

Small Property Owners NEWS

Fighting for the interests of small rental property owners, including condo owners

P.O. Box 398115, Cambridge, MA 02139 617-354-5533

SPOA.com
MassLandlords.net

published monthly except July & August
Vol. 32, No. 8 October 2016

30 years fighting for your rental property & condo owner rights!

Squalid? Deplorable? Filthy? The landlord below rented almost exclusively to formerly homeless men and a few families, who were all on Section 8 voucher subsidies, which required annual inspections and that the units were made 100% code-perfect at least once a year. Yet the legal services attorneys for the tenants and the city's attorneys told the judge that the units were "squalid," "deplorable," and "filthy," terms they repeated during the trial. How can units that are 100% code-perfect become this bad constantly, year after year? They don't. The attorneys were blatantly lying to the judge. Skip Schloming has photos of hallways, grounds, and a few of the units. Nothing seems bad except minor blemishes at most. It would have been impossible for the landlord to put squalid and deplorable units into such good shape just for a landlord rep to see how good they were. Any way you look at it, the plan was to put this landlord out of business any way they could. **They lied to do it.**

Boston landlord takes in homeless tenants Yet five agencies push him to sell cheap & leave town Tenants call ISD, loads of inspections, subsidies stopped, bankruptcy – it's a coordinated effort, but he is fighting and plans to stay

A Boston landlord with 57 units, mostly one-bedroom units occupied by single individuals just out from homeless shelters, says he is under siege by Boston's Inspectional Services Department (ISD), the Boston Housing Authority (BHA), the Metropolitan Boston Housing Partnership (MBHP), Greater Boston Legal Services (GBLS) and, yes, City Life/Vida Urbana (CLVU). He started buying his units in 1994 and bought his last buildings in 2008. His properties are in two of Boston's lower-income neighborhoods.

His tenants, being formerly homeless, are quite a lot. Many – about 95% of them – are drug addicts and/or mentally disturbed. They give him problems from their drunkenness, they bring buddies in from the shelter, they break windows and damage property, they have frequent fights, and they leave syringes and trash in the hallways. When the primary tenant kicks the buddies out, they trash the apartment, leaving litter, personal belongings, food, and unemptied garbage. This landlord is cleaning up trash and mess all the time.

This landlord is no "corporate developer." He qualifies as a small landlord since almost all his units are one-bedroom, and he manages and repairs his properties himself, with assistance from two sons and two handymen. His office is a small, cluttered space in one of his basements. He is an immigrant from Africa with a wife, who is a nurse, and five children ages 16, 14, 12, 11, and 6. His properties generate a major chunk of his family's income. Property owners who use hired management to run their operations are not considered small landlords. Hired management is inherently much costlier compared to a private landlord doing his own repairs or supervising handymen.

Attacking a private owner serving the homeless – for what?

What is crazy about this anti-landlord attack is that it is against a person who provides lower-rent housing to near-homeless tenants. He is a rare bird, and more like him would go a long way to solving homelessness at far less taxpayer expense than shelters, hotels, motels, and high-cost subsidized properties owned and operated by nonprofit agencies. Why wouldn't these groups, whose laudable goal is to find housing for the homeless, support this landlord? Why wouldn't they find ways to assist him rather than drive him out of town?

Almost all his tenants are on section 8, the cheapest way to house lower-income households. Each tenant pays about \$150 to \$200 a month and the BHA pays the lion's share of the rent, \$1,100. His rents, then, are around \$1,250 for a one-bedroom unit.

Minor code violations, almost none serious, but subsidy payments stopped

The condition of the buildings and units was surprisingly good. We viewed several hallways and basements and the inside of two units. Very few code violations were visible: a hole in one hallway, a small hole in the back wall of a closet, a section of a hallway wall that had been patched up roughly and repainted, and a hanging hallway light fixture. All the halls and units had hard-wired CO and smoke detectors, and the halls had emergency lighting. The units we viewed were clean and painted very well, with nice hardwood oak floors.

But viewing a few apartments was not enough. The landlord gave us what appeared to be his entire file of inspection reports to examine, three batches of reports totally about 12 inches thick, lying flat on the bottom of a two plastic boxes and a heavy-duty plastic bag. The BHA does annual inspections of its subsidized units and must approve units before a subsidy is paid or continued to be paid. We went carefully through 76 of these BHA inspection reports between November 2010, and June 2015. Out of 76 BHA reports on individual units, 46 were approved with no code violations indicated. Many of his units, therefore, have received a 100% stamp of approval

Mostly minor violations lead to stop payment of subsidies in nine cases

Other inspection reports showed largely minor violations. Here is a sample of violations quoted exactly from 9 inspection reports. Each set of violations is within quotation marks “ ” and separated by semicolons “;” indicating what was found wrong in each single unit. “**Approved**” or “**rejected**” indicates what those code violations let to.

*“Replace drip pans on stove, frig - rust, worn, broken, re-caulk around bathtub -- **approved**”; “replace [stove] burner elements, all burnt out, replace lock on window [twice], electric outlets painted over - repair -- **rejected**”; “no second means of egress - install, rear porch needs to be completely repaired -- **rejected**” [the worst violation we found]; “faucet leaking at base, repair or replace frig (not holding temp), exterminate for mice -- **rejected**”; “combo carbon monoxide/smoke detector beeping”[**subsidy payment suspended**]; “unit in good condition -- **approve**” [private inspector]; “cracked floor tiles, remove stove from basement”[**neither approved nor rejected**]; “post owner contact information @ building entry, gutters need cleaning, clean freezer”[**neither approve nor rejected**]; “intercom doesn’t work-- **rejected**”; “repair kitchen radiator - no heat, repair any loose/broken floor tiles, patch/paint ceiling, secure common hall smoke detector, check all, exterminate unit for mice -- **rejected**”*

And so it goes, on and on, a litany of violations, mostly no real threat to health or safety, just inconvenient and not nice. But then the question arises: How many of these violations were caused deliberately by the tenants. By 2015, when many of these violations occurred, GBLS and CLVU were going around to this landlord’s tenants telling them to report code violations and stop paying their unsubsidized portion of the rent. We can also infer that GBLS, which represents 27 of this landlord’s tenant households, and CLVU told them to open their water faucets and let them run. The landlord received “huge” water bills. Their goal: to bring this landlord down. But none of the violations were that serious. All these apartments were finally approved. Nevertheless, he took 11 nonpaying tenants to court. But the combination – no rent from tenants, no subsidy payments from BHA, the cost of taking 11 nonpaying tenants to court, and the huge water bills bankrupted him.

The last resort to crush this landlord: force him to remove “illegal” units

Turning to their last resort, the BHA found the perfect weapon, a one-day attack could easily sink this landlord. On June 24, 2015, one inspector from the BHA went from unit to unit, searching not the units themselves, but the basements that supported the units. There the inspector found finished-off basements, appearing occupyable. One basement included a utility area for hotwater heaters and electric panels for the units above, the landlord’s small, cluttered office, a kitchen sink and small refrigerator, a microwave, a very small table and three chairs in a large hallway “for my workers to lounge in,” and a fancy marble and granite bathroom with a jacuzzi – but no stove and no beds. The ceilings were 7 feet 3 inches high, and each basement had two means of egress, within state sanitary code requirements. There is nothing illegal about that. Many property owners have workshops in basements. Other basements of this landlord were used for storage. Some of the other basements were finished off, but nobody was living in them. One other unfinished basement we saw had a large area of storage: for forgotten bikes, for lawnmowers used on the properties, and other usable items like a relatively new four-foot-diameter oak table. Fire officials were brought in and found no problems.

All the basements were cited as illegal and this landlord was ordered to remove them, to tear down perfectly good partitions, plumbing, and electrical wiring. Maybe one day basement units would be legalized to ease the tight housing market, and these basements would be almost ready-made to go into service.

Finally, the coup de grace, the final blow: All of this landlord’s 24 one-bedroom units on the first, second, and third floors were once parts of two-bedroom units in the six stone-and-brick, triple-decker-style buildings all in a row. Someone, long before this landlord bought them, had subdivided them into one-bedroom units. BHA was telling this landlord to go to the huge expense of tearing down walls and removing sinks and plumbing, restoring them to their original configuration. It would be a huge cost resulting in less income to the landlord, a ridiculous idea. But it could bring him to his knees. BHA demanded permits for all his electrical and plumbing work. They wanted certificants of occupancy of all the main-floor units and up, another impossible request. For years, all these units had been approved by BHA and Boston ISD, with no mention of illegal units.

How many apartments get inspected in any city and get cited for unpermitted construction, for subdivision into smaller units, for building units in basements (estimated in Boston at about 20,000 basement units), for lack of

certificates of occupancy? How many get cited for lacking permits for electrical and plumbing work? In all cases, oodles of apartments. Clearly, it was a coordinated attack, as this landlord says: a personal vendetta, based on racial bias, and steering cheap properties to friends of inspectors to buy. This landlord's allegedly illegal units should be grandfathered, which is the usual procedure. But not, apparently, when you want to crush him.

City and nonprofit groups attack to get property transferred to nonprofits

We learned that GBLS recently bid \$5.5 million to buy this landlord's properties. What on earth is a legal services agency doing purchasing housing? Two other private bids had come in previously at \$5.4 million and \$5.5 million. A realtor, based on sales of comparable buildings, estimated that this landlord's property was worth \$7.6 million. Thank all these agencies for reducing the value of this landlord's properties.

Remember the Cruz brothers in Boston, profiled in the May SPOA newsletter. They were also attacked by CLVU and GBLS? CLVU devalued their six-unit property. It had extremely affordable rents of \$800 and \$900 for two- and three-bedroom units. CLVU instigated a tenant war against the Cruz brothers, lowered their properties values, and pressured them to sell cheap to a nonprofit housing group. Nonprofit housing, unfortunately, cannot supply housing affordable to taxpayers. The housing they acquire will require a huge investment to upgrade it to slick, modern standards. It will also require ongoing government subsidies – far more expensive than what the Cruz brothers were able to provide for over 30 years.

Inspections, BHA stopped subsidy payments, ordered tenants to leave, bankruptcy

This landlord went bankrupt when the BHA stopped payment on 22 units. But the landlord found a lender who will give him financing of \$5.5 million at a 10% interest rate to cover all his properties under one loan, which will pay off all banks and get him out of bankruptcy.

Through all this, the landlord has had many sleepless nights filled with his thoughts. But he is determined to win.

These smaller units are perfect for today's smaller households consisting of one or two persons who want lower rents. One-bedroom apartments or basement apartments have inherently lower rents. The future of housing in big cities is so-called accessory apartments (see next article). Why destroy these units now?

How to contact your lawmakers

Expressing your views and opinions to your lawmakers on a law or ordinance you want passed, defeated, or amended is part of the American way in which citizens influence the laws that govern them. Here is their contact information.

State Legislature issues: rent escrow, Housing Court expansion, medical & recreational marijuana
 Boston issues: just-cause eviction, rental inspections. **Speak your mind, but be polite**

YOUR STATE LAWMAKERS Go to: www.wheredoivotema.com & enter your info

You may call, email, or write to your State Senator, State Representative, and the Governor

YOUR BOSTON LAWMAKERS

Mayor Marty Walsh	617-635-4500	Mayor@boston.gov		You can contact all four At-Large Councilors, your own District Councilor, and the Mayor.
City Councilors	District	Office	Email	District area
Michelle Wu, President	At-Large	617-635-3115	Michelle.Wu@boston.gov	All of Boston
Michael F. Flaherty	At-Large	617-635-4205	Michael.F.Flaherty@boston.gov	All of Boston
Annissa Essaibi George	At-Large	617-635-4376	A.E.George@boston.gov	All of Boston
Ayanna Pressley	At-Large	617-635-4217	Ayanna.Pressley@boston.gov	All of Boston
Salvatore LaMattina	District 1	617-635-3200	Salvatore.LaMattina@boston.gov	Charlestown, North End, East Boston, Beacon Hill
Bill Linehan	District 2	617-635-3203	Bill.Linehan@boston.gov	South Boston, South End, Bay Village, Dorchester, Roxbury, Chinatown
Frank Baker	District 3	617-635-3455	Frank.Baker@boston.gov	Dorchester (waterside)
Andrea Joy Campbell	District 4	617-635-3131	Andrea.Campbell@boston.gov	Dorchester, Mattapan
Timothy McCarthy	District 5	617-635-4210	Timothy.McCarthy@boston.gov	Mattapan, Hyde Park, Roslindale
Matt O'Malley	District 6	617-635-4220	Matt.OMalley@boston.gov	Jamaica Plain, West Roxbury, Roslindale
Tito Jackson	District 7	617-635-3510	Tito.Jackson@boston.gov	South End, Fenway, Kenmore, Roxbury, Dorchester
Josh Zakim	District 8	617-635-4225	Josh.Zakim@boston.gov	West End, Mission Hill, Back Bay, Beacon Hill, Kenmore, Fenway,
				Jamaica Plain, Allston
Mark Ciommo	District 9	617-635-3113	Mark.Ciommo@boston.gov	Allston, Brighton

FOR OTHER CITY AND TOWN LAWMAKERS, GO TO: [www.\[city or town name\].ma.gov](http://www.[city or town name].ma.gov)