



April 14, 2018

Dear Fellow East Siders:

Between the fast start of the Red Sox and an afternoon trip on my bicycle, I am ready to say that Spring is here, and I hope you are enjoying it as well. This week's letter discusses efforts to address the City's pension deficit and to regulate short-term rental of residences.

We are now in the fourth (and final) year of this term of City government, and my greatest regret is our failure to address what I call our City's version of the global warming crisis, namely the pension deficit. On our present course, the increasing obligation to fund the pension will move from difficult to near-impossible over the next ten years. I have friends who have placed their homes on the market this Spring because they are not confident the City will solve this problem in time. To help understand the issue and possible solutions (and non-solutions), I began meeting in October with three City Council colleagues and Melissa Malone, the Chief Operating Officer, who worked on the State's pension issue. The Working Group prepared a [Report](#) and [Exhibits](#) that provides a history of the City's pension crisis, prior efforts to address it and potential solutions and non-solutions. The report is intended to demonstrate both the critical need to resolve the pension issue soon, and the absence of any easy or painless solutions. Instead, everyone with a stake in the City's well-being must pitch in to ensure the City continues successfully, and does not sink under the weight of its debts. If you do not have time to read the entire report, please read the three-page Introduction. The Report will be introduced to the City Council at Thursday's meeting. I will do everything I can to advance the City's consideration, discussion and resolution of this issue in City Hall over the next year. I encourage you to use the upcoming election as an opportunity to petition us to do a better job in addressing it. Let's prove our doubting critics wrong.

Many of us have learned (either from personal experience, or from friends and family) of the opportunity to stay in a person's home or apartment through online booking services such as AirBnb. For travelers, it can help extend a trip, but there can be impacts for neighbors if someone effectively turns their home into a hotel. Some cities (such as Denver) have extensive regulatory programs, and I have asked the City Council office to research the current regulatory landscape. In the meantime, I have introduced a proposed [Ordinance](#) that will clarify the meaning of an "owner occupied" home for tax purposes. More specifically, it will provide that homeowners who choose to offer their entire home for rent and/or for lodging will no longer be taxed at the (lower) "owner-occupied" rate; instead, they will be taxed at the "owner non-occupied" rate to put them on a level field with other property owners. I am hopeful this will be a useful first step that, with the benefit of further research, will begin a discussion of how the City should accommodate and regulate these online booking services.

Sincerely,