report showing the calculation of such Annual Contribution in the form of **Exhibit B**, which is attached to and made a part of this Agreement.

2. **Increasing Base Contribution To Be Made By MIT.** The "**Base Contribution**" shall be an annual total lump sum amount to be paid by MIT to the City pursuant to this Agreement by the 20th day of June of each fiscal tax year during the Term beginning in fiscal tax year 2005. For fiscal tax year 2005, the total Base Contribution shall be equal to One Million Two Hundred Fifty-Four Thousand and 00/100 Dollars (\$1,254,000.00) plus Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000) (which sum is based on MIT's prior practice of making voluntary base payments plus a lump sum increase in the base) for a total of One Million Five Hundred Four Thousand and 00/100 Dollars (\$1,504,000.00). Beginning with fiscal tax year 2006, and continuing throughout the Term, the amount of the Base Contribution shall be increased annually by two and one half percent (2.5 %) over the Base Contribution for the prior fiscal tax year.

3. **Additional Annual Contribution To Be Made By MIT During the 40-Year "Tax Protection Period".** In the event at any time, and from time to time during the Term, that either (i) MIT acquires for an Exempt Purpose an interest in real property located in the City that, prior to the time of such acquisition, is subject to real property taxation or (ii) MIT changes the use of real property owned by MIT that is prior to the time of such change of use subject to real property taxation, and (iii) thereafter MIT uses such property for an Exempt Purpose (the events in clause i or ii and clause iii above, when occurring during the Term, being a "**Conversion**"), then upon each such Conversion, beginning in the first full fiscal tax year in which such property is exempt from taxation, provided that fiscal tax year occurs during the Term and subject to the other provisions of this Section 3 below, MIT shall make an additional annual contribution to the City equal to the regular real property taxes owed to the City on such property for the fiscal tax year of its Conversion (such amount being the "**Additional Annual Contribution Per Property**" applicable to that property in the first full fiscal tax year in which it is exempt from taxation after its Conversion). Beginning in the second full fiscal tax year in which such property is exempt from taxation as a consequence of its Conversion, and continuing thereafter for 38 full fiscal tax years (the first full fiscal tax year in which a property that is subject to Conversion becomes exempt from taxation during the Term, plus the 39 fiscal tax years thereafter, being the 40-year "**Tax Protection Period**" relevant to that property), the amount of the Additional Annual Contribution Per Property for that property shall be increased annually by three percent (3%) over the amount of such Additional Annual Contribution Per Property for the previous fiscal tax

year; provided, however, that any such Additional Annual Contribution Per Property shall increase as specified in this sentence, only if (without taking into account the effect of the "Phase In Period" referenced below) there is no "Limited Deduction Allowance" (defined below) applicable to the relevant property in the first year of the property's Tax Protection Period, and shall continue only as long as, and to the extent that, the relevant property is used by MIT, at its option, for Exempt Purposes.

The sum of all Additional Annual Contributions Per Property for a particular fiscal tax year is referred to as the "Additional Annual Contribution" for such fiscal tax year and, subject to any offset under other provisions of this Section 3 below, shall be paid by MIT to the City in its Annual Contribution by the 20th day of June of each fiscal tax year for which payment is due. Unless and until such time as any real property owned or acquired by MIT is in fact used for Exempt Purposes, it shall continue to be taxable to the extent then taxable under Massachusetts law.

The parties recognize that MIT owns commercial, taxable properties in the City of Cambridge, which tax-paying properties MIT purchased with the expectation that they may be subject to Conversion by MIT and tax exemption over time, and that such Conversion and tax exemption is MIT's legal right. The parties further recognize, although MIT's presence and tax exempt uses and activities in the City provide significant economic benefits, including the attraction of taxable uses, residents and consumers to the City, that MIT wishes to provide predictability and stability for the City's property tax base. For all of these reasons, the City and MIT agree that limited Conversions and tax exemptions may occur without, or with reduced, Additional Annual Contributions Per Property being made during the relevant Tax Protection Periods. The determination of those Conversions and resulting tax exemptions that may occur without, or with reduced, Additional Annual Contributions Per Property being owed, shall be based on the "Available Allowance Percentage" (as defined in this Section 3 and Exhibit C, attached to and incorporated in this Agreement) at the time of a property's Conversion, and the "City's Total Tax Levy" (as defined in Exhibit A) for that fiscal tax year. The "Available Allowance Percentage" as of the Effective Date is 2.5% and, as described in detail in Exhibit C, the Available Allowance Percentage shall be reduced each time any portion of it is used to derive the "Limited Deduction Allowance" that is applicable to a property which is subject to Conversion and becomes exempt from taxation during the Term. The Available Allowance Percentage shall also be adjusted as provided in clauses v, vi, and ix below.

The "Limited Deduction Allowance" that is applicable to any particular property under this Agreement, is defined as an amount equal to the Available Allowance Percentage (at the time of that property's Conversion) multiplied by the then current amount of the "City's Total Tax Levy" for the fiscal tax year of that property's Conversion as more particularly defined and calculated in Exhibit C. Each property that is subject to Conversion and becomes exempt from taxation during the Term, has a different Available Allowance Percentage and, consequently, a different Limited Deduction Allowance as more fully described and calculated in Exhibit C. Subject to the provisions and limitations (including phase-in requirements) set forth below, each year during the Tax Protection Period applicable to a property under this Agreement, MIT may deduct the Limited Deduction Allowance applicable to that property from, and thereby fully offset and eliminate or reduce, the Additional Annual Contribution Per Property applicable to that property. Notwithstanding any other provision of this Agreement, if in the first year of a

property's Tax Protection Period (without considering the effect of the "Phase In Period" described below) the Additional Annual Contribution Per Property that is applicable to the property under this Agreement (i.e., the amount of regular real property taxes owed on the property in the fiscal tax year of its Conversion) is fully offset and eliminated by the Limited Deduction Allowance applicable to that property, then, except only during "Year One" through "Year Three" of the "Phase In Period" (as more specifically provided in clauses i through iii below), MIT shall not owe any taxes, Additional Annual Contribution Per Property, or other payments on that property under this Agreement for so long as that property is used for Exempt Purposes. The provisions of this Agreement governing payment of each Additional Annual Contribution Per Property and deduction therefrom of the applicable Limited Deduction Allowance during the applicable Tax Protection Period shall, except as provided in Sections 4 and 6(b), survive the expiration or earlier termination of this Agreement.

In order to provide additional predictability and stability for the City, any Additional Annual Contribution Per Property, Available Allowance Percentage and Limited Deduction Allowance applicable to a property under this Agreement shall be subject to the following limitations (including phase-in provisions) and other terms (collectively, "Adjustments"):

i. Year One of Phase In Period: During the first year of a property's Tax Protection Period ("Year One of the Phase In Period"), MIT shall pay the City the full amount of the relevant Additional Annual Contribution Per Property (i.e., the amount of regular real property taxes owed on the property in the fiscal tax year of its Conversion), without any deduction of the applicable Limited Deduction Allowance.

ii. Year Two of Phase In Period: During the second year of the property's Tax Protection Period ("Year Two of the Phase In Period"), MIT may deduct a portion of the applicable Limited Deduction Allowance from and reduce the relevant Additional Annual Contribution Per Property, so long as MIT shall pay the City the greater of (a) 66.67% of the relevant Additional Annual Contribution Per Property for the subject property (i.e., 66.67% of the amount of regular real property taxes owed on the property in the fiscal tax year of its Conversion), or (b) the amount equal to such Additional Annual Contribution Per Property minus the property's Limited Deduction Allowance. If the amounts in clauses (a) and (b) are equal, then the payment shall be made under clause (b). If the amount in clause ii(b) is owed, that amount shall constitute the (reduced) Additional Annual Contribution Per Property owed for the second year of the subject property's Tax Protection Period, and clauses iii and iv below shall not apply. Then, in the third year and in each subsequent year of that property's Tax Protection Period, such reduced Annual Contribution Per Property shall be increased by three percent (3%) over the amount for the previous fiscal tax year.

iii. Year Three of Phase In Period: During the third year of the property's Tax Protection Period ("Year Three of the Phase In Period"), MIT may deduct a portion of the applicable Limited Deduction Allowance from and reduce the relevant Additional Annual Contribution Per Property, so long as MIT shall pay the City the greater of (a) 33.33% of the relevant Additional Annual Contribution Per Property for the subject property (i.e., 33% of the amount of regular real property taxes owed on the property in the fiscal tax year of its Conversion), or (b) the amount equal to such Additional Annual Contribution Per Property minus the property's Limited Deduction Allowance. If the amounts in clauses (a) and (b) are equal,

then the payment shall be made under clause (b). If the amount in clause iii(b) is owed, that amount shall constitute the (reduced) Additional Annual Contribution Per Property for the third year of the subject property's Tax Protection Period, and clause iv below shall not apply. Then, in the fourth year and in each subsequent year of that property's Tax Protection Period, such reduced Annual Contribution Per Property shall be increased by three percent (3%) over the amount for the previous fiscal tax year.

iv. Year Four of Phase In Period: During the fourth year of the property's Tax Protection Period ("Year Four of the Phase In Period"), MIT may deduct the full applicable Limited Deduction Allowance from and thereby fully offset and eliminate or reduce the relevant Additional Annual Contribution Per Property for the subject property (i.e., the amount of regular real property taxes owed on the property in the fiscal tax year of its Conversion). If such Additional Annual Contribution Per Property is fully offset and eliminated by such deduction, no further payments shall be owed for that property under this Agreement for so long as the property is used for Exempt Purposes.

If, however, such Additional Annual Contribution Per Property is not fully offset and eliminated by the relevant Limited Deduction Allowance, but is only reduced by such Limited Deduction Allowance, then in the fourth year of the property's Tax Protection Period, MIT shall owe the portion of the Additional Annual Contribution Per Property for the property (i.e., the portion of the amount of regular real property taxes owed on the property in the fiscal tax year of its Conversion) that is not offset by the property's Limited Deduction Allowance, and this reduced amount shall constitute the reduced Additional Annual Contribution Per Property for the fourth year of the property's Tax Protection Period. Thereafter, in year five and in each subsequent year of the Tax Protection Period for that property, such reduced Additional Annual Contribution Per Property shall be increased by three percent (3%) over the amount for the previous fiscal tax year.

v. Limitation on Per Year Effect on Tax Base: The portion of the total of all Available Allowance Percentages that are actually used in connection with the new Conversion and tax exemption of one or more properties in a particular fiscal tax year during the Term (i.e., as provided in calculation 4 in Exhibit C, considering only such property or properties as are newly subject to Conversion and then first become tax exempt in that fiscal tax year, and without considering the effect of the Phase In Period), shall be limited to no more than 0.5% of the City's Total Tax Levy in the relevant fiscal tax year, as MIT is providing predictability and protection to the City covering its existing tax revenue base.

If, due to this limitation and without considering the effect of the Phase In Period MIT, in a particular fiscal tax year, does not use the full amount of the total of all Available Allowance Percentages that would otherwise actually be used by (and the total Limited Deduction Allowance(s) that would otherwise be applicable to) one or more properties that are subject to Conversion and then become exempt from taxation in that fiscal tax year, then MIT may carry forward and apply, in any one or more subsequent fiscal tax year(s) ("carry forward fiscal tax year(s)"), the unused portion of such Available Allowance Percentages that would otherwise have been actually used and Limited Deduction Allowance(s) that would otherwise have applied to offset and eliminate or reduce the relevant Additional Annual Contributions Per Property. In such event, the portion of the Available Allowance Percentage(s) that is carried forward and

actually used by any property or properties (as provided in calculation 4 in Exhibit C and without considering the effect of the Phase In Period) in any carry forward fiscal tax year, shall be considered when applying the 0.5% limitation under this clause v in that carry forward fiscal tax year. This carry-forward is intended to enable MIT to fully use the applicable Available Allowance Percentages and Limited Deduction Allowance(s) and to also satisfy the limitation in this clause v and shall be interpreted to give effect to this intent.

vi. *Flexibility to Swap Taxable and Tax Exempt Properties with No Net Adverse Effect on Tax Base:* Inasmuch as MIT is providing predictability to the City and protection to the City's existing tax revenue base as of the Effective Date, the City is giving MIT the flexibility to swap (i.e., offset the tax effects of) its properties that are taxable and its properties that are not taxable without adversely affecting the City's tax base, as provided in this clause. If at any time or from time to time during the Term or any Tax Protection Period under this Agreement, MIT converts the use of any property it owns or acquires from an Exempt Purpose to a taxable use, which the parties agree will increase the City's tax base, then, in any fiscal tax year during the Term or any Tax Protection Period when MIT elects to apply the offset (provided that such converted property is then owned by MIT and taxable), at MIT's option (1) any Additional Annual Contribution Per Property to which no Limited Deduction Allowance applied in the first year of the relevant property's Tax Protection Period (without considering the effect of the Phase In Period) shall be fully offset and eliminated or reduced by the amount of the taxes owed on the converted property in the fiscal tax year of the offset, and/or (2) the otherwise Available Allowance Percentage for the next property or properties that are subject to Conversion and tax exemption during the Term (as provided in Exhibit C); and/or any Available Allowance Percentage that was used to determine a then existing Limited Deduction Allowance that does not fully offset and eliminate a then existing Additional Annual Contribution Per Property, shall be increased by a percentage equal to the quotient of (a) the amount of the tax owed on the converted property for the fiscal tax year of the offset, divided by (b) the City's Total Tax Levy for that fiscal tax year (and the relevant Limited Deduction Allowance shall be increased and the related Additional Annual Contribution Per Property shall be fully offset and eliminated or reduced accordingly, without application of clauses i to v).

Under this clause vi, if (1) any such Additional Annual Contribution Per Property to which no Limited Deduction Allowance applied is fully offset and eliminated, and/or (2) any Limited Deduction Allowance is increased and, in the fiscal tax year of said increase, the related Additional Annual Contribution Per Property is fully offset and eliminated by the increased Limited Deduction Allowance, then notwithstanding any other provision of this Agreement, MIT shall not owe any (or any further) taxes, Additional Annual Contribution Per Property, or other payments on the relevant property under this Agreement for so long as that property is used for Exempt Purposes. The provisions of this clause vi may be applied by MIT so that one or more properties' adverse effects on the City's tax base (whenever such effects occur) are offset by one or more other properties' positive effects (whenever such effects occur), provided that there is no net adverse effect on the City's Total Tax Levy in the fiscal tax year when MIT applies the offset; and this clause vi shall be interpreted accordingly. Consequently, (a) more than one Additional Annual Contribution Per Property to which no Limited Deduction Allowance applied may be offset and eliminated or reduced, and/or (b) the Available Allowance Percentage may be increased more than one time during a fiscal tax year as a result of MIT's conversion of more

than one property from an Exempt Purpose to a taxable use, and more than one Limited Deduction Allowance may be increased (and more than one related Additional Annual Contribution Per Property may be fully offset and eliminated or reduced) accordingly, and/or (c) an increase in an Available Allowance Percentage may be used to increase more than one property's Limited Deduction Allowance and/or to offset and eliminate or reduce more than one property's Additional Annual Contribution Per Property if such increase in the Available Allowance Percentage is not fully used by one property.

vii. Effect of Advance Notice of Conversion: It is in the City's interest to know about, and be able to plan for, a Conversion; and consequently, the City would like to create an incentive to receive advance notice of a planned Conversion as soon as there is a real likelihood that it will occur. Consequently, if MIT, at its option, elects to deliver written notice to the City in advance of a planned Conversion, specifically identifying property that is likely to be subject to Conversion ("Conversion Notice"), then the real property taxes paid on the subject property during the fiscal tax year in which the City receives the Conversion Notice shall be deemed to fulfill MIT's obligations during Year One of the Phase-In Period under clause i above to pay the Additional Annual Contribution Per Property without deduction of the applicable Limited Deduction Allowance. Upon the Conversion of any property about which MIT has provided a Conversion Notice, then, notwithstanding any other provision of this Agreement, (a) in the first fiscal tax year in which the property is exempt from taxation during the Term, the provisions of clause ii above for Year Two of the Phase In Period shall apply to the payment of the Additional Annual Contribution Per Property with limited deduction of the applicable Limited Deduction Allowance; (b) in the second fiscal tax year in which the property is exempt from taxation the provisions of clause iii above for Year Three of the Phase In Period shall apply to such payment and limited deduction, and (c) in the third fiscal tax year in which the property is exempt from taxation the provisions of clause iv above for Year Four of the Phase In Period shall apply. Notwithstanding the foregoing, if filing for tax exemption is not made for a property that is the subject of a Conversion Notice during or before the fifth full fiscal tax year after the relevant Conversion Notice, the Phase-In Period provisions of clauses (i) through (iv) above shall apply as if no Conversion Notice had been given.

viii. Effect of MIT Providing Student Housing or Public Access: The City seeks to encourage MIT to build student housing to relieve any burden on the City's affordable housing stock, and to make open and recreational space accessible to the public. Consequently, if, at any time or from time to time during any Tax Protection Period under this Agreement, MIT constructs or otherwise creates any student housing on any of MIT's taxable property, or makes any new or existing passive open space or recreational space on any of MIT's taxable property accessible to the public (i.e., the space is not physically restricted or restricted by any regulation of MIT, except for any reasonable regulations or restrictions in effect from time to time related to public safety, non-liability of MIT, the protection of such space, and/or the reasonable use of the space by both MIT and the public), then, in each such event, the portion of MIT's taxable property on which any such housing or open or recreational space is located shall not be taxable by the City (as determined in the next sentence), nor shall such portion's relief from taxes reduce or in any way affect the Available Allowance Percentage or related Limited Deduction Allowance that is available under this Agreement (and clauses i through v shall not apply to such relief and no Additional Annual Contribution Per Property shall apply as a consequence of such

relief, even if a formal tax exemption is provided), so long as such housing or open or recreational space exists thereon. The tax relief attributable to such portion of MIT's otherwise taxable property under this clause, shall be equitably determined by agreement of the City Manager and MIT, by allocating the property's taxes on the basis of square footage occupied by and supporting such housing or open or recreational space as compared with the remaining square footage of the property; and if they cannot agree, shall be subject to the dispute resolution provisions of this Agreement in Exhibit D, attached to and incorporated in this Agreement. Nothing in this clause shall have a bearing on the interpretation by either party of the law that would apply to the tax status of such housing or space in the absence of this Agreement.

ix Effect of Excess Payments: If at any time or from time to time during the Term or any Tax Protection Period, MIT believes, as a condition to site plan approval or other land-use, zoning, environmental or similar permits or agreements from the City for development, renovations, utilities or other projects, MIT is being required to pay to the City or otherwise to contribute any amount (whether in funding or in-kind) beyond amounts generally required of other project proponents in the City to mitigate the impact of development, renovations, utilities or other projects ("Excess Amounts"), the matter shall be submitted by MIT to the City Manager, and MIT and the City Manager shall cooperate reasonably to determine and agree on whether or not MIT's belief that it is being required to pay Excess Amounts is correct. If they agree that MIT is being required to pay Excess Amounts, then, in any fiscal tax year during the Term or any Tax Protection Period when MIT elects to apply the offset (provided that such fiscal tax year is the one during which MIT is first required to pay the Excess Amounts or occurs thereafter), at MIT's option (1) any Additional Annual Contribution Per Property to which no Limited Deduction Allowance applied in the first year of the relevant property's Tax Protection Period (without considering the effect of the Phase In Period) shall be fully offset and eliminated or reduced by the amount of the taxes owed on the converted property in the fiscal tax year of the offset, and/or (2) the otherwise Available Allowance Percentage for the next property subject to Conversion and tax exemption during the Term (as provided in Exhibit C), and/or any Available Allowance Percentage that was used to determine any then existing Limited Deduction Allowance that does not fully offset and eliminate any then existing Additional Annual Contribution Per Property, shall be increased by a percentage equal to the quotient of (a) the Excess Amounts divided by (b) the City's Total Tax Levy for the fiscal tax year of the offset (and the relevant Limited Deduction Allowance shall be increased and the related Additional Annual Contribution Per Property shall be fully offset and eliminated or reduced accordingly, without application of clauses i to v). If despite reasonable efforts, MIT and the City Manager are not able to agree, then upon written notice by MIT or the City under Section 6(a), the matter shall be resolved in accordance with the dispute resolution procedures set forth in Exhibit D.

Under this clause ix, if (1) any such Additional Annual Contribution Per Property to which no Limited Deduction Allowance applied is fully offset and eliminated, and/or (2) any Limited Deduction Allowance is increased and, in the fiscal tax year of said increase, the related Additional Annual Contribution Per Property is fully offset and eliminated by the increased Limited Deduction Allowance, then notwithstanding any other provision of this Agreement, MIT shall not owe any (or any further) taxes, Additional Annual Contribution Per Property, or other payments on that property under this Agreement for so long as the property is used for Exempt Purposes. The provisions of this clause ix may be applied by MIT so that (a) more than one

Additional Annual Contribution Per Property to which no Limited Deduction Allowance applied may be offset and eliminated or reduced, and/or (b) the Available Allowance Percentage may be increased more than one time in a fiscal tax year as a result of MIT paying Excess Amounts under more than one permit, approval, or other condition, and more than one Limited Deduction Allowance may be increased (and more than one related Additional Annual Contribution Per Property may be fully offset and eliminated or reduced) accordingly, and/or (c) an increase in an Available Allowance Percentage may be used to increase more than one property's Limited Deduction Allowance and/or to offset and eliminate or reduce more than one property's Additional Annual Contribution Per Property if such increase in the Available Allowance Percentage is not fully used by one property.

4. **Termination of Agreement.** The City shall have the right to terminate this Agreement by, and effective upon, written notice of such termination delivered to MIT in accordance with Section 6(a), in the event that, at any time after the Effective Date: (a) MIT fails to make any payment owed under this Agreement when such payment is due, and such failure continues for a period of 90 days after the City gives MIT written notice of such failure in accordance with Section 6(a) specifying the amount due, and such right of termination shall apply at any time after said 90-day period until such payment is made, unless MIT disputes that the amount is owed and submits the issue to dispute resolution under Exhibit D; or (b) the federal or state laws, regulations, ordinances and/or other government requirements applicable to the payment by MIT of taxes or similar assessments on property it uses for an Exempt Purpose, and/or any judicial or administrative interpretation of any of them (other than by the City), change in any manner, the direct or indirect effect of which (as agreed by MIT and the City or as determined by dispute resolution under Exhibit D) is to change the terms, conditions, and/or benefits of this Agreement in any way that is materially adverse to the City; or (c) the "Financial Rating" of the City, which is AAA as of the Effective Date, falls below "Investment Grade".

MIT and the City have worked cooperatively over the years and believe they will continue to have a good working relationship. The City wants a contract for strategic protection of its existing tax base, notwithstanding that MIT has voluntarily paid amounts in lieu of taxes without a contract and MIT has agreed to enter into this Agreement providing for strategic tax protection and a base payment. Similarly, MIT wants protection of the assumptions it has made in entering such contract, and the City has agreed to provide such protection in this Agreement. This Agreement shall not in any manner whatsoever restrict the City's exercise of its police power; and merely sets forth the circumstances in which the foundation supporting MIT's decision to enter into this Agreement would no longer exist, justifying MIT's decision to terminate this Agreement. MIT shall have the right to terminate this Agreement, including any of MIT's obligations extending beyond the Term, by, and effective upon, written notice of termination delivered to the City in accordance with Section 6(a), in the event that, at any time after the Effective Date: (a) it is determined through the dispute resolution procedures under Exhibit D, that the City has either exceeded its authority under the so-called "Dover Amendment" (G.L.c. 40A, §3) or otherwise, in any way adversely affecting MIT and/or its property, or has acted toward MIT and/or any of its property in a manner contrary to applicable laws, regulations ordinances, rules, codes, and/or requirements; or (b) the City has acted in any manner or through any means, the intended or unintended result of which, as determined by

agreement of MIT and the City or, if they do not agree, as determined through the dispute resolution process under Exhibit D, is a material reduction in the allowable Gross Floor Area MIT can use, build or renovate for an Exempt Purpose, whether through a reduction in the height, an increase in the setbacks and yard requirements, the reduction of Floor Area Ratio, or the change in any other requirements applicable to any property devoted to Exempt Purpose by MIT, unless the City is required by state or federal law (but not including any state law resulting from the City's Home-Rule Petition) to take such action and such action is applicable to all or a majority of the commercial, industrial, and institutional properties in the City, and not only, or predominantly, to MIT's or MIT's and other educational institutions' property; or (c) the laws, regulations, ordinances and/or other governmental requirements applicable to the payment by MIT of taxes or similar assessments on property it uses for an Exempt Purpose, and/or any judicial or administrative interpretation of any of them, change in any manner, and/or the City exercises its police power (which this Agreement does not constrain) in any manner, the direct or indirect effect of any of which (as agreed by MIT and the City or as determined by dispute resolution under Exhibit D) is to change the terms, conditions, and/or benefits of this Agreement in any way that is materially adverse to MIT; or (d) the "Financial Rating" of MIT, which is AAA as of the Effective Date, falls below "Investment Grade."

5. **Representations as to Authority.** *The City's Authority.* The City represents that it is duly organized, validly existing and in good standing under the laws of Massachusetts and has all requisite municipal power and authority under the City's Charter and under the laws of Massachusetts to execute, deliver, perform and be bound by this Agreement. The City represents that (i) the individuals executing and delivering this Agreement on the City's behalf are the incumbents of the offices stated under their names, and such offices have been duly authorized to do so by all necessary municipal action taken by and on the part of the City, (ii) the Agreement has been duly and validly authorized, executed and delivered by the City, and (iii) subject to any future decision of a court or arbitrator of competent jurisdiction (which the City will not instigate and has no reason to believe will be forthcoming), the Agreement constitutes the valid and binding obligation of the City, enforceable against the City in accordance with its provisions. If a third party challenges the validity and enforceability of this Agreement against the City, the City agrees to use best reasonable efforts to defend the validity and enforceability of this Agreement.

MIT's Authority. MIT represents that it is duly organized, validly existing and in good standing under the laws of Massachusetts and has all requisite corporate power and authority to execute, deliver, perform and be bound by this Agreement. MIT represents that (i) the individual executing and delivering this Agreement on MIT's behalf, is the incumbent of the office stated under his name, and such offices has been authorized to do so by all necessary corporate action taken by and on the part of MIT, (ii) the Agreement has been duly and validly authorized, executed and delivered by MIT, and (iii) subject to any future decision of a court or arbitrator of competent jurisdiction (which MIT will not instigate and has no reason to believe will be forthcoming), the Agreement constitutes the valid and binding obligation of MIT, enforceable against MIT in accordance with its provisions. If a third party challenges the validity and enforceability of this Agreement against MIT, MIT agrees to use best reasonable efforts to defend the validity and enforceability of this Agreement.

6. Miscellaneous Provisions.

(a) Notices. All notices, consents, directions, approvals, waivers, submissions, requests and other communications under this Agreement shall be effective only if made in writing with all delivery charges prepaid by a method set forth below, shall be effective at the times specified below, and shall be addressed:

(1) to MIT at:
Massachusetts Institute of Technology
Office of the Treasurer
238 Main Street
Cambridge, MA. 02139
Attn: Managing Director, Real Estate

With a copy to:
Massachusetts Institute of Technology
Senior Counsel's Office
Room 7-206
77 Massachusetts Avenue
Cambridge, MA. 02139
Attn: Senior Counsel

And

(2) to the City at:
Cambridge City Manager
Cambridge City Hall
795 Massachusetts Avenue
Cambridge, MA. 02139

With a copy to:
Cambridge City Solicitor
Cambridge City Hall
795 Massachusetts Avenue
Cambridge, MA. 02139

And to

City of Cambridge Board of Tax Assessors
Cambridge City Hall
795 Massachusetts Avenue
Cambridge, MA 02139
Attention: Chair

— By commercially recognized overnight or expedited commercial courier service, effective upon delivery or the refusal of delivery by or on behalf of the addressee as evidenced by the delivery receipt;

— By hand delivery, effective upon delivery or the refusal of delivery by or on behalf of the addressee as evidenced by the messenger's receipt; or

— By US certified or registered mail, return receipt requested, effective upon delivery or the refusal of delivery by or on behalf of the addressee as evidenced by the return receipt.

Any party may change or add to the addressees and/or addresses for notice by giving notice of such change or addition to the other party in accordance with this paragraph.

(b) Severability/Captions. The provisions of this Agreement are severable, and, if any provision, or any portion thereof, is deemed by a court or arbitrator of competent jurisdiction to be invalid, illegal, or unenforceable for any reason, the remaining provisions, or remaining portions thereof, shall remain valid and enforceable to the fullest extent permitted by law, provided that (as determined by agreement of the parties or by a court or arbitrator of competent jurisdiction) such continuing validity and enforceability results in neither the loss of any material benefit to, nor the increase of any material burden on, either party or both of them, as such benefits and burdens are originally provided in this Agreement. If this Agreement is terminated or rendered of no effect due to the invalidity, illegality, or unenforceability of any of its provisions, those MIT obligations that otherwise would survive the Term shall end. The captions used in this Agreement are for convenience only and shall not be deemed to have any relevance to the meaning of any of the provisions.

(c) Waivers/Time of Essence. The provisions and any breach of this Agreement shall not be waived, except expressly in writing signed by the waiving party. A waiver on one occasion or of one provision or breach shall not constitute a waiver on another occasion or of another provision or breach. Time is of the essence of this Agreement.

(d) Amendments. This Agreement shall not be amended unless such amendment shall be expressly agreed in writing executed by duly authorized representatives of both parties.

(e) Whole Agreement/Survival. This Agreement supersedes any previous negotiations or agreements between the parties to this Agreement, whether oral or in writing, in relation to the matters dealt with herein and represents the entire agreement between the parties in relation thereto. The provisions of this Agreement that, by their specific terms, apply to any Tax Protection Period or otherwise apply after the Term shall, except as provided in Sections 4 and 6(b), survive the Term for so long as applicable; and all of the provisions of this Section 6 shall also survive the Term in relation to any of this Agreement's other surviving provisions.

(f) Real Property. All references in this Agreement to real property or property owned by or of MIT shall be deemed to mean fee ownership of real property or the ownership of any other real property interest including fixtures and/or improvements to property,

and any use and/or occupancy of any real property, including leases, which would affect the determination of whether the property is exempt or taxable by the City.

(g) Reservations. The City and MIT agree that this Agreement provides the City with protection of its tax base; but nothing in this Agreement in any way restricts the City's complete discretion in the exercise of its police power or imposes any restrictions on MIT's complete discretion to determine which properties it currently owns or hereafter acquires shall be reserved for, converted to, or acquired for, Exempt Purposes and/or taxable purposes, taking into account MIT's academic mission, economics, logistics, programs, relevant site constraints of development, and any and all other considerations it desires. The City and MIT each reserves all of its respective positions, rights and remedies at law and equity in connection with real estate taxes and exemptions in the event of the termination, expiration or inapplicability of this Agreement. MIT is entering into this Agreement voluntarily; and nothing in this Agreement or MIT's performance of its covenants hereunder shall be construed for any purposes whatsoever to constitute an acknowledgement by MIT of any regulatory, statutory or contractual obligation to make the Annual Contribution or any other payment to the City on account of real property owned by MIT for Exempt Purposes, beyond the explicit contractual commitments voluntarily made by MIT under, and subject to all of the terms and conditions of, this Agreement.

(h) Counterparts. This Agreement may be executed by the parties hereto in multiple separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument of which there may be multiple originals.

(i) Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of The Commonwealth of Massachusetts for all purposes, without regard to any such laws governing choice of law.

IN WITNESS whereof the parties have executed this Agreement under seal as of the Effective Date.

Massachusetts Institute of Technology

By: Charles M. Vest
Charles M. Vest, President
Hereunto duly authorized
Date: Dec. 3, 2004

City of Cambridge

By: Robert W. Healy
Robert W. Healy, City Manager
Hereunto duly authorized
Date: 12/3/04

By: Faith D. McDonald
Faith D. McDonald, Director
Assessments
Hereunto duly authorized
Date: December 3, 2004

EXHIBIT ADEFINITIONS

The following capitalized terms in this Agreement shall have the meanings ascribed to them below:

(a) "City's Total Tax Levy" means the total amount of real property taxes levied by and owed to the City for all real property in the City that is not exempt from real property taxes under applicable law in the relevant fiscal tax year, without regard to any voluntary in lieu of taxes or other payments made to the City for real property that is exempt from real property taxes under applicable law.

(b) "Exempt Purposes" means those purposes of real property use that render such property eligible for exemption from real property taxation pursuant to Massachusetts General Laws chapter 59, section 5, clause third, as in effect as of the date of this Agreement.

(c) "Financial Rating" shall mean MIT's or the City's, as the case may be, long term issuer credit as rated by Standard & Poor's, or its senior unsecured issuer credit as rated by Moody's, or such equivalent rating of its long term or senior unsecured issuer credit by any other nationally recognized statistical rating organization, including without limitation, Fitch. "Investment Grade" shall mean BBB+ as rated by Standard & Poor's or Baa+ as rated by Moody's, or such other equivalent rating given by any other nationally recognized statistical rating organization that rates the long term or senior unsecured issuer credit rating of MIT or the City, as the case may be.

(d) "Moody's" means Moody's Investors Service, Inc., and its successors.

(e) "Standard & Poor's" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors.

(f) "Fitch" means Fitch, Inc., Fitch Ratings Ltd, and their successors.

(g) "Term" means the Initial Term, and any and all Extension Terms that have come into effect from time to time, as follows: The "Initial Term" of this Agreement shall commence on the Effective Date and shall expire on June 30, 2014. MIT shall have the right and option of extending the Term of this Agreement for three (3) additional successive periods of ten (10) years each (each, an "Extension Term"). MIT shall be deemed to have automatically exercised its right to extend the Term of this Agreement for, and upon the commencement of, each Extension Term, unless MIT provides the City with written notice in accordance with Section 6(a), by the December 30 prior to the expiration of the then current Term, that MIT does not exercise its right to extend the Term, upon which notice, the Term shall end upon the expiration of the then-current Term. All Extension Terms exercised shall commence immediately upon expiration of the preceding Term.

EXHIBIT B**ANNUAL CONTRIBUTION REPORT FOR THE FISCAL TAX YEAR 20XX**

Capitalized Terms used in this Exhibit B are defined as they are defined in the Agreement dated as of July 1, 2004 between City of Cambridge ("City") and Massachusetts Institute of Technology ("MIT") in which this Exhibit is incorporated ("Agreement"). The following is MIT's report on its Annual Contribution for fiscal tax year 20__.

A. During the Term: Base Contribution for fiscal tax Year 20__ (after the first fiscal tax year during the Term, reflecting a 2.5 increase over the prior fiscal tax year's Base Contribution as more particularly provided in Sections 1 and 2 of the Agreement)	\$
B. During any Tax Protection Period(s): Additional Annual Contribution for fiscal tax year 20__ (as more particularly provided in Sections 1 and 3 and Exhibit C of the Agreement)	\$
C. Total Annual Contribution for fiscal tax year 20__ (during the Term: C=A + B above, and during any Tax Protection Period(s) after the Term, C=B, as more particularly provided in Section 1 of the Agreement)	\$
D. Available Allowance Percentage as of July 1, 20__ (first day of the fiscal tax year of this report)(as more particularly provided in Section 3 and Exhibit C of the Agreement)	%
E. Available Allowance Percentage Used (total for all properties) in fiscal tax year 20__ (the fiscal tax year of this report) (sum for all properties: taxes owed on each property that became exempt from taxes during the fiscal tax year of this report, 20__ [i.e., taxes owed on the property in the year of its Conversion] <i>divided by</i> City's Total Tax Levy in the year of Conversion—subject to a maximum of D)(as more particularly provided in Section 3 and Exhibit C of the Agreement)	%
F. Available Allowance Percentage as of July 1, 20__ (first day of the next fiscal tax year following the fiscal tax year of this report) (D minus E above) (as more particularly provided in Section 3 and Exhibit C of the Agreement)	%

Signature of Authorized Officer of MIT _____
 Print Name _____
 Title _____

EXHIBIT C

Capitalized terms used and not defined in this Exhibit shall have the meanings given them in the Agreement.

The initial Available Allowance Percentage, as of the Effective Date, is 2.5% (.025). The Available Allowance Percentage, at any time and from time to time, under this Agreement, and, consequently, the Limited Deduction Allowance that is applicable during the relevant Tax Protection Period to a particular property that is subject to Conversion and becomes exempt from taxation during the Term, is determined as follows:

A. First Property - Property A

1. The **Available Allowance Percentage** for the first property subject to Conversion that becomes exempt from taxation during the Term (Property A) = .025

2. The **Limited Deduction Allowance** applicable to Property A = .025 x City's Total Tax Levy for the fiscal tax year of Property A's Conversion.

3. The **Additional Annual Contribution Per Property** applicable to Property A = The taxes owed on Property A for the fiscal tax year of its Conversion. However, Property A's Additional Annual Contribution Per Property will be reduced by the amount of Property A's Limited Deduction Allowance; and, consequently, after the Phase In Period established in Section 3 of the Agreement, there will be no, or a reduced, Additional Annual Contribution Per Property owed on Property A, and the Annual Contribution Report in Exhibit B shall not include Property A, as long as it is used for an Exempt Purpose.

4. The **Available Allowance Percentage actually used** by Property A = the taxes owed on Property A for the fiscal tax year of its Conversion ÷ City's Total Tax Levy for the fiscal tax year of Property A's Conversion = X (or, if $X > .025$, = .025)

5. The remaining **Available Allowance Percentage** after deducting the portion used by Property A = $.025 - X = Y$ (or, if $X > .025$, = 0)

B. Next Property - Property B

1. The **Available Allowance Percentage** for the next property (Property B) subject to Conversion that becomes exempt from taxation during the Term after Property A = Y (or, if $X > .025$, = 0)

2. The **Limited Deduction Allowance** applicable to Property B = Y x City's Total Tax Levy for the fiscal tax year of Property B's Conversion.

3. The **Additional Annual Contribution Per Property** applicable to Property B = The taxes owed on Property B for the fiscal tax year of its Conversion. However, Property B's Additional Annual Contribution Per Property will be reduced by the amount of Property B's Limited Deduction Allowance; and, consequently, after the Phase In Period established in Section 3 of the Agreement, there will be no, or a reduced, Additional Annual Contribution Per

Property owed on Property B, and the Annual Contribution Report in Exhibit B shall not include Property B, as long as it is used for an Exempt Purpose.

4. The Available Allowance Percentage actually used by Property B = the taxes owed on Property B for the fiscal tax year of its Conversion ÷ City's Total Tax Levy for the fiscal tax year of Property B's Conversion = Z (or, if $Z > Y$, =Y).

5. The remaining Available Allowance Percentage after deducting the portion used by Property B = $Y - Z = XX$ (or, if $Z > Y$, = 0)

C. Next Property - Property C

1. The Available Allowance Percentage applicable to the next property (Property C) subject to Conversion that becomes exempt from taxation during the Term after Property B = XX (or, if $Z > Y$, = 0)

2. The Limited Deduction Allowance applicable to Property C = $XX \times$ City's Total Tax Levy for the fiscal tax year of Property C's Conversion.

3. The Additional Annual Contribution Per Property applicable to Property C = The taxes owed on Property C in the fiscal tax year of its Conversion. However, Property C's Additional Annual Contribution Per Property will be reduced by the amount of Property C's Limited Deduction Allowance; and, consequently, after the Phase In Period established in Section 3 of the Agreement, there will be no, or a reduced, Additional Annual Contribution Per Property owed on Property C, and the Annual Contribution Report in Exhibit B shall not include Property C, as long as it is used for an Exempt Purpose.

4. The Available Allowance Percentage actually used by Property C = the taxes owed on Property C for the fiscal tax year of its Conversion ÷ City's Total Tax Levy for the fiscal tax year of Property C's Conversion = YY (or, if $YY > XX$, =XX)

5. The remaining Available Allowance Percentage after deducting the portion used by Property C = $XX - YY = ZZ$ (or, if $YY > XX$, =0).

This process for determining the Available Allowance Percentage, and, consequently, the applicable Limited Deduction Allowance, shall continue to apply to each subsequent property that is subject to Conversion and becomes exempt from taxation during the Term. Under this process, ZZ (or 0 if $YY > XX$) is the Available Allowance Percentage that will apply to the next property (Property D) that is subject to Conversion after Property C.

The Available Allowance Percentage and Limited Deduction Allowance are subject to the Adjustments under Section 3 of the Agreement.

EXHIBIT D**DISPUTE RESOLUTION**

Either party, in connection with any dispute between them under, or concerning interpretation of, this Agreement, may initiate final and binding arbitration utilizing the American Arbitration Association Commercial Dispute Resolution Procedures then in effect, or any successor rules. The arbitration shall be heard by a panel of three (3) arbitrators, (who need not be certified by the American Arbitration Association), and shall be decided by a majority of them.

Such arbitrators must be members in good standing of the Massachusetts Bar for a minimum of fifteen (15) years and be generally recognized as having expertise (a) in Massachusetts zoning, permitting and land use law and regulation for disputes under Section 3 clause viii and/or clause ix of this Agreement, or (b) in Massachusetts real estate taxation and exemptions for disputes under other provisions of this Agreement. The arbitrators shall be selected in the following manner: each party shall, within fifteen (15) days after delivery of notice from a party requesting arbitration, notify the other party of its selection of one person meeting the foregoing qualifications to serve as an arbitrator, and the two persons so selected by the parties shall together select a third person meeting such qualifications to serve as the third arbitrator. If the two persons selected by the City and MIT cannot agree on a third arbitrator within 30 days after notification of the selection of the later of them to be selected, then either the City or MIT may request a third arbitrator be selected by the chief judge of the Massachusetts Superior Court, and such selection shall be binding on the parties. The arbitrators selected shall then establish the practical rules and schedule for the arbitration. Each party shall pay for the services and expenses of the arbitrator it selects and one-half of the services and expenses of the third arbitrator selected.

Unless arbitration has been initiated, either party may instead elect in the alternative to initiate litigation in the state courts of Massachusetts to resolve a dispute between them under or concerning interpretation of this Agreement; provided however, notwithstanding the foregoing, that unless and until any such dispute being litigated has been tried and submitted for decision at the close of all evidence at trial, there shall be no limitation on the ability of either party to invoke final and binding arbitration in the manner specified above. Upon either party timely submitting a dispute being litigated to arbitration, the parties shall execute and file with the court an agreement for dismissal with prejudice. Upon its submittal for decision after the close of evidence at trial, a dispute being litigated shall be decided in litigation (with any rights of appeal preserved) and neither party shall have the right to invoke arbitration.

The parties also agree that, before either shall invoke litigation or arbitration, they will engage in good faith in voluntary mediation before a neutral of their joint selection (who shall be an experienced mediator who also satisfies the subject matter, professional and length of expertise qualifications that are applicable to arbitrators in this Exhibit D) in order to attempt to resolve in that fashion any dispute arising between them under, or concerning interpretation of, this Agreement. The parties shall share equally in the fees of the mediator.

[As conformed to Final Vote of Cambridge City Council January 31, 2005]

MEMORANDUM OF AGREEMENT

between

CITY OF CAMBRIDGE

and

HARVARD UNIVERSITY

Renewing the

PAYMENT IN LIEU OF TAX AGREEMENT

Dated as of November 26, 1990

Updated as of February 5, 1991

Amended and Restated as of June 1, 1992

Amended and Restated as of November 30, 1996

Renewed as of July 1, 2004

This Memorandum of Agreement ("Memorandum") renews the Payment in Lieu of Tax Agreement dated as of November 26, 1990, as amended (the "Initial Agreement").

As used in the Memorandum, the following terms have the following meanings:

- Cambridge:** The City of Cambridge with an address c/o City Manager, City of Cambridge, City Hall, 795 Massachusetts Avenue, Cambridge, Massachusetts 02139.
- Harvard:** President and Fellows of Harvard College, a charitable and educational corporation existing under the laws and Constitution of The Commonwealth of Massachusetts, with an address c/o Harvard Planning and Real Estate, Holyoke Center, Suite 912, Cambridge, Massachusetts 02138-3826. References to "Harvard" includes Harvard's affiliated corporations.
- PILOT Property:** Each of the various premises listed on Exhibit A attached hereto, and hereby incorporated herein by reference, all of which are referred to as the "PILOT Properties."
- Term:** Twenty years, commencing on July 1, 2004, and ending on June 30, 2024, subject to extension through June 30, 2054 as stated in Section 4.

Fiscal Year: The twelve-month accounting period ending on the June 30 that precedes the Annual Due Date.

Annual Due Date: Each December 1 occurring during the Term of this Memorandum. The first Annual Due Date is December 1, 2004.

Semi-Annual Due Dates: Each December 1 and June 30 of each Fiscal Year covered by this Memorandum, beginning with the Fiscal Year commencing on July 1, 2004.

Threshold: \$766,718.00

Section 1. This Memorandum continues and renews the Initial Agreement. During the Term of this Memorandum Harvard will make as its voluntary contribution to Cambridge the amounts as described herein.

Section 2. Harvard will on or before each Semi-Annual Due Date pay to Cambridge one half of the "Annual Payment" (defined below) with respect to each of the PILOT Properties, as follows:

- (a) The amount of the first Annual Payment for each PILOT Property shall be equal to the "Base Amount" for that PILOT Property (as such Base Amount is listed on Exhibit A). For each subsequent Annual Payment, beginning with the Annual Payment due December 1, 1991, the Annual Payment for each PILOT Property shall be equal to the Base Amount for such PILOT Property multiplied by a fraction, the numerator of which is the Gross Rent for the individual PILOT Property for the Fiscal Year in question, and the denominator of which is the Gross Rent for such Property for the Base Year; provided, however, that
 - (i) the Annual Payment for such PILOT Property shall not exceed the lesser of either (A) the real estate taxes that would be payable with respect to such PILOT Property if it were not tax-exempt or (B) the Adjusted Tax applicable to such PILOT Property, and
 - (ii) if, in any year, the sum of the Annual Payments to be made under this Memorandum shall be less than the Threshold, then Harvard will make a voluntary payment to Cambridge in an amount equal to the difference, so that a total of at least the Threshold is paid annually to Cambridge.

- (b) If, in any year, the sum of the Annual Payments to be made under this Memorandum exceeds the Threshold, the excess shall be paid by Harvard into, added to, governed by, and disbursed in accordance with the Cambridge Affordable Housing Trust Fund, existing under Chapter 482 of the Acts of 1991.
- (c) "Gross Rent" for each PILOT Property shall be calculated for each Fiscal Year and shall equal the gross amount of rent received by Harvard for the residential use and occupancy of the PILOT Property paid by occupants other than Harvard and Harvard-affiliated non-profit entities (reduced by the costs of utilities, including without limitation, electricity, heat, air conditioning, water, and sewer use, that are attributable to the PILOT Property). Parking revenue is not included in Gross Rent.
- (d) "Base Year" shall be the Fiscal Year ending on June 30, 1990.
- (e) The "Adjusted Tax" for each PILOT Property shall equal the Base Tax for that PILOT Property (as listed in Exhibit A) multiplied by the City-wide Factor.
- (f) The "City-wide Factor" shall equal a fraction, the numerator of which is the total tax revenues received by Cambridge with respect to all residential (i.e., including multi-family rental residential property and single-family residential property) property in Cambridge (adjusted to remove the effect of assessment increases permitted by M. G. L. c. 59, § 21C(f)) during the Fiscal Year in question (as certified to Harvard by Cambridge at least thirty days before the relevant Annual Due Date) and the denominator of which is the total tax revenues received by Cambridge with respect to all residential (as defined above) property (including those revenues permitted under M. G. L. c. 59, § 21C(f)) received by Cambridge during the Base Year. Harvard need not pay any of the Annual Payments until thirty days after Harvard receives such certification.
- (g) Additional Adjustments to Special PILOT Properties.
 - (i) 8-10 Mt. Auburn Street. With respect to the 8-10 Mt. Auburn Street PILOT Property, only the portion thereof used for residential purposes shall be deemed to be the "PILOT Property" for purposes of the calculations under this Memorandum with respect to the 8-10 Mt. Auburn Street PILOT Property.
 - (ii) 10-20 DeWolfe Street. With respect to the 10-20 DeWolfe Street PILOT Property, the entire premises will be tax-exempt under M.G.L. c. 59, §5, clause Third, except for the "Non-Exempt

Apartments," namely the apartment units that are occupied (as of January 1 each year) by faculty members and Harvard employees who are not required by reason of their employment to reside in 10-20 DeWolfe Street. Masters, proctors, resident advisers, and tutors are examples of faculty members, instructors, and employees who are required to live in their apartment units as a requirement of their employment with Harvard. The Annual Payment for 10-20 DeWolfe Street PILOT Property will be calculated each Fiscal Year (beginning after June 30, 1992) by reference to Gross Rent received from all apartments in the property (reduced by the costs of utilities, including without limitation, water and sewer use charges); provided, however, that Harvard shall be entitled to take as a credit against the sum of Annual Payments due for each Fiscal Year, an amount equal to any real estate taxes assessed against the 10-20 DeWolfe Street PILOT Property, for such Fiscal Year (with appropriate adjustments to be made immediately after the final conclusion of any tax abatement proceedings, whether concluded by settlement or otherwise). If Harvard takes such a credit, Harvard will be under no obligation under Section 2(a)(ii) to make a voluntary payment with respect to the credit. Before March 1, of each year that this Memorandum is in effect, Harvard will inform Cambridge, via the Form ABC or otherwise, of the number of Non-Exempt Apartments, which number shall be the numerator of a fraction which has a denominator of 80 (such number being the total number of apartments in the 10-20 DeWolfe Street PILOT Property.) Such fraction shall be multiplied by the assessed value only of all 80 apartments to determine the assessed value of the Non-Exempt Apartments.

- (h) The foregoing Subsections 2(a) – 2(g) are continued from the Initial Agreement. This Memorandum lists on Exhibit E properties that could potentially become PILOT Properties, and if any of such properties are exempted by Cambridge from real estate taxes, they shall be added to this Memorandum as a PILOT Property by an "Update" to this Memorandum signed by Harvard and Cambridge. If on January 1 of any year, a unit or apartment in any property on Exhibit E that is added as a PILOT Property is a "Non-Exempt Apartment," such unit will be reported by Harvard via the Form 3ABC as a Non-Exempt Apartment with respect to the following Fiscal Year and any real estate taxes assessed on such unit will be deducted from any Annual Payment due with respect to such PILOT Property for such Fiscal Year. The allocation shall be made using the same methodology as for the 10-20 DeWolfe Street PILOT Property as described in Section 2(g) above.

- (i) At such time as the graduate student housing project at 888 Memorial Drive ("888 Memorial Drive") is issued a building permit, (1) it will be deemed tax exempt as of the January 1 next following the issuance of the building permit upon Harvard's submittal of a Form 3ABC in proper form, and (2) 888 Memorial Drive will be added as a PILOT Property by an Update to this Memorandum executed by Harvard and delivered to Cambridge. For purposes of this subsection 2(i), the "Lease Year" for 888 Memorial Drive shall be the period September 1-August 31 of each year until Harvard selects a different Lease Year, in which case appropriate adjustments will be made to prorate the Gross Rent for 888 Memorial Drive. Beginning with the Fiscal Year following the occurrence of both the first full Lease Year (i.e., the Lease Year in which all apartment units in 888 Memorial Drive were available for occupancy) and the tax exemption of 888 Memorial Drive, Harvard will pay as an Annual Payment with respect to the 888 Memorial Drive premises, an amount equal to 8.3% of the Gross Rents received by Harvard during the Lease Year that ended prior to the Fiscal Year in which the Annual Payment is to be made.

Section 3. While this Memorandum is in effect, Cambridge will not assess any of the Properties¹ for taxes or similar charges, although Cambridge may update the assessed value placed on any of the Properties so long as (a) the valuation is performed in the same manner as for other Cambridge tax valuation purposes and is legally and correctly performed using valid, recognized valuation methods which do not discriminate against Harvard or the Property, which methods and the related worksheets and calculations shall be available for inspection by Harvard, and (b) the valuation is not in excess of the fair market value of the Property, is not assessed at a greater percentage of value than other similar property, is not disproportionately valued, is not disproportionately rated or classified, is not in excess of values for comparable properties that are owned by persons not exempt from federal income tax, or is not otherwise in violation of M. G. L. c. 59, the Constitution of The Commonwealth of Massachusetts, the Equal Protection Clause of the Fourteenth Amendment of the Constitution of the United States, or other applicable law. Harvard shall have full right to contest by abatement, administrative or legal proceedings, or otherwise, the amount or basis of any assessed value placed at any time on any of the Properties by Cambridge.

Section 4. This Memorandum shall not be binding on Harvard unless and until Cambridge has completed the actions necessary to reflect that all of the Properties are exempt from taxation under M. G. L. c. 59, § 5, Clause Third, as specified by Harvard in its FY04 and FY 05 Form 3 ABC's most recently filed with Cambridge. This Memorandum shall be in effect for an "Initial Term" of twenty years ending on June 30, 2024, but will continue thereafter for three successive 10-year terms ("Extension Terms") until June 30, 2054, unless at least six months before the end of the Initial Term or any such Extension Term, either Harvard or

¹References to "Property" and "Properties" in Sections 3, 4, and 5, apply to PILOT Properties and Converted Premises.

Cambridge by written notice to the other, terminates this Memorandum, which termination shall be effective as of the end of the Initial Term or the then-existing Extension Term, as the case may be, in which the notice was given.

Section 5. If Cambridge subsequently assesses any taxes, fees, charges, or payments whatsoever ("Other Payments") in respect to any of Harvard's tax-exempt properties or assesses or imposes any charges or taxes or charges in the nature of or having the effect of a tax on Harvard or any of Harvard's property or operations that are applicable solely to Harvard, are imposed in a manner that discriminates against Harvard, or are disproportionately applicable to (or disproportionately enforced against) Harvard or Harvard's property, then in such event, in addition to any other right that Harvard may have, Harvard may (a) contest the making of such Other Payments or (b) may offset (i.e., deduct) such Other Payments from the Annual Payments and pay the Other Payments under protest reserving Harvard's rights. The term "Other Payments" shall include, without limitation, license fees imposed under M. G. L. c. 140, §§ 23 et. seq., for properties not offered to the public for occupancy, and the term "Other Payments" shall exclude water and sewer use charges, and the like, but only if they are uniformly applicable to similar property (regardless of ownership or use) in the City of Cambridge. Payments by Harvard to Cambridge in connection with procedures to exempt any of the Properties from real estate taxes and payments to obtain abatements due Harvard may be offset as "Other Payments" against payments to be made under this Memorandum.

[NOTE: The following Section 6 is set forth in the form that it appeared in the Initial Agreement. References to the sale in the following Section 6(a) should be read in light of the fact that sale of Harvard's formerly rent-controlled properties has been completed. Section 6(b) contains formulas for the calculation of real estate taxes in situations where certain apartment units are occupied by Protected Households, as defined in Section 6(b) below. The reference to "Properties listed on Exhibit A, is to the PILOT Properties in this Renewed Agreement.]

Section 6. This paragraph 6 is a material part of Harvard's decision to offer for sale at significantly reduced prices certain of Harvard's formerly rent-controlled properties.

(a) In accordance with Amended Committee Report Order #5 of the Cambridge City Council, dated June 24, 1996, as amended by Order of the City Council dated September 9, 1996, a photocopy of which is attached hereto as Exhibit B (the "City Resolution"), Harvard has offered in a separate agreement to sell to Cambridge (or an affordable housing developer designated by Cambridge that is acceptable to Harvard) on an "as-is" basis as to physical condition of the structures without covenants of title, certain of its formerly rent-controlled properties listed on Exhibit C (the "Affordable Housing Properties"), for an aggregate price of \$3,155,228, which Affordable Housing Properties will be used to provide affordable housing. Cambridge (or, if applicable, its designated developer) shall make an initial payment to Harvard for the Affordable Housing Properties in the amount of \$750,000. As used herein, the term "Annual Contribution" shall mean the sum of the Annual Payments to be made under this Memorandum in a Fiscal Year for the Properties listed on Exhibit A. To assist Cambridge (or

the designated developer) in the purchase and or renovation of the Affordable Housing Properties, Harvard agrees to accept payment of the remaining \$2,405,228 plus any additional closing adjustments and settlement costs (collectively, "Initial Balance") from Cambridge (or if applicable, the designated developer) in the form of credits and partial credits against (i) successive Annual Contributions that otherwise would be paid on the Annual Due Dates, notwithstanding subparagraphs 2(a)(ii) and 2(b) of this Memorandum, and (ii) other voluntary payments scheduled to be made by Harvard to Cambridge hereafter while any of the Initial Balance is outstanding. Cambridge agrees that after the closing date for the sale of the Affordable Housing Properties Harvard shall receive a credit for all amounts due to Cambridge under this Memorandum (and other voluntary payments scheduled to be paid by Harvard to Cambridge) until such time as the Initial Balance shall have been covered by such credits. The effect of the foregoing credits is that in the next three Fiscal Years, the Annual Contribution may be zero, and, in the following Fiscal Year, may be less than the Threshold. Unless Cambridge gives notice to Harvard before December 1, 1996, that either it or its designated developer declines to purchase any of the Affordable Housing Properties, no Annual Contribution will be made on December 1, 1996, for the Fiscal Year ending June 30, 1997, and no other voluntary contribution scheduled to be paid by Harvard to Cambridge after the date hereof will be paid; instead the payments that would have been made will be retained by Harvard and will be available as a credit against the Initial Balance; provided however, that if Cambridge (or its designated developer) for any reason elects not to purchase all or any of the Affordable Housing Properties, then upon the request of Cambridge, Harvard will promptly remit to Cambridge the pro rata portion of the retained amount that was attributable to the Affordable Housing Property(ies) that is(are) not to be purchased. Cambridge's representations and support set forth in the City Resolution are a material part of this Memorandum, without which Harvard would not have entered into the Initial Agreement. Cambridge's rights under this Section 6 are not assignable.

(b) As a part of the City Resolution, Harvard agreed to create a program to continue the rent increase protections for those Income Eligible households that were occupying Harvard's formerly rent-controlled properties on November 8, 1994 ("Protected Households"), for so long as such Protected Households who were Income Eligible on November 8, 1994, continue to meet the criteria of "Income Eligible" as such term is defined in Section 2(d) of Chapter 282 of the Acts of 1994 ("Chapter 282"). Cambridge has indicated that it will continue to assess for the purposes of property taxation any of Harvard's properties in which there are located Protected Households that receive rent increase protections, according to assessment practices mandated by the Massachusetts Department of Revenue. Because the presence of Protected Households in these properties may result in disproportionate real estate taxes in relation to the actual income of the property, Cambridge agrees that Harvard may take a credit ("Offset Credit") for the difference between the actual taxes levied on tax parcels with Protected Households and what the taxes would be if rental income restrictions were utilized in setting taxable value. Notwithstanding Section 2 of this Memorandum, the total of the Offset Credits will be taken against the Annual Contribution, or any other voluntary payment scheduled to be made by Harvard to Cambridge. The following formula shall be used to calculate the Offset Credit due under this subsection 6(b). First, the "Adjusted Tax Bill" shall be calculated as

follows: the real estate taxes (as billed each year to Harvard in the real estate tax bill ("Original Tax Bill")) for each tax parcel (i.e., land and building) that contains a Protected Household, shall be multiplied by a fraction, the numerator of which is the total amount of rents due to Harvard from tenants in the parcel calculated by reference to the tenants' leases or tenancies, and the denominator of which is the gross amount of rents due to Harvard from all tenants in the tax parcel calculated by reference to the tenant's leases and or tenancies except that (for purposes of the denominator) the rents for the units occupied by Protected Households shall be increased to fair market rent. The Adjusted Tax Bill for the parcel shall be subtracted from the Original Tax Bill for the parcel, and the difference shall be the Offset Credit for such tax parcel. Use of the Offset Credit for a parcel shall not preclude Harvard from seeking an abatement with regard to the parcel or otherwise seek relief from the assessment or real estate taxes.

Section 7. In 2001, Harvard University announced the following policy:

"When Harvard is able to utilize newly acquired property to support its mission of education and research, resulting in withdrawal of the property from the tax rolls, Harvard will make voluntary payments for a substantial interval and at a level that reflects the impact of the acquisition on tax collection."

While this Memorandum is in effect, pursuant to that policy, if Harvard converts to tax exempt use property in Cambridge² after July 1, 2004, that is on the tax rolls, and the property is exempted from real estate taxes, then Harvard is prepared to make payments in lieu of taxes beginning with the Fiscal Year in which the exemption is approved, escalating such amount 3% per year, on condition that Cambridge does not interfere with Harvard's ability to use the real estate for its institutional uses. To implement that commitment, listed on Exhibit F, are certain properties (the land and buildings are referred to as "Converted Premises") that were subject to real estate taxes when Harvard purchased them and that have been subsequently converted to institutional use and are now exempt from real estate taxes. Cambridge agrees that the Converted Premises as currently used are exempt from real estate taxation. Harvard agrees to pay for each Converted Premises each year to the City of Cambridge (one-half to be paid on or before each Semi-Annual Due Date) an amount equal to the Escalated Base Amount, which will be an amount equal to the Base Amount listed for each Converted Parcel increased each year by 3%, but only so long as Harvard is not prohibited by zoning ordinances, other ordinances of Cambridge, or other regulations or votes of Cambridge from full use the properties for its institutional purposes permitted by Cambridge Zoning Ordinance (and legally existing non-conforming uses, Dover Amendment protections, variances and special permits applicable to any of the Converted Premises) existing on January 1, 2004. The foregoing does not exempt Harvard from complying with usual building code, safety, access, and other similar building requirements that are applicable to similar properties in Cambridge, so long as they are not applied in a discriminatory manner to the Converted Premises. With the consent of Cambridge, Harvard shall add the additional Converted Premises to Exhibit F, by an "Update" to this Memorandum,

² Existing residential properties that are exempted will be covered by Section 2(h); new residential rental properties constructed hereafter on non-residential parcels that are not on the tax rolls will be covered by Section 2(i).

together with the Base Amount³ applicable to the Converted Premises, such Base Amount to be adjusted by giving effect to the final conclusion of any tax abatement proceedings with regard to the Converted Premises.

Section 8. Harvard will make an initial one-time voluntary payment to the City of Cambridge of \$1,358,000 during Tax Year 2005. While this Memorandum is in effect, Harvard will pay as an "Annual Additional Voluntary Payment" the following amounts:

- (a) a payment of \$500,000 in Tax Year 2006; and
- (b) a payment in each subsequent Tax Year after Tax Year 2006 equal to the Annual Additional Voluntary Payment made in the previous Tax Year escalated at the annual rate of 3%.

One-half of each Annual Additional Voluntary Payment to be paid under (a) in Tax Year 2006 and under (b) in Tax Years thereafter, will be paid on the Semi-Annual Payment Dates. In the eleventh (Tax Year 2015), twenty-first (Tax Year 2025), thirty-first (Tax Year 2035), and forty-first year (Tax Year 2045) of this Memorandum, \$100,000 shall be added to the Annual Additional Voluntary Payment payable for such Tax Year.⁴ The Annual Additional Voluntary Payments under this Section 8, will be subject to offsets as provided in other Sections of this Memorandum, and are conditioned on Harvard's continued ability to use the Converted Premises for its institutional uses.

Section 9. This Memorandum does not affect the payments being made by Harvard with respect to the Riverside Trust Agreement or The Rowland Institute.


Section 10. The provisions of this Memorandum, which is executed in multiple counterparts, each being deemed an original and all of which shall be deemed to constitute one instrument, shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. For reference, the 1991 Update to this Memorandum reflected the recalculation by the City of Cambridge Board of Assessors of the Base Tax and Base Amount for the 8-10 Mt. Auburn Street PILOT Property as listed in Exhibit A. The Amendment, dated June 1, 1992, reflected the addition of the 10-20 DeWolfe Street PILOT Property to this Memorandum, effective July 1, 1992. The November 30, 1996 Amendment reflected the basis for financing Cambridge's purchase of the Affordable Housing Properties, and the City Resolution. This Memorandum adds the explanatory Note in Section 6, and Sections 2(h), 2(i), 7, and 8.

[The next page is the signature page.]

³ The Base Amount will be the real estate taxes assessed as of the date of Harvard's submission to the City of Cambridge of an application for exemption on Form 3ABC or successor form of like import.

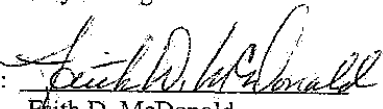
⁴ The effect of this is to "bump" the Annual Additional Voluntary Payment by \$100,000 every ten years.

PRESIDENT AND FELLOWS
OF HARVARD COLLEGE

By: 
Lawrence W. Summers
President

CITY OF CAMBRIDGE

By: 
Robert W. Healy
City Manager

By: 
Faith D. McDonald
Director, Assessing Department

Attachments:

- Exhibit A - List of PILOT Properties (as appearing in Initial Agreement)
- Exhibit B - Copy of City Council Resolution
- Exhibit C - List of Affordable Housing Properties
- Exhibit D - List of Harvard's Remaining Formerly-Rent-Controlled Properties
- Exhibit E - List of Additional PILOT Properties
- Exhibit F - List of Converted Premises

EXHIBIT AList of PILOT Properties

<u>Property</u>	<u>Base Amount</u>	<u>Base Tax</u>	<u>Base Year</u>
Peabody Terrace Apartment Complex	\$354,000	\$412,801	FY1990
Haskins Hall	45,000	60,301	FY1990
Holden Green	13,000	15,301	FY1990
Shaler Lane Apartment Complex	39,000	44,501	FY1990
29 Garden Street	64,000	75,500	FY1990
37-41 Kirkland Street (includes 18 Summer Road)	29,000	30,622	FY1990
8-10 Mt. Auburn Street	43,800	46,692	FY1990
10-20 DeWolfe Street*	<u>70,000</u>	<u>81,000</u>	FY1993
	\$657,800	\$766,718	

*Added as of July 1, 1992

EXHIBIT B

Copy of City Council Resolution

EXHIBIT B

Copy of City Council Resolution

CEN-101



City of Cambridge

Amended Order
Committee Report #5

IN CITY COUNCIL

June 24, 1996

WHEREAS: The end of rent control has significantly reduced affordable housing opportunities in the City of Cambridge; and

WHEREAS: Harvard University owns approximately five percent of the City's previously rent-controlled units; and

WHEREAS: Harvard's physical resources support its critical teaching and research mission; and

WHEREAS: Harvard University has proposed a housing program which would allocate approximately 26% of its overall formerly rent-controlled portfolio to use as affordable housing in Cambridge through either sales to the City or extended protection to tenants; and

WHEREAS: Harvard has agreed to encourage longer-term tenants in properties on Prescott and Ware Streets due to the higher concentration of units thereby undertaking affirmative marketing of these properties to longer-term affiliates, agreeing to enter into longer-term leases in these properties, and exploring the use of the smaller buildings on Ware Street for use as faculty housing; and

WHEREAS: Harvard agrees to pay property taxes or an equivalent payment in lieu of taxes on the formerly rent controlled buildings to be retained by Harvard; and

WHEREAS: The City and Harvard will jointly plan transition zones, as suggested in the Riverside Neighborhood Study, in areas where higher density institutional uses now threaten low-rise residential zoning; and

WHEREAS: Harvard has agreed to advocate that other Cambridge landlords follow its model of creating affordable housing; now therefore be it

- 2 -

ORDERED: That the Cambridge City Council supports and endorses the program that Harvard University has proposed for its formerly rent-controlled housing. This program consists of the following inseparable components:

- * For currently "protected" households now in Harvard's formerly rent-controlled housing (i.e., designated families, elderly and the disabled), the continuation of below-market rents consistent with those provided for in the expired statute (MGL Chapter 282) for as long as those households remain qualified based on the income criteria of said statute; and
- * The offer of sale of 100 apartment units of Harvard-owned housing to the City (or to a City-designated non-profit agency) at below market-value prices for the creation of permanent affordable housing; and
- * Use by Harvard of the remaining units to house Harvard affiliates (faculty, students and employees) through a process of gradual transition without eviction of tenants in good standing; and be it further

ORDERED: That the City Manager is hereby authorized to finalize arrangements with Harvard University concerning the financial terms for the affordable housing program, and to execute an agreement for implementation of Harvard's proposal; and be it further

ORDERED: That the City Manager be and hereby is requested to ensure that said agreement include an agreement that calls for Harvard to recognize its responsibility to pay either property taxes and/or an equivalent payment in lieu of taxes on the formerly rent controlled building to be retained by Harvard.

In City Council June 24, 1996
 Adopted as amended by the affirmative vote of nine members.
 Attest:- D. Margaret Drury, City Clerk.

A true copy:

ATTEST:-

D. Margaret Drury
 City Clerk

EXHIBIT DList of Harvard's Remaining Formerly-Rent-Controlled PropertiesProperty Address

1-2 Athens Terrace
 3 Athens Terrace
 4-6 Athens Terrace
 33-35 Banks Street
 41-43 Banks Street
 47-49 Banks Street
 472-474 Broadway
 15 Cowperthwaite Street
 15.5 Cowperthwaite Street
 15 Everett Street
 17 Everett Street
 19 Everett Street
 27 Everett Street
 12-12.5 Grant Street
 17 Grant Street
 6-6.5 Grant Street
 8 Grant Street
 100-102 Hammond Street
 74-76 Hammond Street
 84/86/88/90 Hammond Street
 94 Hammond Street
 2 Holyoke Street
 1306 Massachusetts Avenue.
 8 Mellen Street
 10 Mellen Street
 12 Mellen Street
 14-16 Mellen Street
 18-18A Mellen Street
 20 Mellen Street
 4-6 Mt. Auburn Street
 65 Mt. Auburn Street
 101-102 Plympton Street
 8 Plympton Street
 16 Prescott Street
 18 Prescott Street
 20-20A Prescott Street
 22-24 Prescott Street
 85-95 Prescott Street

21-23 Sacramento Place
5A Sacramento Street
11 Sumner Street
3 Sumner Street
15 Ware Street
17 Ware Street
19 Ware Street
9-13A Ware Street
381 Western Avenue

EXHIBIT E**List of Additional PILOT Properties Subject to Section 2(h)**

<u>PILOT Property</u>	<u>Base Amount</u>	<u>Base Tax</u>	<u>Base Year</u>
1-2 ATHENS TER			
3 ATHENS TER			
4 ATHENS TER			
33-35 BANKS ST			
37-39 BANKS ST (WARREN PLACE)			
41-43 BANKS ST			
47-49 BANKS ST			
472-474 BROADWAY			
15-15.5 COWPERTHWAIT			
10 DEWOLFE			
27 ELMER ST			
33-33A ELMWOOD AVE			
15 EVERETT ST (Terry Terrace)			
27 EVERETT ST			
4-46 FERNALD DR (Botanic Gardens)			
23-25 FLAGG ST			
70 FRANCIS AVE (136 IRVING ST)			
87 GARDEN ST			
12-12.5 GRANT ST			
17 GRANT ST			
4 GRANT ST			
6 GRANT ST			
6.5 GRANT ST			
8 GRANT ST			
100-102 HAMMOND ST			
74-76 HAMMOND ST			
84/86/88/90 HAMMOND ST			
94 HAMMOND ST			
31 HOLYOKE ST			
41-45 WINTHROP ST			
10 MELLEN ST			
12 MELLEN ST			
14-16 MELLEN ST			
18-18A MELLEN ST			
20 MELLEN ST			
8 MELLEN ST			
4-6 MT AUBURN			

101-102 PLYMPTON ST			
16 PRESCOTT ST			
18 PRESCOTT ST			
20-20A PRESCOTT ST			
22-24 PRESCOTT ST			
85-95 PRESCOTT ST			
15 ROBINSON ST			
21 ROBINSON ST			
29 ROBINSON ST			
7 SACRAMENTO-5A			
11 SUMNER RD (11-15)			
5 SUMNER RD (3 SUMNER RD)			
36 WALKER ST			
11 WARE ST (9-13A WARE ST)			
15 WARE ST			
17 WARE ST			
19 WARE ST			
381-383 WESTERN AVE			
113 WALKER ST-FAS Added FY2003			
96 PRESCOTT ST			
Mixed-Use, Residential Portion			
1244-1256 MASS AVE -RES.(8 PLYMPTON)			
1304 MASS AVE-RESIDENTIAL			
1328 MASS. AVE-RESIDENTIAL(2-4-6 HOLYOKE)			
65 MT AUBURN-RESIDENTIAL			

EXHIBIT F
List of Converted Premises

<u>Property</u>	<u>Base Amount⁴</u>	<u>Base Fiscal Year</u>
65-67 Winthrop Street	\$ 37,315	2005
90-94 Mt. Auburn Street	\$ 5,882	2005
51 Brattle Street	<u>\$ 52,586</u>	2005
Subtotal ⁵	\$ 95,783	
88-90 Mt. Auburn Street	\$ 6,117	2005
4-12 Story Street	\$ 157,000	2005
126 Mt. Auburn Street	\$ 16,702	2005
26-28 Church Street	\$ 13,006	2005
12 Holyoke Street	\$ 33,006	2005
24-46 Blackstone Street ⁶	\$ 216,204	2005
153 Mt. Auburn Street	\$ 12,983	2005

⁴ The amounts in this column are the annual amounts to be paid in FY2005. Each will be increased by 3% for FY2006.

⁵ This subtotal was allocated among the Base Amounts for the above three properties based on FY2005 assessed values.

⁶ Blackstone Steam Station