



CAMBRIDGE CITY COUNCIL

Sumbul Siddiqui
City Councillor

To: Donna P. Lopez, City Clerk

From: Sumbul Siddiqui, City Councillor

Date: April 17, 2019

Subject: Submission – *Mayor’s Blue-Ribbon Task Force on Tenant Displacement* March 19, 2019 Meeting Minutes

Madame Clerk:

Please place the attached notes from the third meeting of the Mayor’s Blue-Ribbon Task Force on Tenant Displacement on the City Council Agenda as “Communications and Reports from Other City Officials” for the April 22nd meeting. Supplemental materials provided at the meeting are attached.

Thank you,

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

Councillor Sumbul Siddiqui
Cambridge City Council



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.



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

Larry Field

Alexandra Markiewicz

Patrick Barrett

Betsy Eichel

Beth Huang

Maura Pensak

Teresa Cardosi

Iram Farooq

Sean Hope

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	Informational	Sumbul Siddiqui	03/19/19

	City Hall, honoring the victims of the terror attack in Christchurch, New Zealand.			
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> <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 	Informational	Mr. Reardon	03/19/19

	<p>current conversion ordinance, of notice, etc; however, it is hard to “catch” conversions before they happen, before a property is sold.</p> <ul style="list-style-type: none">● 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.			
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	<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. 	Action	Legislative & Policy working group	April 2019
<p>Presentation by David Kale, Assistant City Manager for Fiscal Affairs, City of Cambridge</p>	<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). 	Informational	David Kale	03/19/19

	<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. 	Action	Sumbul Siddiqui	May 2019
<p>Presentation by Tina Alu, Executive Director, Cambridge Economic Opportunity Committee (CEOC)</p>	<p>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</p>	Informational	Tina Alu; Natalie Ribeiro	03/19/19

demand for services and need for increased organizational capacity.

- The CEOC's individual advocacy work with tenants usually begins when a tenant is in crisis, often when encountering difficulty with a landlord. This is not usually the time/ access point for organizing; however afterward, tenants often want to get involved more and realize the power of organizing and in talking about issues before they arise.
- The CEOC is always looking for opportunities to organize...
 - At present most of its "organizing" with tenants is around buildings (e.g. Fresh Pond Apartments: the CEOC staff is present on-site there three days/week)
 - Public policy issues related to housing
 - Contacting low income tenants whose options are not going to be great (CPA formula of taking it 80/10/10)
 - May need to think about different models for tenant advocacy.
 - With regard to sale of mid-size housing developments (20-30 unit), organizing is sometimes in the form of a direct request to a CEO from a resident, or sometimes through a Councillor.
- Focus now is on the proposed Affordable Housing Overlay
 - Supporting tenants in testifying at council meetings, helping to prepare statements, preparing them for what might be said to, at or about them (i.e. 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.)
 - 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). ○ 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
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Updates, Announcements & Needs for Next Meeting	<p><i>This agenda item was not taken up.</i></p> <p>Chair Siddiqui asked the Tenant Education working group to present out on its updates to the Task Force.</p>	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