

**GLOUCESTER CITY COUNCIL MEETING**

Tuesday, April 24, 2018 – 7:00 p.m.

Kyrouz Auditorium – City Hall

**-MINUTES-**

**Present:** Chair, Councilor Paul Lundberg; Vice Chair, Steven LeBlanc, Jr.; Councilor Melissa Cox; Councilor Valerie Gilman; Councilor Kenneth Hecht; Councilor Jennifer Holmgren; Councilor Scott Memhard; Councilor Sean Nolan; Councilor James O’Hara

**Absent:** None.

**Also Present:** Joanne Senos; Amit Chhayani; John Dunn; Gregg Cademartori; Grace Poirier; Jaimie Corliss

**The meeting was called to order at 7:00 p.m. The Council President announced that this meeting is recorded by video and audio in accordance with state Open Meeting Law.**

**Flag Salute & Moment of Silence.** Councilor Holmgren dedicated the Moment of Silence to Philip Demetri, a dedicated and compassionate former Gloucester High School teacher who passed away on April 18. H was also a 4<sup>th</sup> degree black belt in Tae Kwando as well as an instructor. **Mr. Demetri** was a long-time parishioner at St. Ann’s and a member of the Legion of Mary and a member of the Gloucester Elks. She pointed out that he was always supportive of what his students were going through no matter the circumstance and had a listening ear and positive word for everyone.

**Oral Communications:**

**Name:** Grant Clark, speaking on behalf of about 50 residents of West Gloucester

**Address:** 279 Concord Street

**Subject:** Concern about a “cluster development” on Bray Street, West Gloucester for 12 homes, now before the Planning Board for a special permit, related to zoning, infrastructure and traffic issues (written statement placed on file).

**Presentations/Commendations:** **Stefano Loretto**, Business Development Director of Good Energy, L.P., Norwalk, CT re: Municipal Energy Aggregation in Gloucester (“City of Gloucester Community Electricity Aggregation Program Update, April 24, 2018” placed on file)

**Gregg Cademartori**, Planning Director, recounted that the city went through this process of scoping out a municipal energy aggregation program a year ago; an opportunity facilitated through the Metropolitan Area Planning Council (MAPC) that conducted the vetting process for identifying an aggregator that Mr. Loretto represents (Good Energy). This program has the potential for obtaining a better electric supply rate for the entire community. This was a process begun last year, he reiterated, but wasn’t pursued for reasons due to certain variables which Mr. Loretto will touch on. He indicated it appeared timely to give an update on municipal aggregation; that if the program moves forward it will be in the nearby coming months which could be a great help to reducing electrical rates in the community.

**Mr. Loretto** conveyed the following information presentation:

- Municipal aggregation is a bulk purchasing program that allows any resident or business that is still on National Grid’s basic service to be enrolled in the program that wouldn’t start unless the rates are better than those offered by National Grid (NG). Anyone not on NG’s basic service can join the program at a later date. People can opt in and out of the program with no penalty.
- Initial approval was received in Jan. 2017 from the Mass. Dept. of Public Utilities but Good Energy on behalf of the city chose not to go to bid until now due to a more favorable pricing environment.
- The state is divided up into three different electric load zones (western, southeastern and northeastern) and the capacity charges for those zones are different. Citing a graph in the presentation, the northeast load zone had a significant price spike in 2017-2018. There is one rate for National Grid no matter where one resides in the state, and NG blends the three load zone prices together. The aggregation was “significantly disadvantaged” against NG during that pricing time frame and so Gloucester’s program didn’t move forward until now.
- Good Energy has saved money on residential energy bills in about 250 communities where they’ve launched similar projects.

- The capacity year changes in June and prices will come down significantly from where they were in the past year. There will be indicative pricing to have an idea of what the bid day results will look like. An official of the city will be preauthorized to sign a contract. The price on bid day is only held for one hour. A contract will not be considered if it won't start below the newly released summer rates for NG that start on May 1 and go through the end of October --a rate of \$0.1087. The program will only start if there are inherent savings.
- The program will include a 5% extra local renewable energy (some coming from the city's wind turbines) default option. It was pointed out that part of that is coming from the city's wind turbines and is one of the first of its kind in the country. Account holders will have the option to stay with the 5% or they can opt to step down to the minimum required by the state or they can opt to go to a 100% extra green option. The 100% option will entail paying a premium which would detract from any savings.
- All city residents will receive an "Opt Out Letter" which will have all the rates and comparisons available in order to assist their decision making. Residents can opt out of the program at any time, or come back to it without any penalties.
- Only accounts on basic service are initially eligible for the program. If anyone has changed their supplier they wouldn't be automatically enrolled in the program, but you can always join the program.
- Residents are encouraged to read their utility bills carefully and note who their supplier is by reviewing under the heading "generation" or "supply service." If it doesn't say "National Grid" with a rate of 12.867 the resident should know what rate they are paying no matter the supplier they've chosen.
- The goal is to start the program in August; but if pricing is unfavorable to start the program, the city will be advised to not start at that time. If launched in August, there will be a change on each residential bill.
- There will be an extensive marketing plan developed to inform all city residents. Every eligible resident will receive a post card followed by an opt-out letter. A chart will show what the prices will be compared to the NG basic service. There is a website which will be a great resource of information for residents: **gloucester-cea.com**.
- Timeline: June 6/7 - Bid Date; June 18 - Start of opt-out period; July 24 - End of opt-out period; July 27 Enrollments sent to NG; August 4 - Power flows.

#### COUNCILOR QUESTIONS:

**Councilor Nolan** asked about who is responsible for remedying emergencies such as power outages if you're an aggregation customer. **Mr. Loretto** explained that here is no change in quality of service. A resident will still receive a single bill and still call NG, no matter who their electrical supplier is, to receive assistance -- there is no change in the quality of service. **Council President Lundberg** noted that on a resident's electric bill there is a distribution charge which is what NG charges and that will remain. **Mr. Loretto** confirmed that was the case saying that is how NG makes their money.

**Councilor Gilman** asked for further information about the opt-out letter and if there were different languages employed for outreach to the different populations in the city. **Mr. Loretto** explained that not knowing what language a resident may speak, on the bottom of the letter in a variety of languages there can be a box about going to the website and can have it there in multiple language options. **Councilor Gilman** asked if there is consideration for additional social media promotion for a more global explanation of the program. **Mr. Loretto** noted social media will be employed for the marketing campaign/outreach; for those not comfortable, such as the elderly, with technology, they will schedule follow-through during the opt-out period. If the bid is executed and contract signed, there will be a great deal of communication with the residents on the matter over that five week window. **Councilor Gilman** asked if there was a willingness for Good Energy representatives to attend ward meetings to convey information on the municipal aggregation program. **Mr. Loretto**, noting his company has done this same program for 35 communities in Massachusetts indicated they'd be willing to do so.

**Councilor O'Hara** clarified that as far as Good Energy's bidding on power on behalf of the city, there will be a period where they'll try to lock in the best price for the city and then when the bid is locked in a letter is sent to residents explaining the program and acknowledging that locked in rate. Residents will then they have one month to make a decision to not participate in the program, all of which was confirmed by **Mr. Loretto**. If at any time a resident wants to leave the program they can; the program won't start for the city of Gloucester unless there are savings, he assured. **Councilor O'Hara** asked about the period of time that the negotiated price is locked in. **Mr. Loretto** noted the advantage of price stability because on average initial terms are in the 24-month range. **Councilor O'Hara** asked how Good Energy is paid. **Mr. Loretto** indicated that his company is compensated by the winning supplier a 10<sup>th</sup> of a penny on each dollar.

**Councilor Hecht**, noting a 24-month fixed contract, asked that if something happens causing NG's rate to be lower than the aggregation rate residents can opt out to take advantage of that lower rate. **Mr. Loretto** said, "Yes." He highlighted that the website will always have the rate comparisons that will be plain to see. He confirmed there will be complete transparency -- the website will be updated frequently for city electric consumers to view.

**Councilor Gilman**, referring to the 5% local renewable energy credit, asked how it would be communicated to the residents in terms of an incentive, saying that the whole community would gain from it. **Mr. Loretto** advised that this was part of the MAPC (Metropolitan Area Planning Council) RFP framework, to ensure that there would be something that would lower carbon emissions in Massachusetts. What the Councilor referenced are renewable energy credits which he briefly described in order to take advantage of renewable energy sources in Massachusetts. For 5%, the premium for each household is about \$89 per year. That 5% is very meaningful, he pointed out.

**Confirmation of New Appointments:** None.

**Consent Agenda:**

• **MAYOR'S REPORT**

1. New Appointments:

Clean City Commission	TTE 02/14/21	Carter Whitlock, Jamie L. Mathison	(Refer O&A)
Gloucester Cultural Council	TTE 02/14/21	Connie Zaitchick	(Refer O&A)
Magnolia Pier Advisory Committee	TTE 02/14/20	Howard "Ted" Costa	(Refer O&A)

Reappointments:

Licensing Board	TTE 02/14/20	Brian Hamilton	(Refer O&A)
-----------------	--------------	----------------	-------------

- Special Budgetary Transfer Request 2018-SBT-11 from Personnel (Refer B&F)
- Special Budgetary Transfer Request 2018-SBT-12 from the DPW (Refer B&F)
- Proposal from EMS Director re: updating the City of Gloucester Fire Department Ambulance Billing & Collections Policy (Refer B&F)
- Memorandum from Community Development Director re: Affordable Housing Trust Committee approval of Habitat for Humanity project at Marina Drive #5 (Refer B&F)
- Memorandum & Supplemental Appropriation-Budgetary Requests 2018-SA-29, -30 & -31 from the CFO (Refer B&F)
- Memorandum from CFO re: repurposing of completed General Fund Capital Project Funds (Refer B&F)
- Memorandum from Co-Chair of Gloucester Archives Committee re: acceptance of a donation of \$150 (Refer B&F)
- Memorandum from General Counsel re: Grant of Easement for National Grid at 24 Hough Street (Refer B&F)

• **COMMUNICATIONS/INVITATIONS**

- Response from Mayor's Office to Oral Communications of March 27, 2018 City Council Meeting to Grace Edwards (Info Only)
- Response from Mayor's Office to Oral Communications of March 27, 2018 City Council Meeting to Robin Newhall (Info Only)
- Response from Mayor's Office to Oral Communications of March 27, 2018 City Council Meeting to Lianne Pallazolla (Info Only)
- Response from Mayor's Office to Oral Communications of March 27, 2018 City Council Meeting to Bradley Royds (Info Only)
- Response from Mayor's Office to Oral Communications of March 27, 2018 City Council Meeting to Ainsley Smith (Info Only)

• **INFORMATION ONLY**

• **APPLICATIONS/PETITIONS**

- PP2018-003: request by National Grid to relocate two J.O. poles beside Leonard Street #28 (Pole #1280 & #1279) (Refer P&D)

• **COUNCILORS ORDERS**

- CC2018-019 (Lundberg) Amend GCO by ADDING a new Ch. 28 "Marijuana Retail Establishment" Sec. 28-1 "Number of Marijuana Retail Establishments"
- CC2018-020 (Memhard/Cox/Hecht) Request City Council vote to place a proposed increase on the CPA surcharge from 1% to 3% on the November 6, 2018 ballot (Refer B&F)
- CC2018-021 (Lundberg/Nolan) Amend GCO Ch. 21 "Streets, Sidewalks and Other Public Places" Sec. 21-83 "Funding for approved construction or repair" re: five or ten year terms on betterments on Repair of Private ways (Refer O&A)

• **APPROVAL OF MINUTES FROM PREVIOUS COUNCIL AND STANDING COMMITTEE MEETINGS**

- City Council Meeting: 12/12/2017 (Approve/File)
- Standing Committee Meetings: B&F 04/19/18 (under separate cover), O&A 04/16/18 (no meeting), P&D 04/18/18 (Approve/File)

**Items to be added/deleted from the Consent Agenda:**

**Councilor Cox** asked to remove Item #2 under Council Orders, "CC2018-020 (Memhard/Cox/Hecht) Request City Council vote to place a proposed increase on the CPA surcharge from 1% to 3% on the November 6, 2018 ballot." She explained that the Council Order says that it would go on the November ballot. She clarified that the question would be able to be **placed on the ballot**. **Council President Lundberg** added that the question would be on the (November) ballot provided the Council approves the language for the question. **The Council Order was referred to the B&F Committee by unanimous vote of the Council.**

**By unanimous consent the Consent Agenda was accepted as amended.**

**Committee Reports:**

**Budget & Finance: April 19**

COMMITTEE RECOMMENDATION: On motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council accept under MGL c. 44, §53A, a donation from the Cape Ann Chapter of the Daughters of the American Revolution in the amount of \$500.00 for the Archives Department for the purpose of funding the Archives Department Vault Construction Fund in Fund 3318.

**DISCUSSION: None.**

**MOTION: On motion by Councilor Cox, seconded by Councilor Memhard, the City Council voted 9 in favor, 0 opposed, to accept under MGL c. 44, §53A, a donation from the Cape Ann Chapter of the Daughters of the American Revolution in the amount of \$500.00 for the Archives Department for the purpose of funding the Archives Department Vault Construction Fund in Fund 3318.**

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2018-SA-28 in the amount of \$40,000.00 (Forty Thousand Dollars) from the Highway Force Account, Transfers to the General Fund, Account #32085-596001, to DPW, Public Services-Police Details, Account #0147052-530018 for the purpose of police details for spring paving and tree projects, and to cover police details hired during winter storm flooding.

**DISCUSSION:**

**Councilor Cox** conveyed that this supplemental appropriation is to fund police details for spring paving and tree projects, as well as cover police details hired during the winter storms.

**MOTION: On a motion by Councilor Cox, seconded by Councilor Hecht, the City Council voted by ROLL CALL 9 in favor, 0 opposed, to approve Supplemental Appropriation 2018-SA-28 in the amount of \$40,000.00 (Forty Thousand Dollars) from the Highway Force Account, Transfers to the General Fund, Account #32085-596001, to DPW, Public Services-Police Details, Account #0147052-530018 for the purpose of police details for spring paving and tree projects, and to cover police details hired during winter storm flooding.**

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve the disposition by means of a lease as provided in Lease Agreement 18141 for the Witham Street Parking area at 99 Thatcher Road between the City of Gloucester and the Good Harbor Beach Inn Corp., pursuant to the terms and conditions stated therein. Said term is to be three years from May 1, 2018 to April 30, 2021.

**DISCUSSION:**

**Councilor Cox** noted that the lease for the Witham Street parking spaces has been in place for about 20 years (to the Good Harbor Beach Inn). The lease terms remain the same, highlighting that within the lease the rate has moved to \$6,700 from \$6,500, the lease rate which had been in place since 2009.

**MOTION: On a motion by Councilor Cox, seconded by Councilor Hecht, the City Council voted 9 in favor, 0 opposed, to approve the disposition by means of a lease as provided in Lease Agreement 18141 for the Witham Street Parking area at 99 Thatcher Road between the City of Gloucester and the Good Harbor Beach Inn Corp., pursuant to the terms and conditions stated therein. Said term is to be three years from May 1, 2018 to April 30, 2021.**

COMMITTEE REPORT: On a motion by Councilor Cox, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to permit the withdrawal of CC2018 Request the B&F Standing Committee work with the Administration, CFO and City Auditor for the acceptance of credit and debit cards for any fine, fee, charge, tax or cost imposed by the City without prejudice.

**DISCUSSION:**

**Councilor Cox** recounted that this was a Council Order from Councilor O'Hara which was discussed at length at the Committee meeting with the Administration who is working to find the best solution for employing credit and debit cards be it at kiosks stationed at city buildings or if each individual office will have the ability to accept credit/debit cards. She noted this was something better suited for a Councilor's Request to the Mayor.

**MOTION: On a motion by Councilor Cox, seconded by Councilor LeBlanc, the City Council voted 9 in favor, 0 opposed, to permit the withdrawal of CC2018 Request the B&F Standing Committee work with the Administration, CFO and City Auditor for the acceptance of credit and debit cards for any fine, fee, charge, tax or cost imposed by the City without prejudice.**

**Planning & Development: April 18**

There were no actionable items under this heading from the P&D April 18 meeting.

**Ordinances & Administration: April 16 - No Meeting - Patriot's Day****Scheduled Public Hearings:**

1. **PH2018-016: Local adoption of the Commonwealth of Massachusetts DEP Division of Air Quality Control Policy, Noise Regulation (310 CMR 7.10) AND amend GCO Ch. 13 "Noise" (TBC 05/08/2018)**

**This public hearing is opened at 7:39 p.m.**

**Council President Lundberg** opened and continued the public hearing to May 8, 2018.

**This public hearing is continued at 7:39 p.m. to May 8, 2018.**

2. **PH2018-020: Off-cycle recommendation from the Community Preservation Committee to appropriate \$150,000 from the CPA funds for the purpose of Habitat for Humanity North Shore acquiring property at Marina Drive #5**

**Council President Lundberg** clarified that this is a request for Community Preservation Act (CPA) funds for an Affordable Housing project. He explained that the Council does not have the authority to approve or disapprove this project -- this is just to approve the release of CPA funds. The Council is aware that there are a lot of questions about the structure of the deal; about Habitat for Humanity, he acknowledged, and with that in mind he would open the public hearing. He added that the Council will hear from the proponents and that by doing so they will hear a description of the project and hear from anyone who wants to speak about the matter.

**This public hearing is opened at 7:39 p.m.**

**Those speaking in favor:**

**Catherine Schlichte**, Co-Chair of the Community Preservation Committee (CPC), advised that funds recommended for the Habitat North Shore project of \$150,000 are funds that can only be used for Affordable Housing projects. She explained that every year the money raised through the CPA surcharge (1%), each category of CPA funding gets 10% of the total funds raised. The monies recommended for the Habitat project, assuming they get their permitting through the Zoning Board of Appeals, is money that can only be spent for Affordable Housing projects, she reiterated. This project funding will use about one third of the funds in the Affordable Housing category currently held in the Community Preservation Fund.

**Donald Preston**, Executive Director, Habitat for Humanity of the North Shore conveyed the following information: This project is for housing for families with incomes within the 40% to 60% AMI (Average Median Income) range which "translates" to a family of four earning \$40,000 to \$60,000 annually. It is proposed to tear down the existing (single family) structure and construct a townhouse style two-family home. This will help towards the city's affordable housing inventory which is currently at 7.2%. According to the city's Housing Production Plan there is a need for affordable single family housing development. This would have a local preference for at least one of the units for those who live, work or go to school in Gloucester. Both units can't be designated for local preference because of Fair Housing regulations and because matching state grant funds involved. Habitat for

Humanity projects are built with donated services and volunteer services. The funds will be used towards the acquisition of 5 Marina Drive, and the seller is willing to wait on this process. Final drawings are being prepared now because of sufficient interest from the city of Gloucester. The project will move forward to the Zoning Board of Appeals (ZBA) at the end of May. Prior to the ZBA meeting, Habitat plans to have a meeting with neighbors and anyone in the community who is interested to present their drawings, receive input and answer any questions about the project. Both homes will be constructed as three bedrooms, two full baths, a fully accessible first floor with two parking spaces for each unit. It was noted that there are two existing two-family homes on Marina Drive with the rest of the dwelling comprised of single family homes built in the early 1950's.

**Those speaking in opposition or having questions on the nature of the project:**

**Kelly Poole**, 7 Marina Drive, abutter to the subject property, expressed the following concerns about the proposed Habitat for Humanity project proposed for 5 Marina Drive as follows: Learned of this public hearing through a legal advertisement in The Cape Ann Beacon, a weekly newspaper; research on the national non-profit Habitat for Humanity leads to further concern and questions and why Habitat for Humanity is coming into her neighborhood to rehabilitate it; why there is a need to site low-income housing for her "tight-knit" neighborhood; the property is not suited to a two-family structure and should be a one-family home; why a national non-profit organization needs \$150,000 of taxpayers money to upgrade a house benefitting the community; that there shouldn't be anyone not a Gloucester resident living in the home(s) should it be built. **Council President Lundberg** suggested that Mr. Preston review the questions that Ms. Poole had submitted previously by email to the Council (on file - See "Communications"). He pointed out that this is not a public hearing for the approval of any zoning measures for the project, and because of that abutters wouldn't have been noticed. The public hearing was appropriately advertised, he confirmed, and posted on the city's website. He reiterated they are speaking about a grant of CPA funding.

**Mr. Preston**, responding to previously submitted questions by Ms. Poole in an email communication conveyed his answers as follows: This house would be appraised by an independent appraiser to set the value. A three-bedroom in Gloucester is a minimum of \$300,000 which would mean the overall property value would be appraised at about \$575,000 to \$600,000. The two units will have more value than any other property on Marina Drive and comparable value to existing structures on the street. The homeowner would pay a mortgage of about \$145,000 but there would be a second mortgage that would make up the difference between the appraised value and the sale price; the Southern Essex Registry of Deeds will see a value of approximately \$300,000 per unit but the mortgage being paid by the owner of \$145,000. There will be a deed restriction that goes with the property in perpetuity meaning that the property will always be affordable. The income levels for working families; the property will appreciate in value as do all other properties in the community, but the sale price will only appreciate minimally, always being affordable under 80% of AMI. Once done, this two-family house won't look different from any other home on the street. As to whether future homeowners will be Gloucester residents, the next time the house sells, which was pointed out in the Habitat North Shore 38 units, only one out of 38 have sold to a non-Habitat family. Habitat has the right of first refusal and has in place the same intense vetting process for buyers which were touched upon. The families have to put in 400 hours of building their own home. Habitat remains the third voter in the condominium association, and there is a fund set aside for maintenance of the property's exterior. The house is taxed based on the assessed value. The assessors have the right to grant a tax break of 10% to 15% because of the deed restriction. All the abutters will be notified by a registered letter of the ZBA process. Habitat is a "huge" developer of homes in the United States ranked #7 or #8 countrywide and the #1 developer of affordable housing. Habitat North Shore is the national organization's local affiliate that does its own fundraising to construct the homes. Examples were noted under development in Hamilton building two single-family homes, and in Danvers one single-family home, all of which used CPA and/or Housing Trust Funds, Federal Home Loan Bank monies; Habitat fundraising efforts and donated in-kind services or materials. There is no tax advantage to Habitat for building the homes or to anyone who donates gets any tax advantage other than this is a 501(c)3 organization. The homeowner established price is developed in consultation with Real Estate agents and with a Real Estate agent serving on the Habitat board. An asking price of \$250,000 was deemed appropriate for this lot and home and was not suggested by Habitat North Shore.

**Council President Lundberg** pointed out that Mr. Preston mentioned a neighborhood meeting and suggested that was an appropriate format to ask questions about the project. He reiterated that the Council is considering only the CPA funding this evening.

**Ms. Poole** highlighted that the CPA funds will allow Habitat for Humanity to move forward with the project which the Council is considering for approval, expressing additional concern that there's not enough information on it. **Council President Lundberg** pointed out that the consideration part will come forward shortly, and Councilors would have their own questions about the funding.

**Pat Cusick**, 27 Marina Drive, voiced his objection to the use of city funds to build affordable homes.

**Vito Giacalone**, 6 Marina Drive, pointed out that this is Gloucester taxpayer's money and that there is no assurance that Gloucester residents will be the owners. He noted this lot is the smallest in their neighborhood, also expressed concern for the use of city funds to help fund the project.

**Tom Dagle**, 11 Marina Drive, noted that Habitat is tearing down a single family home and asked why they don't build another single family home in its place.

**Steven Buckley**, 6 Puerto Drive, noted this is a single family neighborhood and questioned the project as a two-family home.

**Communications: Cathy Hitchcock**, 24 Marina Drive expressing concern about possible prior decisions made about this application and not having been communicated, as well as concerns about parking in her neighborhood dated 04/24/18 received via email. **Kelly Poole**, 7 Marina Drive, expressing concern about home values in her neighborhood with the Habitat project as well as other related concerns dated 04/24/18 received via email.

**Councilor Questions:**

**Councilor Holmgren** reviewed that the funds under consideration this evening is money designated for Affordable Housing which was accrued through a portion of 1% of the city's property tax bills, and within the CPA Fund a portion is set aside for affordable housing. **Ms. Schlichte** confirmed that was all it can be spent on. Councilor Holmgren commented that if the \$150,000 isn't approved, it will remain in that Affordable Housing fund. If for some reason the Council doesn't vote in favor of this allocation, it will be reallocated for another project should the CPC receive an application for funding, the Councilor pointed out. **Ms. Schlichte** agreed saying they wait for applications to come to the CPC for the Committee's recommendation. She advised there is one such application coming forward for \$120,000. If this allocation is turned down, the money returns to the Affordable Housing CPA fund waiting for applications for affordable housing funding.

**Councilor Cox** pointed out that if the sale falls through the money goes back to the CPA fund. **Ms. Schlichte** confirmed that was the case. **Councilor Cox** suggested this is a legitimate use of CPA money. **Ms. Schlichte** advised it is a permitted use. There were comments about using taxpayer money for outsiders coming in, **Councilor Cox** pointed out, that there can't be any restrictions such as that. **Ms. Schlichte** confirmed that there are Fair Housing rules and regulations set by the state; there can be a local preference but it can't be restricted to just Gloucester residents. **Councilor Cox** followed up by saying that any future project seeking funding from the CPA Fund from the Affordable Housing component can never be designated 100% local preference. She noted that the Affordable Housing CPA funds can be used for rental assistance. For housing projects such as this, it has to be local preference but can't be restricted to only local residents. **Ms. Schlichte** highlighted that those particular funds can also be used for rent assistance programs for people who are already established residents, but for an acquisition project such as this to go where the homes' owners are chosen by lottery and there can only be a local preference but no restriction. **Councilor Cox** recounted that an Affordable Housing project was recently constructed on Taylor Street suggesting it was spearheaded by Action, Inc. **Ms. Schlichte** noted there is a \$12 million Affordable Housing Project at the site of the former Cameron's Restaurant at 206 Main Street, and Action applied for funds for the façade of the building. There is a project on Taylor Street and others that weren't only restricted to Gloucester residents, **Councilor Cox** pointed out, because it would have been "illegal."

Responding to an inquiry about the CPA Affordable Housing category of funds by **Councilor Gilman**, **Ms. Schlichte** explained that the funds are for "community housing, affordable housing along with rental assistance through agencies." That money was untouched for five to seven years, she pointed out, and only recently has the CPC started to see applications for Affordable Housing funding. **Councilor Gilman** noted that \$150,000 seems high compared to past funding grants, and asked how that dollar amount was set. **Ms. Schlichte** pointed out that different projects have different components. The Cameron's project is a rental project for individuals/families in the 30% to 60% AMI with rental income offsetting it which is why a lesser amount of local funding was needed. This is an acquisition project with two units with home ownership, and an in-perpetuity deed restriction to affordable housing which conditions the funding. Throughout the state these projects vary as to how funding goes, she highlighted. The CPC felt that a \$75,000 subsidy per unit that will be valued at \$300,000 upon completion in order to get two families into affordable housing was "well worth it," she highlighted. **Councilor Gilman** asked what the urgency is to make this funding decision now. **Ms. Schlichte** explained that there is a market opportunity that wasn't available at the time of the regular CPA funding cycle -- this is a sale of real estate.

**Councilor Memhard** explained some of the difficulty is that the neighborhood hasn't had the opportunity to talk to the project organizers. He indicated he had wanted to have the proponent have this conversation before the public hearing with the neighbors as there is a clear expressed concern. He also expressed his disappointment that such a conversation hadn't taken place prior to this public hearing for funding so that neighbors could have asked their questions about the request for funding in order to better understand and welcome such a development in their settled, attractive and long-standing neighborhood. He added there could have been an opportunity for people to

meet with Mr. Preston, ask their questions, and view other Habitat projects. He then asked about the CPC process. **Ms. Schlichte** pointed out the CPC does not advocate for any single project. She indicated she understood the concerns of the neighborhood and assured this funding is conditioned upon the applicant receiving all of its permitting from the ZBA. That permitting process, she advised, is the public forum that will generate the registered letters to the abutters. She pointed out that it is far out enough time-wise for a full outreach process to be undertaken. This action before the Council is saying that if Habitat North Shore gets through the public process for this type of application, then the funds would be released. She reiterated that the forum of the ZBA and community outreach is what will give the neighbors their ability to learn more and ask their questions. **Councilor Memhard** asked what ZBA variances are being sought for this project. **Mr. Preston** explained they're looking at setbacks and parking. Proposed are two parking spaces "stacked" which will need a variance. He advised at this time the architect is working on the plans but assured that the project will meet all other setbacks on the property.

**Councilor LeBlanc**, highlighting that there were a lot of questions, suggested that the Council continue this matter in order for representatives of Habitat North Shore to meet with residents and come back in two weeks. **Mr. Preston** said that the Purchase & Sale Agreement (P&S) says they must show progress towards funding. They've initiated the Zoning application and will be at the ZBA at the end of May. He noted that with preliminary drawings they will be able to meet with concerned citizens and can make adjustments as needed based on feedback. The seller is willing to wait on this process. **Councilor LeBlanc** urged that Mr. Preston and some of the Councilors who can assist in organizing a neighborhood meeting, to ensure that this is what everyone wants for the community.

**Councilor Cox** noted that the lottery gives a Gloucester resident preference in one of the units at purchase and at resale. **Mr. Preston** explained that the state says that if there are two or more units you can have a local preference on one unit, the other can't be designated for local preference. He advised that the CPA money is matched with state money and that's what limits the local preference. He reiterated the local preference is at purchase but not in the event of a resale -- that can't be guaranteed. Habitat is on the condominium board and does have a say, and the unit will remain affordable. **Councilor Cox** asked why Habitat decided to build a two-family house rather than a one-family home. **Mr. Preston** explained that Fair Housing and state Dept. of Housing & Community Development which administers the deed restriction, and maintains the city's housing inventory, which this project will count towards says that if there are two or more units, there can be local preference. If there is only one unit there can't be local preference, he advised. He reiterated that the CPA money is matched by state money and that's what causes that clause in the law to be engaged. **Councilor Cox** expressed concern was at purchase and resale. **Mr. Preston** confirmed it is at purchase that clause is maintained, but not guaranteed for local preference in the case of a resale. He reconfirmed for the Councilor that Habitat is the third voting trustee in the Condominium Association and has a say in the resale which would be conducted by a lottery system and would remain affordable within the previously stated guidelines. Asked why this property was suggested for development as a two-family home rather than a single-family home, **Mr. Preston** conveyed that was the interest both the CPC and talking with the Planning Department as the city is trying to see built over 92 single-family units, and this assists towards that goal as stated in the city's Housing Production Plan. To maximize the property in that vein, two units are proposed, he noted. **Councilor Cox** asked if this was Habitat's initial idea or was it suggested by city entities. **Mr. Preston** explained that having done this in Hamilton and Danvers, in each case they requested they either build a duplex or two single family units to maximize their towns' affordable housing. He pointed out that this is what helps prevent a 40B housing development in the community.

**This public hearing is closed at 8:19 p.m.**

COMMITTEE RECOMMENDATION: On motion by Councilor Hecht, seconded by Councilor O'Hara, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council appropriate up to \$150,000 (One Hundred Fifty Thousand Dollars) from the Community Preservation Act funds as recommended by the Community Preservation Committee to provide off-cycle funding for the purpose of Habitat for Humanity North Shore to acquire a property in the City of Gloucester, #5 Marina Drive. The renovation and reconstruction work will create affordable housing within the city. The appropriation will be allocated to the Community Housing category and be funded by up to \$150,000 from the Community Housing Reserve Fund #4530. The project will be tracked in the Community Preservation Fund – Community Housing Projects Fund #4903.

**Discussion:**

**Councilor Cox moved the Committee Recommendation which was seconded by Councilor Hecht.**

**Council President Lundberg** noted that Councilor Memhard mentioned the need for a community discussion, a point he indicated that was well taken, saying that they can make it happen. He pointed out that the Council has an interest in the use of these funds, but they aren't the Zoning Board -- they are to decide on the allocation of these funds, adding that it's important these projects are good neighbors.

**Councilor Hecht** endorsed the idea of continuing this matter to enable community engagement.

**MOTION: On a motion by Councilor LeBlanc, seconded by Councilor Memhard, the City Council voted 9 in favor, 0 opposed to continue the matter of the off-cycle recommendation from the Community Preservation Committee to appropriate \$150,000 from the CPA funds for the purpose of Habitat for Humanity North Shore acquiring property at Marina Drive #5 to the May 8, 2018 City Council meeting.**

**Council President Lundberg** thanked the Marina Drive neighbors for attending and assured they'll do what they can to organize a neighborhood meeting to ensure transparency. He extended the Council's appreciation to Mr. Preston and Ms. Schlichte for the opportunity to have Habitat for Humanity in Gloucester saying that they want to ensure the project is done correctly and what such a project can do to possibly help make up for the gap in the city's affordable housing stock.

**The Council recessed at 8:24 p.m. and reconvened at 8:26 p.m.**

**For Council Vote: None.**

**Unfinished Business: None.**

**Individual Councilor's Discussion including Reports by Appointed Councilors to Committees:**

**Update on the Animal Advisory Committee (AAC) by City Council Representative, Councilor Jen Holmgren,** highlighted the following matters:

- The AAC met on March 22 attended by eight residents of Ward 2 concerned about conflicts with gulls on their properties such as nesting on their roofs, feeding of gulls, noise disturbances and requested assistance from the AAC. Several residents expressed an interest in pulling a federal permit to remove the birds.
- April 9 the AAC met and discussed the feasibility of a federal permit and voted to address the issue by addressing root causes through education, stronger enforcement of the feeding ordinance, mitigation of trash issues and perhaps limiting lighting in the evening downtown, although the lighting was noted as a challenging matter. The AAC determined it wasn't appropriate for the city to hold a permit to remove gulls, and the permitting and oversight should be done at a federal level.
- Outreach events are planned at the Gloucester Dog Park, Crab Beach and Good Harbor Beach where the Piping Plovers have returned to nest again this spring;
- The AAC represents all city wards, but at this time there is a vacancy for a Ward 5 representative to the Committee. Residents interested in becoming the Ward 5 member, please get in touch with Councilor Holmgren.

**Councilors' Requests to the Mayor:**

**Councilor Nolan** pointed out that Magnolia Woods is open for the season and encouraged residents to take advantage of its walking trails and access to some of the best areas of Ward 5.

**Councilor Cox** announced that Councilors Nolan and Holmgren and herself as committee members for Pride Stride will be present on Sunday, May 6 at noon with kick-off ceremonies starting at 11:30 a.m. She noted that on Saturday, April 28 there will be a 400<sup>th</sup> anniversary gathering from 1:00 p.m. to 3:00 p.m. at City Hall; Sunday, April 29 Senator Ed Markey will hold a Town Hall Forum in Kyrouz Auditorium at City Hall.

**Councilor Hecht** highlighted that the members of the B&F Committee assisted in the hiring process for a new General Ledger Accountant in the City Auditor's office. He noted a conference call this past weekend with the Director of the Gloucester Genomics Institute, Michelle May, an Gloucester entity that now has 20 employees, and reported they should have their research institute up and running by this fall. He also highlighted his attendance at two meetings: the Essex County Arts & Cultural Summit April 13 and a Tourism Meeting at Cruiseport learning that 40 cruise ships are coming to the city in the next two years. He took part in a conference call with Mary Jenkins of the Mass. Cultural Council and noted that the city's Harbortown Cultural District has to reapply in June for its continuing state certification, and mentioned that there is a good chance 78 trees in the downtown strung with lights, and possible funding to do it.

**Councilor Gilman** announced Dogtown Days on Saturday, May 5 from 2:00 p.m. to 4:00 p.m. at the Cape Ann Museum; Sunday, May 6 from 10:00 a.m. to 12 noon there will be an event at the compost area of Dogtown; on

Saturday, May 5 there is a clean-up of the compost area in preparation for Dogtown Days, residents are encouraged to attend with gloves, long sleeves and long pants. There is a Lanes Cove Cleanup on May 12 from 8:00 a.m. to 9:00 a.m. -- the Lane's Cove Historical Association is partnering with the One-Hour At A Time Gang for this event. She mentioned that there is a shred day Saturday, April 18 at the Rose Baker Senior Center from 10:00 a.m. to 2:00 p.m. -- admission is a non-perishable item for donation to shred away! At the same time at the Senior Center they'll have a Taking Back Drugs program to dispose of outdated drugs or any drugs people wish to dispose of properly. She advised she attended the tiny house workshop last week, expressing her surprise by the attendance of 150 people and touched upon a new state building code, "Appendix Q" which allows tiny houses of 400 feet to have different specifications and gives municipalities more options. **Council President Lundberg** advised that the advantage to picking up trash, such as for Earth Day and for this upcoming clean-up at Lane's Cove comes with a great view to pick up trash by.

**Councilor O'Hara** thanked the residents that attended the meeting this evening from Marina Drive. He encouraged citizens to come to the Council to speak and participate in their civic government. He mentioned that on Monday, May 21 there will be a blood drive Magnolia Library from 2:00 p.m. to 7:00 p.m. -- to make an appointment call 1-800-RED-CROSS; Friday, May 4 at the Magnolia is an Ice Cream Social open to the public from 6:00 p.m. to 8:00 p.m. with Councilors Nolan and Holmgren and he in attendance.

**Council President Lundberg** thanked the Gloucester Clean City Commission for organizing and taking leadership for Saturday's Earth Day clean-up. He reminded Councilors of a Council Workshop, Thursday, April 26 at 5:00 p.m. in the Cape Ann Bank Community Room to finish their discussion of Council process and procedures.

**A motion was made, seconded and voted unanimously to adjourn the meeting at 8:40 p.m.**

**Respectfully submitted,**

*Dana C. Jorgenson*  
**Clerk of Committees**

**DOCUMENTS/ITEMS SUBMITTED AT MEETING:**

- Good Energy Program Update on Community Electricity Aggregation dated April 24, 2018
- Statement under Oral Communication by Grant Clark, 279 Concord Street