

Introduction

Mr. President, members of the City Council.

I could start this State of the City by saying that it has been a rough twelve months – but, that would be a gross understatement.

What we have actually endured here since last March has been unprecedented and tragic.

- 218 deaths from the pandemic in Chelsea alone;
- Half a million people dead to COVID nationwide;
- It's hard to fathom.

And if *all that* weren't grievous enough

- we witnessed this past year the brutal murder of George Floyd and other innocent black Americans from Police brutality;
- and, we saw our nation's capital stormed and overrun by insurrectionists bent on overturning a democratic election.

A year like that could easily leave one completely discouraged.

But, that is not how I look back on the past year. Certainly not from my perspective of leader of *this City*. Because in the midst of all that darkness, there

was some light. And, it was light clearly visible here in Chelsea – most apparent from the way the City rallied together to respond to the pandemic.

COVID Relief

Now, I really don't want to dwell at length on COVID-19 tonight. But I do think some review of the work we accomplished together in our relief efforts is warranted. Mostly because I truly do believe that in this most extraordinary time - - the City, the Council and its residents *fully met this historic moment*.

The level of support we provided:

- to Renters;
- to Homeowners;
- to Small Businesses;
- to those suffering from food insecurity and job loss;

was extensive and generous and far, far beyond what any other communities around us, or of our size, were willing to commit.

And, in hindsight, some of what we did was truly innovative.

- The creation from scratch of an Isolation Hotel for our COVID-positive residents in collaboration with Revere – no other municipalities in the Commonwealth did that;

- The setting up of a legal aid clinic for residents facing eviction – very few municipalities provided that kind of direct legal assistance; and
- The launch of our Chelsea Eats Food Debit Card Program, one of largest pilots in the nation of direct, unfettered money to those in need – that’s a program that could just become a national model for how you delivery effective safety net relief.

Further Innovations

DEI Office

I like to think we *also* met the moment here in Chelsea when it came to responding to the racial strife that roiled the nation and brought long overdue attention to systemic racism in our society.

Of course, we marched together, in solidarity, with the members of our Chelsea Black Community.

But, in addition, we did something else here too few do in public service – we actually listened, and listened carefully, to the voices of those most impacted by this scourge and worked to craft policies that specifically addressed the needs.

The most visible result of that is creation of our new Office of Diversity, Equity and Inclusion. Our Selection Committee, led by Solicitor Cheryl Watson Fisher,

has done an excellent job in reviewing candidates and vetting finalists for Director, and very soon we'll have an announcement for that groundbreaking position.

Other Offices

But the creation of the DEI Office wasn't the only structural change we made in 2020, and I'm very hopeful that some of these others will also bode well for future operations in 2021 and beyond.

As you know, we created a new Department of Housing & Community Development to put a renewed focus on these areas so critical to the City's future prosperity. Under the leadership of Alex Train, that Department certainly rose to the COVID challenge, and it has since emerged as an energetic force for positive change in the City.

For obvious reasons, we put renewed emphasis on Public Health, and this past month, welcomed our new Public Health Director Flor Amaya, who comes to the City with great energy and enthusiasm. This position *will* play a key role in public health moving forward, including ensuring that the vaccination effort in our City over the next few months is not only efficient and effective, but fair and equitable.

And, last year, with great work and advocacy from DPW Public Works Commissioner Fidel Maltez, we secured a \$600,000 grant from the Barr Foundation to launch the regional North Suffolk Resilience and Sustainability

Office. That Office, housed right here in Chelsea, will help the City tackle some of the most urgent climate crises threatening the City. We expect to have announcement on initial appointments to that innovative office in the Spring.

Other Innovative Steps

There were also some other innovative and interesting approaches we took in 2020.

Our pilot Bus/Bike lane was launched in the Downtown. I actually think it has substantially improved the safety and mobility of that corridor for pedestrians and transit riders, the group that actually makes up a large majority of the City's essential workforce. While I recognize this is only a pilot, and the study of its impact and effectiveness is ongoing, I'm hopeful that the results we gather in the next few months will convince this Council that this is an improvement worth making permanent.

In 2020, we finally executed our contract to join the regional Blue Bike system, another transportation improvement for our City that will increase mobility options for our residents. We should see the installation of Blue Bike stations within the next few weeks, and as the weather breaks, I hope these bikes start to become ubiquitous around the City.

And, finally, in 2020, work was completed on new parking lots for the City underneath the Tobin Bridge, a rare piece of good news from a construction project

that has caused the City so much inconvenience. As a result, for the first time since I've been here, we will add significant new inventory of public parking within walking distance of the Downtown, something that I hope helps in the post-COVID rebuild of our local business community.

Capital Improvement Projects

Finally, I think it is important to point out that as devastating as COVID was this past year, it did not impede our long term capital plans. Even in the midst of the pandemic, we never lost our momentum on our major infrastructure projects.

- We secured that critical \$5 million MassWorks grant, ensuring the commencement of the Innes Apartments Redevelopment and all of the surrounding streetscape improvements.
- We won a \$1.5 million grant from Mass Gaming Commission, thereby finalizing full funding for our major Beacham Street redevelopment. That project will start construction this Spring.
- And, we started construction on the redevelopment of Upper Broadway, and at the same time advanced the design for Re-Imagining Lower Broadway. When those two projects -- that span the entire length of the City -- are completed later this decade, we will have transformed the entire spine of our public realm.

And I haven't even mentioned other projects like Garden Cemetery, City Hall Tower and other public infrastructure projects that continue to enhance our public spaces. The fact that we have been able to continue these efforts without interruption -- in the midst of these most difficult challenges -- that is a testament to the planning and vision of this Council, which had the foresight to *prioritize* long term quality of life commitments for our residents.

Just three weeks ago, I submitted to you another \$14 million in similar capital projects for next fiscal year, an effort to ensure that our progress doesn't falter.

I'm hopeful the Council will approve this most recent CIP and continue this wise tradition of investment in the City's future.

The Challenges Ahead

Now, that is what I would describe as the good news story of where we stand at the start of 2021.

But, the year ahead is by no means without difficulties.

In fact, significant challenges confront us as we speak. I mentioned four of them at the inauguration of this new Council a month ago, and some preview of how we might tackle them is worth a brief discussion now.

Housing

Let's start with housing.

First, it's no secret that the City is facing an enormous amount of housing insecurity. Even before COVID, we had a lack of affordable housing options for residents. But, the enormous rental arrearages that now exist as a result of the pandemic have made our housing problems immeasurably worse.

Now, it's not as though we have thus far ignored this problem. To the contrary, we recognized from the start that COVID would wreak havoc on our tenant population. And we rose to the occasion:

- creating two rounds of rental assistance that totaled \$2.5 million;
- standing up the housing legal aid clinic; and
- funding additional staffing at both TND and Metro Housing Boston so that Chelsea residents who apply for state rental support like RAFT have dedicated personnel at each of these locations assisting with applications.

And, we have created an Eviction Task Force that meets weekly to address emergency cases and, because of City Council funding, actually has the resources to respond to housing emergencies, at least for the foreseeable future.

All of this, again, is much more than what most surrounding communities have provided to their residents.

But, we know even this comprehensive support isn't enough, and that more than emergency measures are necessary.

Three efforts this coming year will help.

First, we have our package of zoning changes that is currently before you. The essence of that entire effort is to create greater density in order to spur more housing development. Only with greater development can we ever hope to truly fix the housing shortage in this area. I'm hopeful that the Council will support the majority of these zoning amendments.

Second, at the end of 2020, we were finally successful in getting the Legislature to approve our Home Rule Petition that allows the City to transfer, at zero cost, tax title property to the Affordable Housing Trust Fund Board for the development of affordable housing. I expect that, very shortly, the Board will come to the Council seeking its first such transfer for the development of new affordable units.

Third, and the most promising news, is that we actually have three developments in the pipeline with affordable housing components that we hope to push over the start line this year: the Innes Apartments; the Midas site; and our own Salvation Army project. Together, these three projects will add a significant number of affordable units to our housing inventory. Approving and constructing these types of projects is the only way we will conquer our local affordable housing crisis.

Small Business Assistance

We have a similar difficult challenge awaiting us as we confront the post-COVID rebuild of our struggling small business community. Again, this is not a place where we have not already helped. The \$1.1 million dollar relief program from the City Council provided enormous benefit by generating quick and effective grants for small businesses to meet expenses during the crisis. It was a welcomed supplement to other state and federal programs.

But, again, this was an effort aimed at merely keeping businesses afloat. What we need now, as we transition out of the crisis stage, is a more comprehensive program for fully revitalizing this sector once the economy is ready to improve.

To that end, I've directed the Department of Housing & Community Development to spend the next months working with the business community and Councilors to develop ideas for how we might most effectively jump start this sector with some government support. I expect it may include things like assistance for outdoor dining, a second round of the popular storefront improvement program, and perhaps the sponsoring of some events to drive potential business to our commercial sector once it is again safe for larger gatherings.

Again, although the details and specifics of that business recovery plan are still in development at this time, I can assure you that the City is committed to using government resources to help fuel this *business* recovery.

Financial Health

A third place where we will need to focus attention this year is in restoring the City's financial health.

The harsh reality is that as devastating as this pandemic was for our residents, it came at incredible cost to the City as well. We spent almost \$12 million in government funding this past year fending off the debilitating impacts of this insidious virus. And though some came from, and we were very grateful for, Federal CARES Act assistance, more than \$5 million of the relief came from our own reserves. And, that doesn't even include the additional \$5 million we put up to support our budget because of revenue shortfalls caused by COVID.

As a result of all these expenditures, our overall Stabilization reserves, which once were over \$25 million, now stand at around \$15 million. So, we have some work to do to build back our financial strength.

Situation Improving

I will say, however, that the situation is not as bleak as what those facts might at first indicate.

The economic prospects for FY22 *are* looking a bit better.

- The Biden COVID relief package, now under consideration by Congress, has large amounts of money for state and local governments. Hopefully, those provisions will pass.
- The State budget submitted by Governor Baker is predicated on an expectation of revenue growth. It includes the full first year of funding for the Student Opportunity Act, which will significantly benefit our School Department. And, it even contains some growth, albeit minimal, in State aid to the City. That is certainly better than the cut to State aid that some were forecasting just a few months ago.
- And our own local revenue sources, things like hotel room tax, meals tax, motor vehicle excise tax and building fees, though still nowhere close to where they were before the pandemic, have not collapsed entirely as we first feared at the start of the pandemic.

Of course, we still need to be cautious. Although I firmly believe that the economy will improve over the course of this current Calendar Year, particularly as vaccines become more prevalent, exactly how long it will take for us to return to pre-pandemic economic health is still very much uncertain. Rebuilding over \$10 million in reserves will take considerable time and effort. But, we will *start* in Fiscal Year 2022.

School System

Finally, the School System. It will be imperative for the City to help our school system as it emerges from the pandemic. The details of how to proceed, how best to transition back to in-person learning and to provision resources to assist students adversely impacted from the long layoff – those are all matters which must be left exclusively to the elected School Committee. But, as a City, we have a role to partner with and support that effort. Probably, we do that best by ensuring that we coordinate closely with the School System for the testing and vaccinations of school personnel necessary to ensure a smooth reopening, whenever it occurs. It also means advocating strongly to the State for the necessary financial resources to make that possible. The Governor's Budget is a strong start, but even more may be necessary to restore our School System to its previous health.

Conclusion

Now, I started tonight by stating the obvious -- that this has been a tough year. Certainly, the hardest on me personally in my more than 30 years of government service, and perhaps the most difficult for this City since Receivership.

But, for the first time in many, many months, I do feel a sense of optimism. It's optimism grounded in the belief that:

- despite a still raging pandemic;
- despite continued economic turmoil;
- notwithstanding still unresolved racial injustice

we do seem poised, as a City and as a nation, to turn a corner.

Effective vaccines *are* here. Although distribution has been frustratingly slow, I feel confident the virus will be brought to heel in this City in the ensuing months.

The nation appears ready for its racial reckoning. And Chelsea will be prepared, with a new leader for our Office of Diversity, Equity and Inclusion.

And, our national government seems committed to providing the necessary large scale economic relief that is the best remedy to heal an ailing system.

But, make no mistake. There is much work ahead for us, and very difficult hurdles remain.

But as I said a few weeks ago in this same Chamber, I have every faith and confidence that, working together with this Council, we will find the right path forward in 2021.

Final Words

Let me end with this.

Our City was tested and shaken in 2020. To borrow a favored biblical phrase, “we were hard-pressed on every side, but we were not crushed.” Instead, we emerged intact, and the State of Chelsea tonight remains

STEADY;

STRONG; and

DETERMINED.

It’s our collective task, and my solemn duty, to keep things that way in 2021. And I will do everything in my power to see that is so.

Thank you, and God Bless our City.