



# BOSTON CITY COUNCIL

Committee on Government Operations  
Ricardo Arroyo, Chair

---

One City Hall Square ♦ 5<sup>th</sup> Floor ♦ Boston, MA 02201 ♦ Phone: (617) 635-3040 ♦ Fax: (617) 635-4203

## REPORT OF COMMITTEE CHAIR

March 08, 2023

Dear Councilors,

The Committee on Government Operations was referred *Docket #0408, Message and order for your approval, a home rule petition to the General Court Re: A Special Law Authorizing the City of Boston to Implement Rent Stabilization and Tenant Eviction Protections*, on February 15, 2023. This matter was sponsored by the Administration.

### **Summary of Legislation:**

The proposed legislation in this home rule petition will enable the City of Boston to set up a rent stabilization process and enact ordinances that regulate rent increases in multi-family housing, establish tenant eviction protections, regulate condominium and cooperative conversions, and provide redress for tenants forced to move due to demolition or substantial renovations.

The proposed legislation would authorize the City to, by ordinance, restrict residential rental increases by setting an annual maximum percentage increase for rental units across the City. This annual restriction will be calculated based on the change in the consumer price index, plus 6%, not to exceed 10%. The increase restriction will only apply to rent increases subsequent to the initial rate set at the inception of a tenancy. Property owners may impose subsequent increases by applying the annual % restriction to the lowest gross rental rate charged for that tenant at any time during the 12 months prior to the effective date of the increase. Rent increase restrictions will not apply to new tenancies where no tenant from the prior tenancy remains in lawful possession. The petition allows the City to provide for reasonable exemptions from rent increase restrictions, provide for fair return standards, set tenant notification and rental registration requirements, and grants the City the authority to establish a board or administrator to govern such local rent regulations. The proposed legislation provides exemptions to increase restrictions for certain types of residential properties like owner-occupied properties with six or fewer dwelling units or those in which the tenant and owner share a bathroom or kitchen facilities; units in facilities occupied by transient guests, housing accommodations in a nonprofit hospital, religious facility, extended care facility, licensed residential care facility for the elderly or higher education dormitories. Increase restrictions would also not apply to dwelling units for which the permanent certificate of occupancy is less than 15 years old and were created as a result of 1) ground up new construction, 2) a physical addition to an existing residential building, or 3) conversion from another use to residential nor dwelling units where the tenant pays a set percentage of their income to rent, either because they hold a voucher, the unit is public housing,

the unit has a project based voucher, or where applicable federal or state law or administrative regulations specifically exempt them from rent stabilization regulations.

The petition also authorizes the City to implement by ordinance just cause tenant eviction regulations applicable to all housing accommodations in the City of Boston, provided, however, that the ordinance provides exemptions. Under such regulations, tenants could only be evicted for cause, such as failure to pay rent, substantial violations of the lease, or use of the unit for illegal purposes. Moreover, tenants who are subject to a "no fault" just cause eviction would be entitled to receive relocation fees. The petition also permits the City to establish a rent board where tenants can appeal before going to court.

Finally, under this petition, the City may, by ordinance, create requirements for demolitions and substantial improvement projects planned for residential dwellings like tenant notification requirements, relocation plans, and related compensation. The petition also allows the City to, by ordinance, create similar requirements for residential dwellings converting to condominiums or cooperatives and implement regulations with regard to permits, permit fees, and any exemptions.

Of the 231,000 units in the City, the proposed legislation would impact about 128,000 rental units (55%) and would take effect immediately upon signing by the Governor.

**Information Gathered:**

The Committee held two public hearings and one working session. The first public hearing was held on February 22, 2023, virtually via zoom. Invited panelists included Sheila Dillon, Chief of Housing, in the Mayor's Office, and Tim Davis, Deputy Director of Policy Development and Research in the Mayor's Office of Housing, testifying on behalf of the Administration. During this hearing, the Administration provided an overview of the legislation and responded to questions and concerns from councilors. Other invited panelists included Rebekah Stovell, New England United for Justice; Antonio Ennis, Community Organizer at City Life/Vida Urbana; Mark Martinez, Housing Staff Attorney at the Massachusetts Law Reform Institute; and Dr. Avik Chatterjee, Physician at the Boston Healthcare for the Homeless Program testifying in support of the legislation; as well as Greg Vasil, CEO of the Greater Boston Real Estate Board; Karen Morgan, Director at Greater Boston Association of Realtors; and Leah Cuffy, Director of Advocacy Research at the National Apartment Association testifying on behalf of property owners opposed. Public testimony was also given both in support of and opposition to the legislation.

The second public hearing was held on March 2, 2023, in the Iannella Chamber. Unlike the first hearing, this hearing sought testimony solely from the public. Public testimony was given by advocates and supporters of the legislation, including community organizations, nonprofits, and resident renters. The Committee held a working session on March 6, 2023, virtually via zoom. Invited panelists included Sheila Dillon, Chief of Housing, in the Mayor's Office, and Tim Davis, Deputy Director of Policy Development and Research in the Mayor's Office of Housing, testifying on behalf of the Administration. During this working session, Councilors had the opportunity to speak with the Administration to discuss their concerns and suggestions as well as any further questions still needing clarification.

Over the course of the public hearings and working session described above, the Administration addressed the Mayor's goals and motivation for proposing rent stabilization; provided an

overview of how the proposed legislation is tailored to achieve those goals; and explained factors that influenced policy decisions when crafting the proposal. It was stated that it is the objective of Mayor Wu to make Boston more liveable and affordable for existing and anticipated residents. In explaining how Mayor Wu plans to do so, the Administration first reviewed strategies already in place, working to achieve this objective, strategies they plan to continue in tandem with the proposed legislation. It was explained that along with partnering with other cities and towns in the region to support regional housing goals, the City is partnering with the Boston Housing Authority, The Boston Redevelopment Authority, d.b.a. the Boston Planning and Development Agency (BPDA), and local nonprofits to provide more affordable housing, through ARPA funds, increased linkage fees generated for commercial development and utilizing the BPDA's recent audit of surplus and underutilized city properties. It was also stated that departments are coming together to design a more efficient review and approval process for affordable housing developments.

The Administration's testimony explained that prior to filing the proposed legislation, along with monitoring the local rental market and holding five community listening sessions, the Mayor's office established a rent stability advisory group made up of respected developers, housing advocates, and academics to study rental policies in other cities and states. The Administration explained that generally, across other cities and states, rent stabilization policies are made up of "choice of rent" caps, exceptions to rent caps, market resets, and other property owner exemptions. In crafting the components of the proposed legislation, the advisory group discussed which policies would work best to achieve the Mayor's objective.

Regarding rent increase restrictions described in SECTION 2, with respect to property owners, Councilors and public testimony raised concerns about how such restrictions will affect their ability to build equity and afford rising property taxes, insurance costs, and other repair/maintenance expenses. The Administration confirmed that in crafting the proposed legislation, they considered such concerns. It was explained that these considerations influenced the "landlord reset" provision (SECTION 2 SUBSECTION (a)). Further, the Administration concluded that the increase restrictions as written (*with increases based on the "CPI plus 6% standard" capping increases at 10%*) would not prevent property owners from covering such expenses. Finally, it was explained that the proposed legislation provides for a process where a landlord could appeal to increase rents beyond the cap based on fair standards to consider changes in maintenance and capital costs as well as rapid increases in property taxes.

With respect to renters, Councilors and public testimony raised concerns regarding the cap, stating that 10% is too high, suggesting the cap should be lowered to 5%. The Administration explained that when considering a fair standard and cap, they reviewed the % at which rental rates have rapidly increased across the City in recent years. After careful review, the Administration found that the "CPI plus 6% standard" with a 10% cap is a lower increase than what renters have been experiencing.

In addressing concerns about SECTION 2 slowing new development, the Administration acknowledged the important role new development will play in combating the housing crisis in Boston, explaining that in consideration of this, SECTION 2 provides an exemption for certain buildings less than 15 years old. Considering the amount of new development throughout the

City, concerns were raised to ensure that despite this exemption, the proposed legislation would still impact vulnerable renters the legislation was created to impact. With regard to how this exemption will impact rent stabilization in future years, concerns were raised over the possibility that property owners may unreasonably increase rental rates in the years leading up to the expiration of their qualification for this exemption. The Administration explained the decision for the exemption was made after studying aggressive rent control policies that slowed development in other cities. It was also explained that generally, owners/developers plan pursuant to a 15-year timeline; therefore, such an exemption would support predictability and consistency for both tenants and property owners/developers.

Regarding SECTION 3, which establishes just cause eviction protections, Councilors raised concerns questioning what remedies will exist for property owners trying to take control of their property when their tenants are disrespecting it. The Administration explained that SECTION 3 allows landlords to evict tenants for reasons like nuisance, property damage, and interference as they are included under the provisions through which the proposed legislation defines “just cause.”

**Rationale and Recommended Action:**

Passage of this Docket would allow the City to protect Boston residents from displacement caused by exorbitant rent hikes and unfair evictions by implementing rent stabilization policies aimed at preventing price gouging, encouraging continued new development, providing consistency and predictability for tenants and property owners, and establishing just cause eviction protections.

The Chair of the Committee on Government Operations, to which the following was referred:

***Docket #0408, Message and order for your approval, a home rule petition to the General Court Re: A Special Law Authorizing the City of Boston to Implement Rent Stabilization and Tenant Eviction Protections***

submits a report recommending that this docket **ought to pass**.

For the Chair:



Ricardo Arroyo, Chair  
Committee on Government Operations